BUILDING DECARBONIZATION COALITION

Testimony

Joint Legislative Public Hearing on 2024 Executive Budget Proposal: Topic Environmental Conservation

Thank you to the Committee on Environmental Conservation for the opportunity to submit testimony today.

The Building Decarbonization Coalition (BDC) unites critical stakeholders on a path to transform the nation's buildings through clean energy, using policy, research, market development and public engagement. The BDC and its members are charting the course to eliminate fossil fuels in buildings to improve people's health, cut climate and air pollution, prioritize high-road jobs, and ensure that our communities are more resilient to the impacts of climate change.

Over the past two years, New York State has advanced nation-leading efforts to decarbonize New York's built environment, which is the largest source of climate pollution in our state. The Utility Thermal Energy Networks and Jobs Act of 2022 has sparked innovation, with projects currently being considered by the Public Service Commission that could decarbonize many different types of buildings at once. The nation-leading All-Electric Buildings Act requires most new buildings to use electric heating and appliances starting in 2026.

These are incredible steps toward a decarbonized future, but there is more left to do. New York State must transform how it heats and cools its buildings with policies that decarbonize our built environment at a scale that makes energy bills more affordable, fortifies a truly clean heating and cooling infrastructure with union jobs, and creates nationally-recognized models for advancing the clean heat market.

First, the Legislature must include NY HEAT (S2016B/A4592B) in its entirety in the Fiscal Year 25 Budget. The State must help decrease energy costs for New Yorkers by addressing the growing burden energy bills are placing on NY families by including this critical affordability measure. Without the NY HEAT Act, the Public Service Commission (PSC) is constrained in its ability to direct utilities toward clean energy solutions and away from spending ratepayer money on replacing aging pipe, costing 3-6 million dollars per mile of pipe replaced, a practice that could end up costing ratepayers 28 billion by 2050 if business as usual continues. The current cross-subsidy, or "100 foot rule", costs existing customers $200 million per year to defray the cost of extending gas lines to new customers. Eliminating this wasteful gas line expansion subsidy will help stop gas utility bill increases and could shift funds to support clean heat and cooling technologies. Capping energy utility bills at 6% will save the most energy-burdened New Yorkers on their utility bills. Lastly, NY HEAT would amend the obligation to serve gas, opening up a pathway to advance clean neighborhood-scale building decarbonization solutions, like Thermal Energy Networks

The Budget must also include funding for thermal energy networks at SUNY campuses that are ready to take the next step toward decarbonization. Specifically:

- **Fund a thermal energy network at SUNY Purchase.** $40 million would allow Purchase College, State University of New York to engineer and construct an emissions-free heating and cooling thermal network on their campus.
- **Fund a thermal energy network at University at Buffalo, SUNY.** $50 million would allow the University at Buffalo, State University of New York to advance key work in Phase 1 of an emissions-free heating and cooling network on the South Campus.

Last year, the Budget provided $30 million for SUNY University at Albany as part of the adopted budget to replace two fossil-fuel-fired chillers with a high efficiency electric chiller and a heat recovery/heat pump chiller. This investment will complete the electrification of 100% of SUNY Albany's air conditioning, reduce its annual carbon emissions by 16%, and advance that campus's thermal energy network project.

Funding thermal energy networks at SUNY Purchase and SUNY Buffalo would build on this success, and would advance implementation of the Clean Energy Master Plans for these campuses while laying the framework for a decarbonized SUNY. Purchase College would be able to reduce over sixty-five percent of its greenhouse gas emissions if a thermal energy network were developed to provide clean heating & cooling for the campus. At SUNY Buffalo's South Campus, a thermal energy network would provide for a 30% reduction in energy usage while providing heating within the existing electrical capacity of the campus's electrical service. Both projects would provide increased resiliency, comfort, and energy efficiency for the campus community.

The Budget must include a renewed commitment of $200 million to continue to fund the EmPower+ low-income home retrofits program, as well as new funding for pre-electrification measures that are necessary prerequisites to the EmPower+ offerings and the critical Energy Affordability Program which will continue to help low-income New Yorkers reduce their energy costs. These affordability measures would save New Yorkers billions of dollars over the coming decades, help the switch to clean heating technologies, and rein in gas utility bill increases.

Low- and moderate-income (LMI) households spend a far larger proportion of their income on energy bills and continue to face disproportionate barriers to weatherizing, electrifying, and adopting cleaner technologies. Many live in older buildings that require health and safety remediation to be electrification-ready and lack the ability to finance this necessary work. Without sufficiently resourced programs, these households will continue to live in potentially unhealthy housing, be more vulnerable to the negative effects of climate change, and will be left facing rising energy bills and poorer health outcomes.

Minimal uptake of EmPower+ and electrification programs for LMI households, especially among those living in the oldest housing stock, will continue until pre-weatherization and pre-electrification measures are funded as part of the State's home retrofit programs.

These funds are critically needed for successful implementation of your nation-leading Climate Friendly Homes initiative, which set the target to ensure that one million homes will be electrification-ready and one million homes electrified by 2030, prioritizing investments in underserved communities.

The State can make meaningful progress to usher in an equitable clean energy transition through neighborhood-scale building decarbonization solutions, like Thermal Energy Networks, which will retain and expand middle-class union careers while tackling climate change. This can be accomplished all this while also lowering energy costs for New York families, making New York a more affordable, healthier, and greener place to live and work.

Sincerely,

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