

Central Hudson's principles for a successful clean energy transition

New York is on an ambitious path to reduce emissions in the way we use energy, from cars and transportation, building heating, industrial processes, agriculture, electricity production and more. This clean energy transition will have an impact on every resident of New York State.

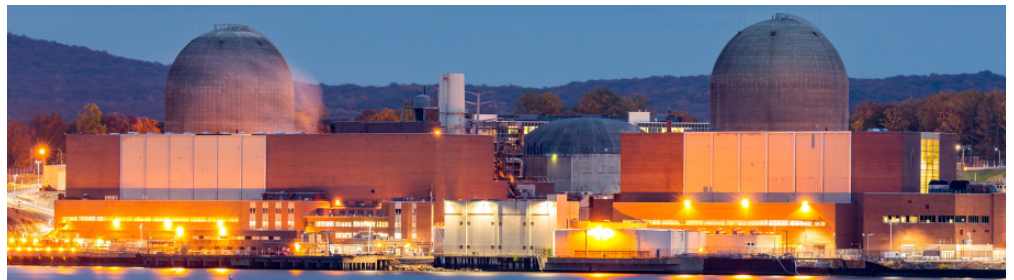
Central Hudson agrees that significant action must be taken to drastically reduce our carbon emissions, but that it must be done with a measured and financially responsible approach. Over the next several months, we will outline the four principles we believe are critical to a successful transition.

Principle 1: The electric power grid must meet your energy needs at all times.

Intermittent renewable resources alone cannot provide the necessary around-the-clock energy needed and used by all New Yorkers. Known conventional resources and new

SEE CLCPA ON BACK PAGE

Market forces push September energy supply prices higher



According to the NYISO, retiring Indian Point raised the use of fossil fuels for generation in downstate New York from 77 percent to 89 percent and increased average electricity prices by 85 percent between 2020 and 2021.

Central Hudson is advising customers to prepare for elevated energy supply prices as a number of external factors, including extended periods of heat in August, have driven electric and natural gas prices higher. The residential price for electric supply will increase from 8.32 cents per kilowatt hour (kWh) in August to 13.06 cents per kWh, effective Tuesday, Sept. 13. Natural gas prices that went into effect on Sept. 1 also increased from 87.1 cents per hundred-cubic-foot (ccf) in August to 97.8 cents per ccf. Supply prices stated on bills and overall bill impacts will vary for individual customers depending on their billing cycle and energy usage.

“We understand the challenges our customer’s face with regard to the increased cost of electricity and natural gas and are working hard to keep costs as low as possible,” said Anthony Campagiorni, Senior Vice President of Customer Services and Gas Operations. “We encourage our customers to take advantage of the various assistance programs and billing options that are available to help manage account balances.”

Several international, national and regional factors are contributing to this mar-

ket volatility. Locally, the closure of Indian Point last year increased the region’s reliance on natural gas for power generation. According to the New York Independent System Operator (NYISO), the organization responsible for managing the state’s electric grid, retiring Indian Point raised the use of fossil fuels for generation in downstate New York from 77 percent to 89 percent and increased average electricity prices by 85 percent between 2020 and 2021. This trend has continued in 2022 as Central Hudson set an all-time record for single day natural gas send out on Aug. 4 (156,400 ccf) with a significant portion of that volume going to the Roseton and Danskammer power plants in order to meet demand.

Other factors driving increased prices include:

- Central Hudson’s storage inventory remains slightly ahead of plan, however, physical storage inventory levels in the U.S. and Northeast remain lower than last year and below the five-year average ahead of an anticipated cold winter;
- Supply and transportation pipeline

SEE SUPPLY ON BACK PAGE

EnergyCentral

FOR MORE INFORMATION ABOUT THIS PUBLICATION OR TOPICS APPEARING IN THIS EDITION, CONTACT ASSOCIATE DIRECTOR OF MEDIA RELATIONS **JOE JENKINS**

PHONE (845) 486-5840
 EMAIL JENKINS@CENHUD.COM

Supply: Energy markets experience continued volatility

constraints in the northeast continue to drive up prices during times of high demand;

- An unplanned outage of a natural gas-fired power generator in eastern New York contributed to higher electric prices regionally;
- Unrest in eastern Europe continues to have a significant impact on energy markets world-wide.

