**VIA ONLINE SUBMISSION** **October 6, 2025**

State Energy Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY, 12203-6399

*Re: New York State Energy Plan - Comments on Gas System Recommendations*

The undersigned organizations respectfully submit the following comments on the "Natural Gas" chapter of the Draft 2025 New York State Energy Plan.

***New York Cannot Meet the Legal Requirements of the CLCPA Without a Meaningful Policy Shift***

New York cannot meet the Climate Leadership and Community Protection Act's ("CLCPA") greenhouse gas ("GHG") reduction requirements without steep emissions cuts from existing buildings, and in particular, a sharp reduction in the dependence on methane gas for heating and other uses. Due to utilities' near-monopoly on residential and commercial gas supply and their incentive to continue making capital investments in the gas distribution system, clear emissions reduction targets and a timeline for system downsizing and transition are critical to ensuring equitable and lowest-cost reductions in emissions consistent with the CLCPA targets.

***Utilities Continue to Double Down on Gas***

New York's gas utilities are continuing their heavy investment in their distribution networks. "Their collective balance of undepreciated distribution assets has more than doubled over the past 10 years, and they have spent an additional $5 billion to maintain and expand their gas networks since the CLCPA was enacted in 2019."[1] They are on pace to incur an additional $28 billion or possibly more in capital expenditures between now and 2043,[2] including the Northeast Supply Enhancement gas pipeline project which the New York Public Service Commission ("PSC") just endorsed as part of National Grid's long-term gas system plan.[3] Gas mains are very costly to install and to replace. For New York's gas utilities, the average installation cost per mile of a gas distribution main is over $3 million, with a total cost to ratepayers that is closer to $6 million after additional expenses are taken into account. In New York, a mile of gas main serves,

[1] Michael J. Walsh and Michael E. Bloomberg, *The Future of Gas in New York State* (Building Decarbonization Coalition, March 2023), p. 4. *See*: https://buildingdecarb.org/wp-content/uploads/BDC-The-Future-of-Gas-in-NYS.pdf.
[2] *Ibid*.
[3] New York State Public Service Commission, "PSC Accepts Plan to Advance Gas System Reliability of Largest Natural Gas Delivery System in New York State," September 18, 2025, https://dps.ny.gov/news/psc-accepts-plan-advance-gas-system-reliability-largest-natural-gas-delivery-system-new-york.

on average, 100 ratepayers. Thus **the avoidable cost of installing new gas distribution main averages over $60,000 per ratepayer**.[4]

The consumption of fossil methane gas delivered through distribution pipeline networks to residential and commercial buildings accounts for a large percentage of New York's economy-wide emissions. As a result, utilities will need to reduce and eventually eliminate their deliveries of fossil methane gas in order to comply with the CLCPA.

As the Draft Plan recognizes, growing competition from non-gas alternatives will make gas more expensive: (i) the market for energy use in buildings is becoming more competitive, undermining the existing gas utility business model that has historically kept rates affordable: namely, ongoing network expansion and the spreading of costs over many decades under the assumption that the network will continue to expand and be in use; (ii) consumer energy preferences are changing. A desire for comfort and convenience, recognition of potential cost savings from more efficient and flexible devices, and concerns about the negative health and environmental impacts of gas and other fossil fuels are increasing the demand for electrification. The performance of electric technologies has vastly improved, reducing the competitive advantage of gas for space and water heating, cooking, and other applications. Since at least 2022, heat pump installations have been outpacing gas furnace installations.[5]

As competition and climate policies put downward pressure on gas consumption and gas customer counts, the costs of safely maintaining gas networks will fall to the shrinking pool of gas customers who remain on the system, further incentivizing customers who have the means to exit the system. Lower-income gas ratepayers are especially at risk. Low- and moderate- income ("LMI") ratepayers are least able to make the investments needed to exit the gas system, and so they are at risk of being trapped and made to shoulder a disproportionate share of the burden of higher energy costs as gas rates spiral upward. Remaining on gas is also not a palatable option for LMI households, given gas use is associated with worse health outcomes and higher asthma rates,[6] especially among children and other vulnerable populations, not to mention the continuing march of negative climate effects resulting from fossil fuel use.

