

PART TT

Section 1. For purposes of this act, the following terms shall have the following meanings:

- a. "Utility corporation" shall mean any "gas corporation", "electric corporation", or "combination gas and electric corporation", as such terms are defined in section 2 of the public service law and shall not include municipalities.
- b. "Electric plant" shall have the same meaning as such term is defined in subdivision 12 of section 2 of the public service law and shall not include municipalities.
- c. 2. Temporary blue ribbon commission on residential affordability through energy savings. (a) There is hereby established a temporary commission to be known as the blue ribbon commission on residential affordability through energy savings, or RATES commission, to study the causes and origins of rising utility rates and to recommend any actions or reforms to reduce such rates.
 - (b) The blue ribbon commission shall be composed of nine appointed voting members, who shall be appointed within 90 days after the effective date of this act, as well as the chairperson of the public service commission, or their designee, and the president of the New York state energy development authority, or their designee. Voting members shall include :
 - i. five non-agency members to be appointed by the governor;
 - ii. two members to be appointed by the temporary president of the senate; and
 - iii. two members to be appointed by the speaker of the assembly.
 - (c) (i) The governor shall appoint a voting commission member to serve as the commission chairperson.
 - ii. Each member of the blue ribbon commission shall have one vote, and a majority of the total number of voting members which the blue ribbon commission would have were there no vacancies, shall constitute a quorum and shall be required for the blue ribbon commission to conduct business; provided, however, that no business shall be conducted prior to the initial appointment of all voting members;
 - iii. Any vacancies shall be filled in the manner that provided for the initial appointment;
 - iv. All meetings of the blue ribbon commission shall be conducted in accordance with the provisions of article seven of the public officers law; and
 - v. The blue ribbon commission shall meet at least every month, but may meet as frequently as its business may require, and shall hold at least one public hearing prior to the adoption of the report required by paragraph (f) of this section.

- i. (d) (i) Each member of the blue ribbon commission shall have professional or academic expertise in one or more of the following areas: utility regulation and oversight; ratepayer or consumer advocacy; utility management, administration, and compliance; energy or public utility law; commodity market and energy market regulation; reliability and adequacy of bulk power transmission systems; federally designated bulk transmission operators; and macro economics. Any person employed by a utility corporation, or employed by a corporation that owns or operates an electric plant, or any current consultant, advisor, board member, or any other person similarly affiliated with any such corporation, shall not be eligible to be appointed to the blue ribbon commission.
- ii. Members shall receive no compensation for their services but Members shall receive no compensation for their services but shall be reimbursed for actual and necessary expenses incurred in the performance of their duties of the commission;
- iii. Notwithstanding the provisions of any general, special, or local law, ordinance or city charter to the contrary, no member, officer, or employee of the blue ribbon commission shall be disqualified from holding any other public office or employment, nor shall they forfeit any such office or employment by reason of their appointment to the blue ribbon commission; and
- iv. Members shall not be considered "officers" for the purposes of sections seventy-three and seventy-four of the public officers law. The provisions of section seventeen of the public officers law shall apply to members, officers, and employees of the commission in connection with any civil action or proceeding in any state or federal court arising out of any alleged act or omission which occurred or is alleged in the complaint to have occurred while the member, officer, or employee was acting within the scope of their public employment or duties pursuant to the terms of this title. As used in this section the terms "member", "officer", and "employee" shall include a former member, officer, or employee, and the estate or judicially appointed personal representative of the former member, officer, or employee.
- e. The blue ribbon commission may request and shall receive from any subdivision, department, board, bureau, commission, office, agency, or other instrumentality of the state or of any political subdivision thereof, including, but not limited to, the department of public service, the public service commission, and the Long Island power authority, such facilities, assistance and data as it deems necessary or desirable for the proper execution of its powers and duties.
- f. No later than twelve months after the effective date of this act, the blue ribbon commission, shall develop, and after a majority vote of the blue ribbon commission, which shall include at least one member appointed by the governor, temporary president of the senate, and speaker of the assembly, adopt and make public on the department of public service's website, and deliver to the governor, the temporary president of the senate, and the speaker of the assembly, a report, which at a minimum, shall include:
 - i. an identification of the causes and origins of rising utility rates, and the relative impacts of each such cause;

- ii. an examination of the current regulatory model of entities that deliver electric power, including, but not limited to, utility corporations and merchant market participants, including:
 - 1. the regulatory role of the public service commission over the costs and market prices of electricity generation;
 - 2. the effects of any existing public service commission orders or actions, and relevant statutes, on the ability of utility corporations to construct, own, and operate generating assets;
 - 3. an examination of the ratemaking process, which at a minimum shall include:
 - 4. embedded cost of service modeling or asset cost distributions, and its effects on the residential price of electric and gas service, particularly for low-use customers;
 - 5. the methodology used to determine a utility corporation's return on equity, the reasonableness of current commission-approved returns, divergence between such returns and the returns of capital investments of similar risk, and ways in which the fiscal impacts of such returns on ratepayers can be minimized and made more transparent;
 - 3. an evaluation of the timing and procedures of the ratemaking process, including consideration of multi-year rate filings and the treatment of full litigated hearings and negotiated settlements and an evaluation of the processes and incentives for utilities and other parties to pursue litigated or settled rate proceedings, and any improvements to each process in furtherance of the public interest;
 - 4. mechanisms to reduce rate compression and mitigate the adverse effects of retroactive rate recovery, or other make whole provisions, after a rate proceeding that has extended beyond the suspension period; and
 - 5. an examination of the current treatment of customer arrears, the implication they have in rates, and opportunities to balance decreasing the overall amount of arrears while minimizing residential ratepayer impact ;
- iv. an evaluation of the impacts of increased demand on commodity and delivery costs, and the sufficiency of current and projected electric supply to meet such increased demands;
- v. an examination of actions being taken in other states and jurisdictions to lower residential utility rates;
- vi. an examination of the governance structure and powers of other bulk system operators, including federally designated bulk system operators, and implications for wholesale electric prices;
- vii. an examination of utility corporation cost management and cost control practices that could be effectively replicated by other utility corporations ;
- viii. an examination of energy and capacity market design, and an examination of any strategies employed by actors in these markets that may undermine market competitiveness and affect rates;
- ix. an assessment of opportunities for the state to subsidize certain programs, including but not limited to, existing electrification, renewable energy, weatherization, and affordability programs and to streamline operations for connecting customers to existing renewable

energy, weatherization, and affordability programs through revenues or funds of the state;

- x. opportunities to reduce costs passed on to ratepayers through the supply side of their utility bills, including an examination of the reasonableness of profits resulting from the participation of electric generating facilities in the federally designated bulk system operator's markets; and
 - xi. recommendations to the governor, legislature and the public service commission regarding prudent and feasible actions that may be taken to lower or stabilize utility rates in the state.
- (g) The blue ribbon commission shall be deemed dissolved sixty days after the publication of the report required pursuant to subdivision (f) of this section.

§ 3. This act shall take effect immediately and shall expire and be deemed repealed twenty-four months after such date.