

S.1556 (Parker)

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BILL S.1556 (Parker)
SUBJECT Utility Cost Recovery
DATE February 22, 2021
OPPOSE

This legislation would prohibit the Public Service Commission (PSC) from allowing utilities to recover through rates any “cost of membership dues for any organization, association, institution, corporation or any other entity that engages in legislative lobbying.”

We oppose this legislation, the public purpose of which is questionable, at best.

Utilities have not been able to recover direct lobby expenses thru PSC-approved rates since 1979, under provisions of the state’s Public Service Law. This bill, S.1556, would extend that prohibition to “membership dues for any organization” that engages in lobbying, thereby excluding from recoverable expenses that share of dues payments that supports the general activities of organizations.

The sponsor argues that ratepayers should not have to help pay dues for organizations that lobby for policies that “go against the interests of NY ratepayers.”

Frankly, more often than not, our organization is lobbying against legislation that imposes new taxes and other increased costs on utilities, which are passed through to ratepayers, including but not limited to the infamous and long-standing “temporary” Section 18-A assessment, the imposition of sales tax on ESCO sales, and new costly labor mandates (such as an expanded prevailing wage mandate for utilities which may would see as a giveaway to unions at the expense of ratepayers). Contrary to the sponsor’s concerns, these lobbying activities are very much in the interest of ratepayers.

Our additional reasons for opposing this legislation include the following:

- Direct and indirect lobby expenses are already excluded from rate recovery. This bill precludes the non-lobby portion of association activities. For business associations like ours, these expenses include training and outreach on legal compliance, working to assure effective COVID response, and similar activities that serve both our members and the broader public

interest. We see no strong public interest in dissuading utility support for these types of beneficial activities.

- This is a gratuitous measure aimed at both utilities and trade associations. There appears to be no formal advocacy efforts supporting this legislation. A search of JCOPE's public database shows that The Business Council (including our contract lobbyist) was the only entity that reported that it had lobbied on this legislation during the 2019-2020 legislative cycle.
- This legislation impacts all dues paid by utilities to all organizations that engage in advocacy. This would include local chambers of commerce and other civic and social services groups that collect membership dues, and any other membership organization that does any type of lobbying, including lobbying on non-energy, non-utility issues.

This issue is hardly the most pressing one facing the state's utility sector. Even so, there seems to be no compelling public purpose, or broad advocacy efforts, compelling its passage. To the contrary, to the extent that this bill may dissuade financial support for local and statewide organizations that provide a wide range of valuable services that benefit private and public interest alike, we believe it is counterproductive. For these reasons, The Business Council urges that this legislation is rejected.