Gas utilities' current business model also cannot sustain the self-reinforcing feedback loop of ratepayer exits and increasing rates. Without significant policy shifts and government action to ensure prudent gas system planning, New York will eventually face an additional crisis over the

[4] Walsh and Bloomberg, *Future of Gas in New York State*, 4.
[5] NYSERDA, "Heat Pumps Outsell Gas Furnaces Again," (last accessed October 6, 2025). *See*: https://www.nyserda.ny.gov/Featured-Stories/Heat-Pumps-Outsell-Gas-Furnaces-Again.
[6] Gruenwald, Talor, Brady A. Seals, Luke D. Knibbs, and H. Dean Hosgood, III. 2023. "Population Attributable Fraction of Gas Stoves and Childhood Asthma in the United States" *International Journal of Environmental Research and Public Health* 20, no. 1: 75. https://doi.org/10.3390/ijerph20010075.

widening gap between the costs of maintaining infrastructure that fewer and fewer people will use and waning available revenues to safely manage it.

***Government Action is Needed to Avert Energy Affordability and Environmental Crises***

New York must take a managed, phased approach to gas system transition. A well-planned strategic downsizing of gas distribution networks that minimizes stranded assets and stranded customers through state and local-level planning and implementation efforts is necessary to help individuals and communities end their reliance on gas without compromising access to safe, affordable, and reliable energy services.

The legislature must also act to make a managed, phased transition possible. New York law currently impedes proper implementation of a managed, phased transition. First, it imposes an "obligation to serve"[7] on utilities, defines that obligation as being fuel-specific, and does not provide for exceptions to that obligation. Second, the law provides for a cross-subsidy that defrays the cost of extending mains and service lines to new ratepayers, further incentivizing fossil fuel dependence. The current obligation on utilities to serve gas must thus be modified to allow for alternative methods of meeting customer energy needs through non-pipeline alternatives, and the final State Energy Plan should incorporate this critical affordability recommendation.

***The State Energy Plan Should Direct the PSC and DEC to Set and Enforce Declining Emissions Targets for Gas Utilities***

In addition to legislative action, there are currently regulatory actions that can and should be taken by the Public Service Commission and the Department of Environmental Conservation ("DEC") to address GHG emissions from buildings. The CLCPA requires DEC to promulgate regulations that, among other things: (i) include legally enforceable emissions limits, performance standards, or measures or other requirements to control emissions from greenhouse gas emission sources; (ii) reflect substantially the findings of the Climate Action Council's Scoping Plan; (iii) include measures to reduce emissions from sources that have a cumulatively significant impact on statewide greenhouse gas emissions, including specifically, boilers or furnaces that burn oil or natural gas.[8] Given that the buildings sector is the largest source of greenhouse gas emissions in the State,[9] and that the CLCPA specifically includes, "boilers or furnaces that burn oil or natural gas," it therefore follows that DEC must address buildings sector-specific emissions targets. The recommendations in the State Energy Plan should reflect this legal requirement.

[7] Public Service Law, §65(1).
[8] Environmental Conservation Law, § 75-0109(2)(b),(c),(d).
[9] N.Y. Dept. of Envtl. Conservation, 2023 Statewide GHG Emissions Report (Dec. 2023), at vi, Tbl. ES.3 (reporting 2021 New York State GHG emissions by economic sector).

Gas utilities and the PSC have cited the lack of explicit and specific buildings sector or utility gas sector-specific emissions limits in the CLCPA when pressed to set or enforce specific emissions reduction targets for gas utilities. In recent proceedings before the PSC, gas utilities have continued to put forward, and the PSC has declined to disapprove, plans that maintain business-as-usual gas infrastructure investments, demonstrating the need for clear regulation to rein in the spending and guide their long-term gas planning efforts. The gas utilities have cited the lack of sector emission limits in the CLCPA to avoid being held to a specific degree of emissions reduction or gas sales reduction, and the PSC has declined to reject these plans, citing the lack of prescribed emission reductions allocated to the buildings sector.

