

NY Home Energy Affordable Transition Act

S.2016B Krueger/A.4592B Fahy

We must pass NY HEAT to deliver immediate relief to New Yorkers and plan for a future that delivers the economic, health, and climate benefits of zero-emissions heating and cooling.

A Careful Transition Focused on Protecting Consumers, Workers

Senate Bill S.2016B/Assembly Bill A.4592B, the NY Home Energy Affordable Transition (NY HEAT) Act, will allow the Public Service Commission to carefully transition New York communities toward affordable zero-emissions heating and cooling. This legislation will:

- ▶ **Empower utilities** to provide the most cost-effective and safest long-term energy sources, rather than just gas
- ▶ **Save customers** \$200 million per year by ending outdated gas expansion subsidies such as the “100 Foot Rule” and create opportunities for further savings by retiring old gas distribution systems when they are no longer necessary and can be replaced with cost-effective zero-emissions alternatives
- ▶ **Cap the cost** of energy bills at 6% of a household’s income, delivering financial relief
- ▶ **Open the door** for technology like Thermal Energy Networks at a neighborhood scale, allowing entire communities to access zero-emissions heating and cooling together
- ▶ **Deliver** cleaner indoor and outdoor air for communities
- ▶ **Create** high-skilled, high-paying jobs to manage the transition by requiring prevailing wage for neighborhood-scale decarbonization projects
- ▶ **Protect customers** by providing them with financial and technical support for their transition, as well as only transitioning customers if they have access to safe and reliable energy

New York Ratepayers Deserve Relief

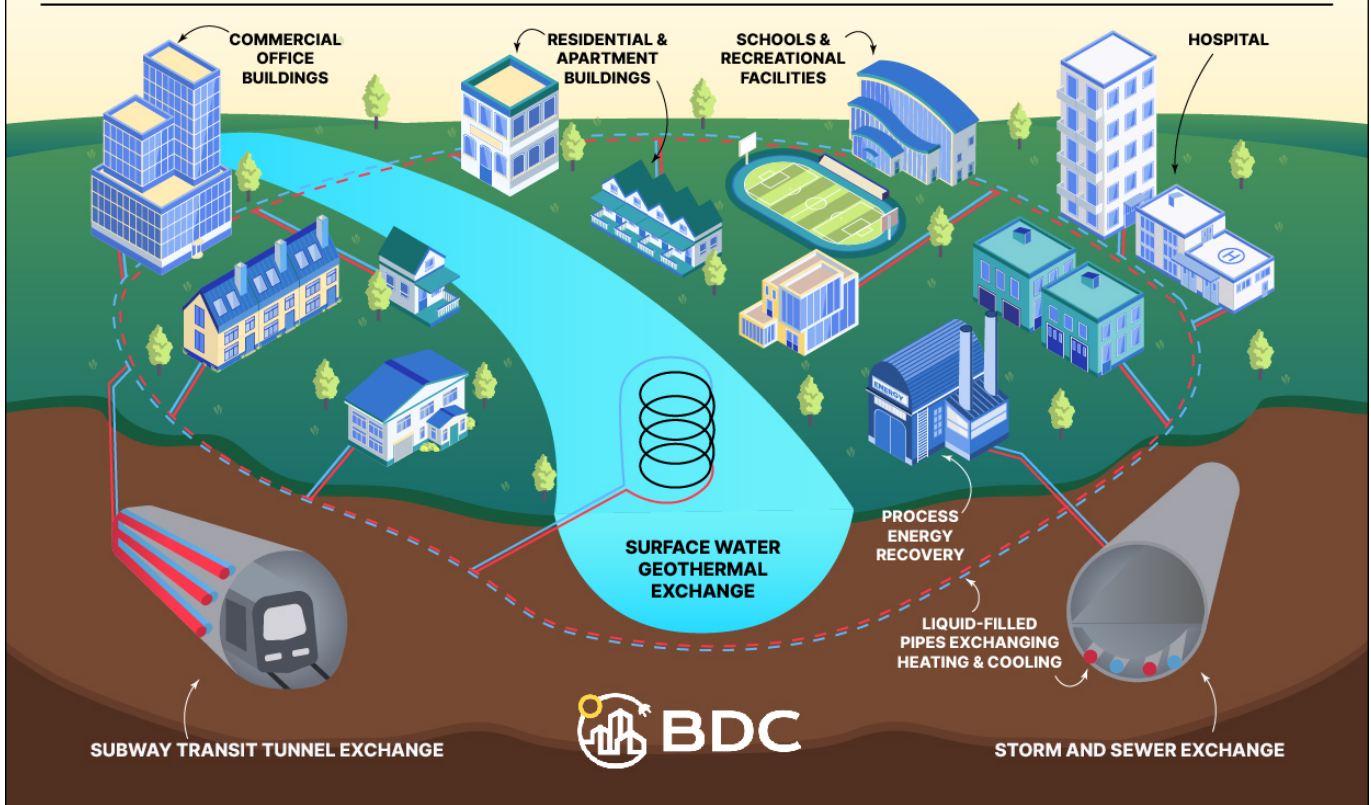
New Yorkers face an outsized energy burden compared to the rest of the United States, with over two million low- and middle-income households in New York spending 6% or more of their income on their energy bills. Low-income households face a particularly difficult energy cost burden, with New York households earning below 30% of the state median income spending 15% of their income on energy bills on average.¹ In August 2023, over 34,000 New Yorkers experienced utility shut offs - demonstrating the dire need to protect consumers from higher and higher utility bills.²

If we don’t pass NY HEAT now, the gas system will continue to cost consumers hundreds of millions per year for growing a system that New York’s Climate Action Plan recommends we downsize. Even though many of the utility capital investment projects in the pipeline today are at risk of becoming obsolete as New York achieves its climate goals, consumers will be on the hook to pay for these stranded assets for decades to come.

¹ Data from the US Department of Energy Low-Income Energy Affordability Data (LEAD) Tool, accessed May 2023

² Data from the New York Department of Public Service, Matter Number 91-00744, filed September 2023

Thermal Energy Networks provide efficient and affordable clean energy heating and cooling to entire neighborhoods through a shared network of water pipes that transfer heat in and out of buildings by exchanging heat between a number of energy sources.



The Role Thermal Energy Networks Can Play

There are 13 Thermal Energy Network (TENs) pilot projects in the pipeline thanks to the passage of the Utility Thermal Networks and Jobs Act in 2022.

TENs provide efficient and affordable clean energy heating and cooling to entire neighborhoods through a shared network of water pipes that transfer heat in and out of buildings. These neighborhood-scale systems allow buildings to exchange heat with a number of energy sources, such as lakes and rivers, energy intensive buildings, wastewater systems, or the stable temperature of the earth, and can be designed with backup systems to remain reliable even amid a power outage. TENs can also use shallow boreholes to capture and store excess heat underground for use days or months later.

The ambient temperature water in these pipes provides highly efficient and cost-effective heating and cooling for buildings of all sizes. These networks

can also absorb excess waste heat from buildings to deliver elsewhere. For instance, waste heat from data centers can be transferred through a Thermal Energy Network to heat residential buildings in the winter.

Utilities can rely on the same union workforce that has maintained our gas system to carefully transition entire neighborhoods at a time to thermal energy networks.

Further, relying on TENs to transition entire neighborhoods at a time can deliver equitable heating and cooling, higher efficiency than current appliances, and reduce strain on the grid even during times of peak demand caused by extreme temperatures.

Changing the obligation to serve gas to allow for this orderly transition will pave the way for the success of thermal energy networks and other neighborhood-scale solutions needed to cost-effectively achieve New York's climate mandates.