



Joint Legislative Budget Hearing on Environmental Conservation
New York State Capitol
Albany, NY 12224

February 7, 2024

Re: Support for Affordable Gas Transition Act in Fiscal Year 2024-25 Budget

Dear Chairs Krueger and Weinstein:

Advanced Energy United “United” is writing in support of the “Affordable Gas Transition Act” (Part P) included in Governor Hochul’s proposed Fiscal Year 2024-2025 budget.

As a national business association with a membership that represents the full range of advanced energy technologies and services, United’s position on this issue is informed by our member companies in New York and elsewhere who are helping homeowners and businesses shift to clean and efficient buildings.

New York has made commendable progress towards its Climate Leadership and Community Protection Act goals, and towards ensuring efficient, clean heating and cooling for all via the 2023 All-Electric Buildings Act. Its next charge is to protect its gas utility ratepayers from shouldering an undue financial burden in this moment of transition.

United’s top priority within the Affordable Gas Transition Act is the **repeal of the “100-foot rule,”** a statutory subsidy in which gas utilities are compelled to spend their customers' dollars on new gas hookups to existing buildings each year – infrastructure at risk of becoming stranded early on within its long useful life. Furthermore, this non-safety, non-emergency spending puts upward pressure on rates in an era of declining customers. States including Colorado, California, Washington, Minnesota, and Massachusetts have or are currently taking steps to address their own gas hookup subsidies, and each year New York delays doing the same will cost ratepayers hundreds of millions of dollars.

To further contain transition costs and support gas ratepayers, the Affordable Gas Transition Act also:

- 1) Authorizes and encourages neighborhood-scale building decarbonization solutions, which will allow the state’s pipeline infrastructure to shrink in better alignment with a falling number of residential customers;

- 2) Requires that utilities and municipalities provide customers clear and timely information on incentives or opportunities that can save them money on their monthly bills, like those to install energy-efficient electric heating and cooling appliances, to weatherize their homes or businesses, to enroll in demand-side management programs, and to participate in distributed energy resource programs;
- 3) Directs the Public Service Commission to establish a process to examine non-pipeline alternatives to solve for gas system needs without excessive spending, to align gas utility capital plans with climate justice and emissions reduction mandates, and to move the state one step closer toward more meaningful gas and electric utility coordinated planning for system-wide infrastructure optimization.

Importantly, the Act guarantees continuous access to safe, reliable, and affordable energy services for all New Yorkers, requiring adequate substitutes of service where gas pipelines are targeted for retirement.

An orderly, planned transition is the only way to manage customer costs in this moment of market, technology, and policy-driven change. While more work will undoubtedly be needed to ensure energy affordability for all gas and electric customers in the near-, medium-, and long-term, New York cannot achieve true energy affordability without the policies cited above. In other words, the Affordable Gas Transition Act is necessary, if not sufficient.

For the above reasons, United supports the Governor's Affordable Gas Transition Act within the FY24-25 budget, and we respectfully request that the Assembly and Senate include it within their one-house budgets.

Signed,

Sarah Steinberg, Policy Director

Advanced Energy United

Nathan Willcox, Managing Director

Advanced Energy United

United is a national industry association that educates and advocates for policies that allow our member companies to compete to repower our economy with clean, reliable, and affordable energy. We represent over 100 businesses working across the energy sector, including large-scale and distributed renewables, geothermal, energy storage, energy efficiency and demand



response providers, transmission developers, electric vehicle (EV) manufacturers, charging infrastructure providers, and more.