Currently, gas utilities have a business incentive to continue to make capital investments that entrench reliance on the gas system because they can recoup a significant rate of return from customers for their shareholders for expenditures on capital investments in new or replacement gas pipelines. Conversely, gas utilities have less incentive to spend money on programs for building weatherization and electrification, which do not provide a codified return on investment like capital expenditures, even if these programs would produce lower-cost emission reductions.

Although the PSC has recognized that gas utilities will need to reduce emissions from combustion of the methane gas they distribute to buildings across the state, and CLCPA Section 7(2) requires the PSC to evaluate the consistency of gas utilities' plans with the CLCPA's emissions mandates, the PSC has cited the lack of a mandate or emissions cap expressly for the gas distribution system to avoid requiring gas utilities to implement any specific emission reductions or emission reduction measures in recent rate cases.

Gas utilities have brushed off the direct recommendations of the Climate Action Council's Scoping Plan, asserting that the Plan "is not a legally binding document."[10] For example, National Fuel Gas defended its long-term plan's anemic emissions cuts by asserting that "the GHG emissions reduction targets in the CLCPA are statewide targets and the CLCPA does not mandate specific emissions reduction targets for natural gas utilities,"[11] and the PSC implemented the plan with only minor modifications and without requiring specific GHG reductions. New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation have followed suit with their long-term gas plan in the same docket.[12]

[10] Reply Comments of National Fuel Gas Distribution Corp. at 6, NY PSC Case No. 22-G-0610 (Apr. 18, 2023); *see also* Reply Comments of New York State Electric & Gas Corp. and Rochester Gas & Electric Corp. at 2–3, NY PSC Case No. 23-G-0437 (Jan. 19, 2024), (Scoping Plan recommendations "are not legally binding").
[11] Reply Comments of National Fuel Gas Distribution Corporation at 10, NY PSC Case No. 22-G-0610 (Apr. 18, 2023).
[12] *See* Reply Comments of New York State Electric & Gas Corp. and Rochester Gas & Electric Corp. at 5–6, NY PSC Case No. 23-G-0437 (Jan. 19, 2024).

If the PSC continues to authorize long-term gas plans that result in minimal emissions reductions from the buildings sector, achieving New York's statewide GHG reduction mandates will require much steeper cuts on a quicker timeline from other sectors than would otherwise be needed. This outcome, which contravenes Section 7(2) of the CLCPA, is likely to be far costlier and more inequitable to everyday New Yorkers than a managed downsizing of the gas system and gradual emissions reductions from buildings that ultimately align the sector's GHGs with the CLCPA targets.

It is therefore critical that the State Energy Plan recommend that the PSC establish emissions limits for gas delivered to buildings and include direction to gas utilities to review their system maps and identify strategic areas of the system (such as areas with leak prone pipes requiring repair or replacement) for phased and timely decommissioning.

***Comments on Specific Policy Recommendations in the Draft Plan***

**4.1 Reducing Natural Gas Use**

We agree that the PSC and supporting agencies should continue to reform the regulations that govern gas planning, gas system investment, and ratemaking to facilitate a safe, reliable and affordable transition away from our current heavy reliance on the gas system.

However, we urge the Planning Board to give direction to the PSC and supporting agencies to hold utilities responsible for specific minimum carbon emissions reduction requirements for the buildings sector and require better long term planning that complies with the requirements and intent of the CLCPA, as well as better integration between electric and gas system planning. This is also relevant to the recommendation contained in 4.9 of the Gas chapter in the Draft Plan (discussed in more detail below), regarding setting utility-specific targets, as that approach risks utilities pleading unique circumstances necessitating retention of their entire gas system, indefinitely.

We also agree that the PSC should explore alternative cost recovery mechanisms and rate design that helps incentivize consumer electrification by making electric rates more affordable.

