The Honorable Kathy Hochul Governor of New York State NYS State Capitol Building Albany, NY 12224

October 16, 2023

Dear Governor Hochul,

We the undersigned 219 organizations, representing tens of thousands of New Yorkers, thank you for your leadership in committing to 2 million climate-friendly homes by 2030, working with the legislature to pass the first-in-the-nation zero emissions new buildings law and the Utility Thermal Energy Network and Jobs Act, and creating funding programs to decarbonize the building sector.

Our organizations are, however, deeply concerned about the rising cost of energy driven by irresponsible fossil fuel investments, and we call on you to lead New York toward a more affordable energy future. Gas utilities are increasing their profits by saddling New Yorkers with the costs of extending the lifespan of antiquated pipeline infrastructure and dangerous technology, all while making New York more expensive and polluted. As a result, 1.2 million households and 127,000 small businesses are behind on their energy bills. After suffering the hottest summer on record globally, millions of New Yorkers will soon face freezing temperatures without adequate insulation or affordable energy. We need your leadership to implement New York's nation-leading Climate Leadership and Community Protection Act (CLCPA), protect New Yorkers from unnecessary energy costs, and ensure safe, comfortable homes year-round.

We urge you to ensure your upcoming State of the State and Executive Budget accomplish the following priorities:

- Put money back in New Yorkers' pockets by ending wasteful spending of customer funds used to subsidize new fracked gas hookups <u>by finally eliminating the '100-foot rule'</u>
- Improve access to cost-saving energy efficiency measures and heat pumps <u>by directing</u> your agencies to create a retrofit readiness fund to fully achieve your Climate Friendly Homes commitment
- Enable utilities to opt for cleaner, more cost-effective options rather than unnecessary gas pipelines <u>by amending the obligation to serve gas so that utilities can pursue</u>

 <u>neighborhood-scale building decarbonization projects</u>
- Make energy bills affordable and fair for low and middle-income New Yorkers <u>by ensuring</u> no residential customer pays more than 6% of their income for energy
- Hold gas utilities accountable for reducing climate and air pollution <u>by directing your</u> <u>agencies to set and enforce CLCPA-compliant building sector emission limits</u>

While the cost of living has been rising across the economy, recent rate hikes approved for utilities push energy bills up faster than the rate of inflation. The cost of gas utility pipeline expansion and maintenance is a major driver of these gas rate hikes. These costs continue to burden us at a time when we know we need to rapidly reduce fossil fuel use to meet our climate goals. Without your intervention, this problem will worsen because current laws, energy policy, and incentives favor utility investments in unnecessary infrastructure over more cost-effective programs, energy sources, and technologies. Thankfully, the Final Scoping Plan approved by your Climate Action Council provides a roadmap to the changes and investments that will set New York on the responsible path to lower costs for both individual energy bills and the system as a whole.

Our Building Electrification and Equity Platform for 2024, many provisions of which are included in the NY HEAT Act, provides the pathway for necessary climate action that creates more affordable energy bills, cleaner air, and more comfortable, livable homes for New Yorkers:

- 1. Put money back in New Yorkers' pockets by ending wasteful spending of customer funds to subsidize new fracked gas hookups. Outdated Public Service Law requires utilities to use our money to subsidize the cost of new gas hookups within one hundred feet of an existing gas line (the '100-foot rule'). This policy costs New Yorkers hundreds of millions of dollars per year and is not aligned with our climate mandates. For example, the recently filed rate request from National Grid calculates the cost of subsidizing new customer connections and reinforcing the system to serve those new customers at \$210 million for 2024. You can free us from these unnecessary costs by ending the 100-foot rule. This statute change is called for in the Final Scoping Plan on page 357.
- 2. Fund retrofit readiness to improve access to cost-saving energy efficiency and heat pump installations. We commend your commitment to 2 million climate-friendly homes by 2030, including 1 million electrification-ready homes, 800,000 of which would be for low-income households. While many programs are available to help weatherize and electrify homes, New York's most vulnerable households are locked out of these cost-saving measures. They are being forced to battle extreme heat and cold, plus high energy bills because their homes are not "retrofit-ready." They need pre-retrofit investments (i.e., structural upgrades, electrical upgrades, and lead, mold, and asbestos remediation) to address deferred maintenance and health hazards that block weatherization and electrification projects from moving forward. The Final Scoping Plan, page 199, calls for a "Retrofit and Electrification Readiness Fund for LMI households, affordable housing, rent-regulated housing, public housing, and residential buildings in Disadvantaged Communities." We are counting on you to identify the funds for these necessary improvements and to direct your agencies to incorporate these measures into their weatherization and electrification programs.
- 3. Enable utilities to opt for cleaner, more cost-effective options rather than unnecessary gas pipelines. Outdated Public Service Law saddles New Yorkers with wasteful spending on the antiquated gas system rather than investing in building improvements and the clean heating and cooling technologies called for in the Final Scoping Plan, including heat pumps and thermal energy networks. We urge you to amend the obligation to serve gas so that utilities can pursue the union-friendly neighborhood-scale building decarbonization projects called for on page 205 of the Final Scoping Plan, which will improve health, safety, and comfort.