There are three main parts to each customer's electricity bills:

- **Energy supply costs:** Central Hudson does not make a profit on the energy supply portion of a customer's bill. Central Hudson does not own significant power generation. It purchases electricity and natural gas on behalf of customers. The price Central Hudson pays for energy is the same price paid by its customers.
- **Energy delivery costs:** This is the amount Central Hudson charges customers to delivery electricity and natural gas. The Public Service Commission approves this cost.
- **Taxes:** This is the amount levied by government.

Regional and global factors continue to create volatility within the energy markets. NYISO recently issued an updated report warning customers about elevated energy prices for this winter. Neighboring utilities National Grid and Con Edison are now issuing warnings to customers about elevated prices through the winter months as well.

Energy Efficiency and Billing Programs

Customers can help manage energy costs in various ways, such as implementing

energy efficiency measures and manage bill impacts by exploring their billing options.

Low-cost and no-cost efficiency measures homeowners can take to help manage energy costs include:

- Insulating ducts and hot water pipes where they run through uninsulated areas, such as crawl spaces, and repairing leaks in the duct system;
- Adding insulation, particularly in the attic;
- Turning down thermostats (each degree saves up to three percent on energy use);
- Keeping radiators and heating ducts clear of furniture to allow heat to circulate freely;
- Sealing air leaks with weather stripping and caulk, which can save up to 10 percent on the use of heating fuels; and/or
- Beware of using electric space heaters in lieu of a traditional home heating system. Space heaters can present safety hazards, and often require significant amounts of electricity to operate, drastically increasing usage and resulting in higher bills.

To avoid seasonal variations in energy bills, Central Hudson customers may enroll in the Budget Billing program. Budget Billing divides a household's average annual energy bill into 11 even monthly payments, with the 12th month's payment adjusted up or down to reflect actual usage and market prices. This program makes energy bills more predictable and can help in managing household budgets.

Customers may also wish to investigate fixed rate options for electric and natural gas supply offered by energy service companies. Fixed rate options do not necessarily

provide the lowest average annual cost but do serve as protection against market volatility and price spikes.

Payment assistance options are also available to qualifying customers. The federally funded Home Energy Assistant Program (HEAP) grants will soon be available for income-qualified residents. HEAP grant recipients also qualify for Central Hudson's monthly Bill Discount program.

Other programs include Deferred Payment Agreements that help customers catch up by paying a past-due account balance in monthly installments, the Extra Security Plan which offers an extended billing due-date for qualified customers on a fixed income and the Good Neighbor Fund which provides last resort grants for families who have exhausted all other means of assistance. Learn more about Central Hudson's assistance programs by visiting www.CentralHudson.com/Assistance.

Central Hudson offers energy efficiency incentives for homes and businesses that can help save thousands on new heating equipment. A complete description of Central Hudson's rebates and programs is available at www.CentralHudson.com.

Discounted energy efficiency products with instant savings for Central Hudson customers are available at local participating retailers. Available items include LED bulbs, smart thermostats, advanced power strips, water-saving products, air purifiers and more. For a list of participating retailers visit www.CentralHudson.com/ShopLocal.

Customers can contact Central Hudson in a variety of ways, including logging on to www.CentralHudson.com/ContactUs and selecting their preferred form of communication, or by clicking on the green "Chat" tab on the right hand side of the page. ✨

CLCPA: Electric grid must meet energy needs at all times

technologies will be required.

In order to reduce emissions while maintaining a reliable energy system, New York should:

Promote and accelerate development of necessary infrastructure for the efficient transmission of electricity;

Recognize the ongoing need for consistently available resources like nuclear and natural gas; and

Learn from other states and countries that tried to produce 100 percent of electricity from renewable resources and are now seeing challenges to reliability,

increased consumer costs and higher emissions.

To learn more about the Climate Leadership and Community Protection Act and its potential impacts on the residents and businesses of New York, visit www.CentralHudson.com/EnergyInTransition. ✨