**4.2 Planning for Safety, Reliability, and Resiliency**

While we agree with the need for greater resiliency and reliability planning for New York's energy sectors, including the existing gas infrastructure, we noticed there was no discussion in this section about modern heat pump technologies, including cold climate air source heat pumps and geothermal technologies which are available as better alternatives to gas. Recent studies and

data show that cold climate air source heat pumps can provide efficient, reliable heating on days as cold as -15℉.[13]

We strongly disagree that so-called "renewable natural gas" ("RNG") is needed for "supplemental heating" in New York. Advanced cold-climate heat pumps have been shown to operate efficiently even at the lowest temperatures regularly experienced in New York, as demonstrated by the DOE Cold Climate Heat Pump Challenge.[14] Furthermore, even in the event of a need for supplementary heating, maintaining the gas system at its current scale solely to address residual heating loads during extremely rare occurrences would be an impractical approach (see below for more discussion on why RNG is not appropriate as a supplemental heating source).

Additionally, geothermal heat pumps and thermal energy networks ("TENs") and storage offer added grid support and reliability and should be advanced as solutions in areas where there is concern that cold-climate heat pumps might lose efficiency in the coldest climates. Geothermal technology and TENs should be adequately considered in this planning. TENs have multiple design possibilities that allow for different types of sources and sinks of thermal energy including geothermal, bodies of water, waste heat from buildings and industrial processes, wastewater energy transfer and wastewater heat recovery. TENs can be designed entirely fossil fuel free and are a major tool in the toolkit to achieve building and neighborhood-scale decarbonization. There are significant benefits to utilizing TENs across New York. They can also help with demand reduction and management, grid costs, and energy storage.[15]

### 4.3 Planning for Efficient Investment

In order to meaningfully reduce GHG emissions from our environment, carbon emissions from buildings (primarily driven by gas use for space heating and hot water) must decline precipitously between now and 2040. In order to achieve this, energy uses inevitably need to shift away from fossil fuels, reducing gas demand in New York. The recent adoption by the State Fire Prevention and Building Code Council of the requirements in the *All Electric Buildings Act* and the growth of heat pump sales set the stage for shifting customer demand.

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[13] NYSERDA, *Do Heat Pumps Really Work in Cold Climates?*, (last accessed October 6, 2025). https://cleanheat.ny.gov/heat-pumps-cold-climates-do-they-work/?

[14] Vrushali Mendon et al., *Performance Results from DOE Cold Climate Heat Pump Challenge Field Validation*, PNNL-37127 (Richland, WA: Pacific Northwest National Laboratory, January 2025), https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-37127.pdf.

[15] *See, for example,* Buro Happold, *Grids of the Future Harness Thermal Energy to Work Across the Meter and Effectively Manage Demand*. December 2024. *See filing in* Case 24-E-0165, *Proceeding on Motion of the Commission Regarding the Grid of the Future*, N.Y. Public Service Commission, March 26, 2025: https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={4086D395-0000-C010-9C55-DBB2B5B6D41B}.

It is important to plan for declining gas system demand in order to avoid twin affordability and environmental crises (discussed in detail above) for the customers left on the gas system who will shoulder a greater share of subsidizing infrastructure and delivery costs, while also bearing the negative health effects. This planning must begin by reducing gas system investments in line with declining demand. The Draft Plan does consider the cost-savings for utilities to pursue lower-cost measures for maintaining gas infrastructure where decommissioning is not yet possible, including pipe relining and repair as alternatives to full pipe replacement.

Notably, however, the Draft Plan ***does not*** consider how the ***avoided cost of gas infrastructure investment*** (to the tune of billions of dollars) can be re-deployed toward helping customers electrify and transition to healthier and lower carbon energy options (e.g. non-pipe or non-wire alternatives) and, as mentioned previously, the Draft Plan does not discuss the need to reform the existing "obligation to serve" gas to customers in New York.

### 4.3.1 Long Term Planning

While well-intentioned and forward-looking, the gas utility long-term planning process at the Public Service Commission has not necessarily fulfilled its own objectives of ensuring consistency with the CLCPA, incorporating the Scoping Plan recommendations, or "requiring LDCs to develop plans to limit infrastructure build." *See* Case 20-G-0131, *Proceeding on Motion of the Commission in Regard to Gas Planning Procedures*, Order Instituting Proceeding at 3 (Mar. 19, 2020); *id.*, Order Adopting Gas System Planning Process at 4, 19. The stakeholder comments, independent consultants, and proposed utility plans have teed up fundamental questions for the Public Service Commission around the magnitude of emission reductions that gas utilities should be targeting, the appropriate role for alternative fuels in the gas system, the role of repair and relining versus replacement to address aging pipe, the reasonableness of utility load and design day forecasts and methodology, the appropriate role for hybrid gas-electric systems, the role for delivered fuels to address peak demand, and other important and challenging issues which still need to be resolved.

