NEW YORK GEOTHERMAL ENERGY ORGANIZATION

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

June 18, 2026

Re: – NY-GEO Comments on the Con Edison Draft Heat Pump Operating Economics Customer Engagement Plan - Item 289 filed 5/6/2026 in Case 25-E-0072

Dear Secretary Phillips:

Please accept NY-GEO's filing comments on the above listed document.

The NY Geothermal Energy Organization writes in support of Con Edison's *Draft Heat Pump Operating Economics Customer Engagement Plan*, filed: April 21, 2026. The Plan focuses on increasing enrollment in the Company's Steady Use rate. As noted in the Draft Plan:

> *Customers on the Steady Use Rate are charged based on an average of the three highest 60-minute periods in the peak and off-peak times during their bill cycle. The Steady Use Rate also has different charges based on the time of day—peak and off-peak hours, as well as the time of year (summer and non-summer).*

NY-GEO actively supported the creation of this rate in Con Edison rate case 19-E-0065. The Steady Use rate is a cost-based rate, and it therefore fits the Public Service Commission's mission to provide just and reasonable rates where, to the degree possible, one ratepayer is not paying for costs attributable to the actions of another. It is also a demand-based rate, and as such it is timely and relevant as it will tend to curb peak electrical demand, thus cutting infrastructure costs at a time when affordability has become paramount and winter peak demand for electricity is looming in the not-too-distant future.

We applaud the work Con Edison has done in holding focus groups on the rate and commend the recent name change from "Select Pricing rate" to "Steady Use rate". We also appreciate the "existing quarterly contractor interviews, events, and other conversations" cited in the plan document and stand ready to continue communicating about the benefits of the rate with NY-GEO members and others.

In 2023 Con Edison filed its *SC 1 Rate IV Assessment Bill Impacts and Potential Improvements* report. "SC 1 Rate IV" is the technical name for the Steady Use Rate, and "Rate 4" or R4 is how it was referred to in the report. R1 refers to Con Edison's default residential rate. NY-GEO notes the report found that "Geothermal customers have the greatest percentage of savers in the sample when switching from R1 to R4 at around 89%". The report also noted an average monthly

16 W. Main St, Cambridge, NY 12816 | 518-746-0407 | www.ny-geo.org | nygeoinfo@ny-geo.org

savings of $103 for geothermal customers who saved under the plan and for the small contingent of non-savers, their monthly increase was only $8 or 1%.

Despite the very real savings the Steady Use rate has provided, uptake has been limited, and as evidenced by the engagement plan, it will take a considerable effort to increase uptake as long as customers are put on the standard R1 rate by default and need to educate themselves, trust what they've learned, and then take initiative in order to switch to the Steady Use rate.

Given the likely success of the rate for geothermal customers, we strongly urge the Company to seek Commission approval to make the Steady Use rate the default rate for new geothermal customers. Given the small percentage of geothermal customers who don't save under the rate and the minimal amount their bills increase, we also urge the company to continue to provide a price guarantee to the customers who are put on the rate on a default basis. Under the price guarantee, all customers will have the choice of switching rates after the first year and those who don't save over their first year will be given a bill credit for the cumulative increase in their bills over that year.

A common criticism of the Steady Use rate, and a projected reason for the slow uptake of the rate, is that it is "too complicated" for customers to grasp. They may be accustomed to minimizing kWh use in order to save on their bills and haven't had to focus on not running heavy-load appliances at the same time – behavior that might increase their bills under the Steady Use rate. Yet it is precisely this behavior that NY needs customers to learn in order to minimize huge grid costs over the next several decades.

In addition – bill savings are a very effective teaching tool. If geothermal customers are put on the Steady Use rate by default and educated on an ongoing basis about the money they are saving, it will eliminate the need for them to educate themselves on the front end, but also whet their curiosity about WHY they are saving and HOW they can save more.

For the reasons set forth above, NY-GEO respectfully requests that the Commission direct Con Edison to seek approval to designate the Steady Use rate as the default rate for all new geothermal customers, accompanied by a price guarantee that provides a bill credit to any customer whose costs increase over their first year on the rate. The data are clear: geothermal customers save substantially under the Steady Use rate, and the current opt-in structure leaves most of those savings unrealized. Default enrollment, with a meaningful customer protection, is the most direct path to achieving the rate's intended benefits while advancing the Commission's affordability and grid management goals.

Sincerely,



Christine Hoffer
Executive Director

About The New York Geothermal Energy Organization (NY-GEO): is a non-profit trade organization representing geothermal heat pump (GHP) installers, manufacturers, distributors, drillers, consultants and industry stakeholders from throughout New York State and beyond.

16 W. Main St, Cambridge, NY 12816 | 518-746-0407 | www.ny-geo.org | nygeoinfo@ny-geo.org