- 4. Ensure no residential customers pay more than 6% of their income for energy by making rates more fair. Your administration has taken important steps to improve energy affordability by providing utility debt relief, expanding the utility energy affordability program, and piloting an energy affordability guarantee for customers who electrify through NYSERDA's Empower+ program. Nevertheless, too many households still struggle to afford their bills because utility rates are rising so dramatically. The policies described above, along with important changes in your Public Service Commission's energy efficiency programs through the New Efficiency New York proceeding, will help reduce system-wide energy costs. More relief is needed, however, to protect the lowest-income New Yorkers, who pay an average of 10% of their income on energy (as compared to higher-income households who typically don't pay more than 2% of their income on energy). By guaranteeing residential customers pay no more than 6% of their income on energy, you can save the average low-income household \$75 per month.
- **5. Hold utilities accountable to New York's nation-leading climate law.** New York's gas utilities, which represent a significant opportunity to reduce building sector emissions, are continuing to pump money into their gas pipeline networks including billions of dollars of customer money on expanding and extending the life of their gas infrastructure without viable plans to reduce fossil fuel usage and corresponding emissions to levels commensurate with CLCPA mandates. The gas utilities need clear direction to rein in fossil fuel spending and guide their long-term planning efforts. We therefore call on you to direct the Department of Environmental Conservation to set sector-specific GHG emission limits for the buildings sector, and to direct the Public Service Commission to set declining emission limits, in line with the CLCPA, for each gas utility and to enforce these limits through the gas planning process.

Prior commitments and actions have set you and your administration up for success in achieving these goals. The Final Scoping Plan describes a transition to well-insulated homes and buildings, powered by clean energy, that will result in lower bills and cleaner air that drives a healthier, more prosperous New York for all. But profit-seeking investments by gas utilities stand in the way of that transition being implemented equitably and affordably. We celebrate the progress that has been made with the passage of all-electric new construction, funding for the EmPower+ program, expansion of the Energy Affordability Program, and your commitment to two million climate-friendly homes by 2030. But now New Yorkers need you to take the next steps outlined in the Final Scoping Plan and stop utilities from dumping money into short-sighted investments in fracked gas pipelines that we no longer need.

New York has set the standard for transitioning to clean energy in buildings nationally, as demonstrated by your leadership with 24 other Governors in calling for quadrupling heat pump deployment by 2030. New York must continue to lead by enacting cutting-edge policies that will deliver the energy savings, comfortable homes, and a livable planet promised by your Final Scoping Plan. Passing these policies will build on your legacy of leadership and make meaningful progress toward a better New York.

Thank you for your consideration of these recommendations. We look forward to continuing this work with you toward improving living conditions, health, economy, and climate for all New Yorkers.

Sincerely,

Alliance for a Green Economy Natural Resources Defense Council

New York League of Conservation Voters WE ACT for Environmental Justice

Building Decarbonization Coalition

ALIGN: The Alliance for a Greater New York

Association for Energy Affordability

Building Performance Contractors Association of

NYS Inc.