The Draft Plan recognizes that the current utility long term gas planning process can and should be improved.[16] This process should include requiring utilities to better consider how to minimize lifetime investment costs and avoid additional infrastructure investment where possible, as well as better identifying portions of the gas system which can be safely and strategically retired. Additionally, clear emissions reduction targets should be set and enforced by the PSC (and DEC as appropriate) so that gas utilities can better know what they should be planning toward. Further, the recommendation to initiate a new strategic planning process as discussed below (4.9) lacks clarity on how such a process would interact with the existing planning process in the PSC's Long Term Gas Planning Dockets. Additional concerns with the existing planning process

[16] NYSERDA, "Draft New York State Energy Plan, Chapter 3: Natural Gas," July 25, 2025, at p. 27, https://energyplan.ny.gov/Plans/Draft-2025-Energy-Plan.

(and also any future one) include the fact that the PSC has hired independent consultants (at a cost to ratepayers) but then declined to meaningfully heed their findings and recommendations, as well as delaying determinations about the long-term vision for the gas system, thus allowing gas utilities to continue to pursue business-as-usual spending in the near term.[17] Independent consultants have played an important role in the long-term gas planning proceeding to date, which should continue, but the PSC should better value their findings where appropriate.

Current economy-wide emissions reduction targets do not provide sufficient direction to the PSC or to gas utilities for efficient long-term planning. As evidenced by their long-term plans, this lack of direction is resulting in gas utilities continuing to invest ratepayer money in and expand the gas system infrastructure while prolonging dependence on gas end-uses and foreclosing the best opportunities for downsizing the system in an equitable, managed, and affordable manner.

**4.3.2. Integrated Energy System Planning**

We agree that more integrated energy system planning is essential for an efficient and equitable energy transition and that it will require reforming utility practices and tools to incorporate relevant information from the gas and electric systems with customer-level insights. This will require greater transparency and data sharing (including system maps and analyses) across electric and gas utilities and with the PSC as regulator and manager of the integrated planning process.

One of the takeaways from the New York State Electric and Gas Corporation ("NYSEG") "tabletop" gas system decommissioning exercise from earlier this year, was that NYSEG does not have the ability to overlay its gas and electric systems and assess whether locations where there are opportunities to prune its gas pipes correspond to places with headroom on the electric grid.[18] In order to efficiently plan both systems, it is very important to understand how they interrelate.

This is particularly disappointing, given utilities are best positioned to provide information on which parts of the electric grid are ready to accommodate increased electric load. In fact, in its July 2023 Order in the New Efficiency: New York proceeding (Case 18-M-0084), which has now been rebranded as the Energy Efficiency and Building Electrification (EE/BE) proceeding, the PSC ordered the electric utilities to file "Electrification Load Serving Capacity Maps." Such

[17] The PSC, in its most recent National Grid order failed to respond to comments pointing out that National Grid's corporate Clean Energy Vision's heavy reliance on hydrogen blending is flatly incompatible with the Draft State Energy Plan (and the Scoping Plan).

[18] Coordination on multiple proceedings is needed, such as the NYSEG Long Term Gas Plan and rate case (25-G-0378) and the Proactive Planning Proceeding (Case 24-E-0364). For example, NYSEG has recently requested $467.9M for urgent upgrade projects for 2025-2031, and it would be helpful to better understand if such urgent upgrades correspond with either a capacity constrained area or a segment of the pipe that has been identified as a potential for NPAs.

maps can be useful to integrated planning and identifying areas with additional load headroom suitable for targeted electrification measures.

**4.3.3 Non-Pipe Alternatives ("NPA")**

We agree that more NPA implementation is needed to support a safe and strategic reduction in gas system investments and that utility planning practices need to evolve to better support NPA deployment. Better tools and effort are needed for identifying potential NPA projects and implementing them.

NPAs are a strategic alternative to avoid pipeline expansion and replacement. As recognized in the Draft Plan, "pipe replacement constitutes a large share of gas utilities' capital expenditures", representing 40 percent of annual investment through 2028. The majority of this investment (79 percent) is to replace leak-prone pipe (LPP)...and fully replacing LPP is expected to cost tens of billions of dollars, underscoring the value of NPAs that avoid the need for pipe replacement."(p. 32-33).

Instead of investing in gas lines, which are in conflict with the emissions reduction targets and requirements of the CLCPA and which will eventually be stranded assets, utilities can repurpose funds toward more sustainable solutions, including thermal energy networks (TENs) to decarbonize heating and cooling.

We agree with the recommendation to identify LPP segments that may be best suited for NPAs, including segments on the edge of the gas network, with fewer customers and where the electric system has sufficient capacity. These actions will better align New York with its climate goals, support grid resilience, and reduce long term energy costs, while supporting local job creation and boosting health benefits.

As recognized in the Draft Plan, capital investments in the gas system create long-term obligations to recover the costs of those investments, and utilities must avoid such investments as much as possible by utilizing interim measures to maintain pipeline where it is not yet feasible to decommission it, through less costly methods such as pipe relining and repair.

In addition to identifying pipe segments on the edges of the gas network and utilizing lower-cost interim solutions such as pipe repair and relining, it is critical that the current utility "obligation to serve" gas is amended to allow flexibility to utilities to meet customers' energy needs through reliable and effective alternatives.

**4.3.4 Planning Standards**

We agree that gas utilities should transparently evaluate whether their planning and investment standards properly balance the need for reliability with the need to avoid imposing unnecessary

costs on ratepayers, and that gas utilities' methodologies, including forecasting for design day demand, should be transparent.

In addition to considering potential impact on reliability and resilience regarding proposed gas supply assets, state policy decisions should also include considerations around the psycho-social impacts for customers, and especially for disadvantaged communities and LMI households, while leveraging the requirements in the Public Service Law Section 65(1), including providing service that is "in all respects, just and reasonable."[19]

**4.4. Evaluate Approaches to Manage Gas System Affordability and Support NPA Viability**

We agree that the PSC should continue to evaluate and develop new approaches to strategically manage gas system affordability including costs borne by ratepayers resulting from system expansion or incomplete customer participation in NPAs. The PSC should hold utilities accountable when they fail to propose adequate NPAs or policies that do not comply with the letter and intent of the CLCPA in their long term gas planning dockets and in the rate cases.

**4.5 Cost Recovery Mechanisms**

We are disappointed to see that the scenarios discussed under Cost Recovery Mechanisms fail to consider how the avoided cost of unnecessary investment in gas infrastructure could be repurposed toward investment in electricity generation and distribution capacity.

Instead, there is consideration for an "Electric benefit payments" scenario in the Draft Plan which would reward customers who retain gas service to meet their peak heating needs and describes such behavior as "providing a benefit to electric ratepayers" by reducing the electric system's peak demand and helping to "avoid the need for incremental investment in electricity generation and distribution capacity that would have been needed to meet a higher peak demand had those customers fully electrified." "Providing compensation to gas ratepayers for a share of this net [benefit] would reduce cost burdens on remaining gas ratepayers and [improve] the financial viability of a low-throughput gas system." Additionally, there is no consideration of the possibility of reducing a gas utility's revenue requirements.

This proposal is very concerning and inappropriate in the context of New York's CLCPA requirements. It will lead to perverse incentives for ratepayers staying on the gas system, with all of the associated costs of maintaining aging gas infrastructure which can add up to billions in costs over the years.

[19] Public Service Law, §65(1).

### 4.6 Alternative Fuels

We strongly urge against the direction in the Draft Plan to utilities and the PSC to "consider the use of alternative fuels" in any residential context. Hydrogen is not appropriate for the existing infrastructure and RNG is not a sustainable solution in this space as discussed below.