Climate Solutions Accelerator of the Genesee-Finger

Lakes Region

Environmental Advocates NY

NY Renews Coalition Regional Plan Association

Concerned Health Professionals of New York

Earthjustice

Environmental Defense Fund

Food & Water Watch

Long Island Progressive Coalition
NYC Environmental Justice Alliance

Citizen Action of New York

Urban Green Council

True Building Performance

Wise Home Energy

Aztech Geothermal, LLC

350Brooklyn 350NYC

American Association of University Women-

Kingston

All Our Energy

Alternative Carbon Energy Systems Inc

Beacon Climate Action Now

Bedford 2030

Bethlehem Morning Voice Huddle

Big Reuse

Bronx Climate Justice North

Bronx Jews for Climate Action

Brooklyn for Peace Buffalo Energy, Inc. Buffalo Geothermal LLC New York Geothermal Energy Organization

NYPIRG

Renewable Heat Now Rewiring America

Sierra Club Atlantic Chapter

Vote Solar

Adirondack Voters for Change E2 Environmental Entrepreneurs

Dandelion Energy

Frack Action
For the Many
Mothers Out Front

New York State Public Health Association

New Yorkers for Clean Power

New York Sustainable Business Council

Partnership for the Public Good

South Bronx Unite SunCommon TREEAge

HIGHMARK | Building Efficiency

Halco

Energy Catalyst Technologies

El Puente

Sane Energy Project

Jewish Climate Action Network NYC

Justice Ministries Committee, Presbytery of

NYC

Urban Homesteading Assistance Board Church Women United in New York State

Campaign for Renewable Energy

Climate Change Awareness and Action

Climate Change Resources, Inc.

Climate Control Group Climate Families NYC Climate Justice Cornell

Citizens' Climate Lobby of New York State

Citizens' Climate Lobby- Brooklyn Citizens' Climate Lobby- Mid Hudson Citizens' Climate Lobby- New York City Citizens' Climate Lobby- Rochester Citizens' Climate Lobby- Staten Island Citizens' Climate Lobby- Westchester

ClimateMama

Climate Master, Inc.

CNY Solidarity Coalition

Coalition Against the Rockaway Pipeline

Coalition for Outreach, Policy & Coordination

Coalition for Wetlands and Forests Coalition to Protect New York

Color Penfield Green

Color Rush Henrietta Green

Committee to Preserve the Finger Lakes

Communities for Local Power

Community Advocates for a Sustainable

Environment

Congregation Tikkun V'Or, CJ Council

Ecosave

Elmirans and Friends Against Fracking

Energy Allies

Energy Catalyst Technologies
Extinction Rebellion Mid-Hudson

Finger Lakes Climate Fund

Fossil Free Tompkins FrackBusters NY

Grassroots Environmental Education

Greater Syracuse Tenants Network

Green Choices Consulting

Green Ossining

Green Party of Onondaga County

Green Team LI Greening USA HabitatMap

Indian Point Safe Energy Coalition

Indivisible Brooklyn
Indivisible Harlem

Indivisible Mohawk Valley- Climate Crisis

Working Group

Indivisible New Rochelle
Indivisible Scarsdale
Inwood Indivisible
Kinetic Communities

Long Island Activists

LaMorte Electric Heating and Cooling

Melissa Carlson, Architect

Metro Justice

Mothers Out Front- Tompkins

Mothers Out Front- Dutchess County

Mothers Out Front- Westchester Rivertowns

Nassau Hiking & Outdoor Club

Network for a Sustainable Tomorrow New York Climate Action Group New York Climate Advocacy Project New York Interfaith Power & Light

New York Lawyers for the Public Interest New York Progressive Action Network

New York Youth Climate Leaders

No North Brooklyn Pipeline

North American Climate, Conservation, and

Environment

North Bronx Racial Justice North Country NYPAN Northwest Bronx Indivisible NP Environmental, LLC