### 4.6.2 Hydrogen

We agree with the Draft Plan, that due to cost, safety, climate, and efficiency limitations (use of green hydrogen as a substitute for gas requires nearly five times as much renewable generation as directly using the electricity in our buildings[20]), New York should continue to not blend hydrogen into the gas distribution system. Limited state resources should not be expended on further researching hydrogen pilot projects for commercial or residential buildings.

### 4.6.1 Renewable Natural Gas ("RNG")

We disagree with the proposed use and role of RNG as discussed in the Pathways Analysis, especially RNG fulfilling "all end uses where gas is still used in 2050."[21] RNG is not a sustainable alternative to be used beyond truly difficult-to-electrify end uses and is not an appropriate source for "supplemental heat."

RNG is still composed of methane gas which is prone to leaks and burns just like fracked gas. Additionally, it is too scarce and costly to serve as a meaningful heating solution for residential buildings, with national supply covering at most a fraction of current demand. RNG's inadequacy of supply has been recognized previously by NYSERDA.[22] Directing RNG into the buildings sector would lock in expensive-to-maintain gas infrastructure and divert a limited resource away from hard-to-decarbonize sectors where no other alternatives exist. Using RNG for space heating where efficient heat pumps and alternatives already exist is a low-value, inefficient use of limited fuel supply.

### 4.6.3 "Certified" or "Differentiated" Gas

We agree with the recommendation that "certified" and other types of differentiated natural gas products should not be differentiated in the State's annual GHG inventory nor should the State currently accept claims that these types of gas reduce upstream methane emissions in other GHG reporting contexts.

If New York State considers use of measurement-informed differentiation as a tool to quantify and drive upstream GHG emissions reductions for fuels burned in-state, it is critical that such a

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[20] https://rmi.org/low-carbon-fuels-have-a-limited-role-to-play-in-new-yorks-buildings/; *see also* M. Shron et al., *Blending Hydrogen and Natural Gas: A Road to Nowhere for New Yorkers*, Switchbox (Sept. 2024), https://library.edf.org/AssetLink/s8f1821gt5082xc120811663012uib7c.pdf.

[21] NYSERDA, "Draft New York State Energy Plan, Chapter 3: Natural Gas," July 25, 2025, at p. 39, https://energyplan.ny.gov/Plans/Draft-2025-Energy-Plan.

[22] For example, an ICF analysis for NYSERDA found that New York has the potential for 47 to 147 trillion Btu per year (tBtu/yr.) of RNG. By comparison, the state's total natural gas consumption was over 1,400 tBtu in 2023.

program (1) be developed with opportunities for public input and (2) require robust, uniform standards for transparency, monitoring, measurement, reporting, and verification.[23]

**4.7 Strategically Managing the Gas Transition for Gas Sector Workers and Businesses**
We agree that gas sector workers should be supported through the expected energy transition away from gas infrastructure and agree that state agencies and regional economic development councils should work closely with utilities and labor organizations to leverage gas sector employees' existing skills to maximize economic opportunity for current gas sector workers and the development of just transition policies.

The 2022 *Utility Thermal Energy Network and Jobs Act* is an example of advancing neighborhood scale decarbonization solutions while providing good jobs. Additionally, the upcoming Regional Residential Weatherization programs authorized by the May 15, 2025 PSC Order on the EE/BE portfolio of incentive programs for 2026 - 2030 can serve as another opportunity for advancing decarbonization at scale and providing sustainable jobs.

**4.8 Strategically Managing the Gas Transition for Disadvantaged Communities**
We agree that an unmanaged gas system transition poses significant **health**, **affordability**, and **equity** risks to DACs.

The Draft Plan recognizes that combusting methane gas within homes (e.g. for cooking or heating) can increase the concentration of carbon monoxide (CO), methane ($CH_4$), formaldehyde ($CH_2O$), benzene ($C_6H_6$), nitrous oxide ($N_2O$), and nitrogen dioxide ($NO_2$), which can pose hazards to human health particularly when there is insufficient ventilation, leading to disproportionate health burdens from indoor air pollution.

As mentioned previously and also recognized in the Draft Plan, the continued expected departure of customers from the gas system, with increasing costs for maintaining such systems falling on fewer customers (who are more likely to be LMI and/or residents living in DACs), will lead to rising energy bills, unless managed through careful planning.

Additionally, there is a significant concern that residents living in DACs and LMI households do not have equitable access to clean energy building upgrades like weatherization, energy efficiency, and heat pumps/electrification or to economic or employment opportunities associated with the clean energy transition. These are issues many of our organizations, along with a broad coalition of groups, raised to the PSC through the EE/BE proceeding (among other venues). DACs and LMI households make up more than 40% of New York's population but will receive less than that in ratepayer funded incentives to access energy efficiency, weatherization, and heat

[23] Maureen Lackner & Kristina Mohlin, *Certification of Natural Gas with Low Methane Emissions: Criteria for Credible Certification Programs*, EDF (2022), https://tinyurl.com/GasCertification.

pump incentives authorized by the PSC in May of this year, with almost 70% of funds being allocated across market-rate or non-LMI-specific programing for 2026 - 2030.[24] We urge the Planning Board to recommend that more funding be specifically allocated for LMI households and residents living in DACs.

**4.9 Gas System Transition Plan**

We appreciate the recommendation for an overall gas system transition plan, especially one that is led by agency staff and informed by key stakeholders through a collaborative process.

However, we strongly urge that such a plan be published sooner than the next State Energy Plan update and apply statewide, as time is of the essence here. Such a system transition plan must be launched immediately in order to provide needed direction to the utilities. It is important to ensure this process resolves key questions that so far have not been resolved through the Long Term Gas Planning process. Examples of issues that have not been adequately resolved through the existing planning process include clarifying any role for RNG, clarifying the role for repair or relining of leak prone pipe versus full pipe replacement, and clarifying the role, if any or at all, for hybrid systems and delivered fuels.[25]

With utilities already engaged in their individual Long Term Gas Planning dockets, which are currently proceeding at the PSC, locking in potentially problematic and inefficient investment decisions and long-term systems planning, clear targets and an overall vision for gas system transition that fully complies with the legal requirements of the CLCPA is needed before any more Long Term Gas Plans are approved by the PSC.

Gas utilities are already required to engage in long-term planning that is consistent with the CLCPA, but as discussed above, their plans to date, and the PSC's review of those plans, have fallen short of what is required to cost-effectively decarbonize the buildings sector and effectively comply with the CLCPA. Setting declining emissions caps for gas utilities will provide clear guidance in the long-term planning process and should happen in the context of this State Energy Plan and as part of any long term gas system transition plan.

To minimize the cost of decarbonizing the buildings sector, mitigate the risk of imprudent gas system investments by gas utilities, and to ensure more rational long-term gas planning, the State Energy Plan and any subsequent gas system transition plan should establish clear

[24] WE ACT, et. al., "Advocates Say PSC Order Makes Important Improvements But Fails to Direct Sufficient Resources to Meet Energy Affordability Crisis", May 16, 2025. *See*: https://weact.org/updates/psc-unlocks-5b-for-energy-saving-programs-but-leaves-struggling-new-yorkers-with-less-funding-than-they-need/.

[25] *This is meant to be an illustrative list and not necessarily indicative of support for any hybrid systems or delivered fuels, etc.*

parameters and targets to direct a managed downsizing of the gas system and further empower the PSC to effectively enforce this planning process.

***Conclusion***

There are significant unintended consequences that will result if gas utilities' spending and investment in gas infrastructure is not effectively checked. Even as New York continues to be a leader in pursuing ambitious climate goals, a multi-pronged policy approach will be necessary to tackle the challenges posed by the pressing need to decarbonize our buildings while also achieving the necessary equity and emissions reduction results.

We look forward to continuing this work with you toward developing a comprehensive and responsive State Energy Plan that meets the moment demanded of us by reducing harmful climate-altering greenhouse gas emissions, improving public health outcomes, and helping to combat climate change while advancing environmental justice and investing in disadvantaged communities statewide.

Respectfully submitted,

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