NYC 2030 District NYCD16 Indivisible

NY Energy Democracy Alliance

NYPAN of the Southern Fingers Lakes

Outdoor Promise

Pace Energy and Climate Center

Pachamama Alliance of the Rochester Area

PathStone Corporation
Peace Action Bay Ridge
Peace Action New York State

Peekskill Progressives

People for a Healthy Environment Peoples Climate Movement- NY

Plant Native NW Bronx Possible Rochester

Progressive Schenectady Putnam Progressives Queens Climate Project

Ratepayer and Community Intervenors

Renewable Energy Long Island

Residents Allied for the Future of Tioga

Rise and Resist

Rivers & Mountains GreenFaith

Riverside Salem UCC/DoC

RocACTS Climate Justice Task Force

Rochester Area Interfaith Climate Action

Rockaway Women for Progress

Roctricity LLC

RPI Sunrise Movement

Safe Energy Rights Movement

Salas O'Brien

Sanfilippo Solutions Inc.

Seneca Lake Guardian

Sisters of St. Dominic of Blauvelt, NY

Sixth Street Community Center

Solarize Albany

South Asian Fund for Education Scholarship and

Training

South Shore Audubon Society

Start:Empowerment

Staten Island Urban Center

Stop NY Fracked Gas Pipeline

Stop the Algonquin Pipeline Expansion

Students for Climate Action

Sullivan Alliance for Sustainable Development

Sunrise Movement NYC

SUNY New Paltz Environmental Task Force

Supporters of Horseshoe Solar

Sustainable Fingers Lakes

Sustainable Putnam

Sustainable Saratoga

Sustainable Warwick

Sustainable Westchester

Syracuse Cultural Workers

Syracuse Peace Council

Syracuse United Neighbors

Taitem Engineering

The Climate Reality Project, Capital Region

Chapter

The Climate Reality Project, Finger Lakes

Greater Region Chapter

The Climate Reality Project, Hudson Valley &

Catskills Chapter

The Climate Reality Project, Long Island

Chapter

The Climate Reality Project, NYC Chapter

The Climate Reality Project, Westchester

County

The Climate Reality Project, Western New

York Chapter

The Insulation Man, LLC

The Park Church in Elmira

Third Act Upstate New York

Tompkins County Climate Protection Initiative

Tompkins County Progressives

Transition Town Port Washington

United for Action

United for Clean Energy

Urban Jobs Task Force of Syracuse

Urbecon LLC

UU Congregation of Binghamton, Green

Sanctuary

WESPAC Foundation

Westchester Alliance for Sustainable Solutions

Westchester for Change

Western New York Environmental Alliance

Win Climate

WNY Drilling Defense

WNY Youth Climate Council

Yorktown 100



















Climate Action













LIVE GREEN. SAVE GREEN.

Campaign for Renewable **Energy**





BUILDING **DECARBONIZATION** COALITION



















Citizens' Climate Lobby New York State









Geothermal Heating & Cooling







Climate Solutions Accelerator

of the Genesee-Finger Lakes Region





Coalition for Outreach, Policy & Coordination





Coalition for Wetlands and **Forests**













Good for the Economy. Good for the Environment.



Elmirans and Friends Against















FINGER LAKES

IMATE FUND





Environmental Advocates NY

















Education





































Justice
Ministries
Committee,
Presbytery of
NYC

KINETIC
COMMUNITIES
CONSULTING







Melisssa Carlson, Architect







MOTHERS
OUT
FRONT
Tempkins









Nassau Hiking & Outdoor Club, Inc.

Affiliated With N.Y. - N.J. Trail Conference
www.nassauhiking.org































North Bronx Racial Justice









2030
DISTRICT















Connecting You to Opportunities



PARTNERSHIP FOR THE PUBLIC GOOD



PEACE ACTION BAY RIDGE









Plant Native NW Bronx

Possible Rochester









Ratepayer and **Community Intervenors**



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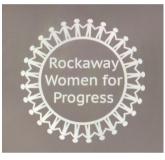




renewable energy Long Island

















SAFE ENERGY





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START: EMPOWERMENT







SASD I Sullivan Alliance for Sustainable Development

suncommon





























SUNY New Paltz Environmental Task Force



































Sustainable Solutions



United for Action

Unitarian UniversalistCongregation of Binghamton











westchester FOR**CHANGE**

FOR ENVIRONMENTAL JUSTICE











