

**Testimony of Michael Hernandez,  
New York Policy Director for  
Rewiring America**

## **Introduction**

Thank you for the opportunity to offer testimony today. My name is Michael Hernandez and I am the New York Policy Director for Rewiring America. Rewiring America is the leading electrification nonprofit, focused on electrifying our homes, businesses and communities. We develop accessible, actionable data and tools, and build coalitions and partnerships to make going electric easier for households and communities. Rewiring America helps New Yorkers save money, tackle the State's emissions goals, improve public health, and build the next generation of clean energy workforce. We believe in an abundant, flourishing, climate-safe future, and know that, together, we can realize one.

## **Affordable Gas Transition Act and the NY Home Energy Affordable Transition Act**

Currently, the Public Service Law drives the expansion of an expensive, inefficient gas system by establishing a utility obligation to supply gas to any customer upon request and charging existing ratepayers for the cost of new connections. The Governor's budget proposal will correct this costly and harmful practice by eliminating the mandated ratepayer subsidies for the expansion of the gas system and directing the Public Service Commission to align gas system planning with the State's climate targets while keeping energy affordable.

Unfortunately, the Governor's proposal does not include the codification of the Public Service Commission's goal of no low or moderate income household paying more than 6 percent of their

household income. It is imperative that low and moderate income households are protected from high energy costs. Accordingly, the Legislature should include the codification of the Public Service Commission's six percent cap on low and moderate income households' energy burden.

Additionally, the Executive Budget proposal does not include a timeline for the Department of Public Service (DPS) to commence proceedings for the implementation of the transition away from the gas system. It is critical that the Public Service Commission be given a timeline in which to implement the transition as an open ended authorization could result in costly inaction for the foreseeable future.

## Empower Plus Program & Energy Affordability Program

In last year's enacted budget the Department of Public Service and the New York State Energy Research and Development Authority (NYSERDA) were appropriated \$400 million for the Empower Plus Program and Energy Affordability Program in order to assist low and moderate income households in converting from fossil fuel combustion systems to energy efficient heat pumps and to ensure such households would not pay more than six percent of their household income on energy bills. The Executive proposes to reappropriate the full \$400 million in this year's budget. We support the reappropriation of the \$400 million, and we would like to see DPS and NYSERDA start getting this money into the hands of New Yorkers.

The Executive only proposes an additional \$50 million appropriation for the Energy Affordability Program, the legislature should match last year's \$400 million appropriation as once these programs begin the initial rollout, funds will be quickly exhausted.

## Renewable Energy and Greenhouse Gas Reduction (RAPID)

The Executive Budget proposal includes the RAPID act which would create a new Office of Renewable Energy Siting and Electric Transmission to expedite the review and approval of “major electric transmission facilities” and to relocate the Office of Renewable Energy Siting (ORES) from the Department of State to the Department of Public Service. Rewiring America supports these proposals as it is urgently necessary that New York speed up the review and approval of electric transmission facilities. As New York transitions away from fossil fuels to clean renewable energy there will be an increased demand for electric energy and the state needs to move quickly to approve such transmission lines and to get renewable energy interconnected to the electric grid. The time to implement these changes is now so that New York can ensure that there is adequate transmission capacity when the increased demand is needed in the future.

## All-Electric Building Act Implementation

Last year the enacted budget included the All-Electric Building Act which directed the New York State Building Code Council to update the Building Code and Energy Conservation Construction Code to prohibit new construction from using appliances that rely on the combustion of harmful fossil fuels. Since the passage of the enacted budget, the Building Code Council has been working on completing the 2024 Building Code update. Unfortunately, the Division of Building Codes and Standards within the Department of State and NYSERDA have failed to comply with the requirements of the All Electric Buildings Act as the first two versions of the 2024 Building/Energy Code do not incorporate the electrification of new construction.

Furthermore, the Building Code Council and NYSERDA have failed to comply with the requirements of the Advanced Building Codes and Standards Act and the Climate Leadership

and Community Protection Act (CLCPA). The Advanced Building Codes and Standards Act required the Code Council to incorporate the recommendations of the Climate Action Council scoping plan which provided that new construction should be electrified, energy efficient and resilient and that existing construction should phase out fossil fuel combustion equipment. The CLCPA required the Code Council to determine if the 2024 Building Code would interfere with the state's greenhouse gas reduction goals and prohibited the Code Council from adopting a 2024 Building Code that disproportionately burdens disadvantaged communities. The 2024 Building Code update should only be approved if it complies with these laws.

## **Federal Preemption of the All-Electric Building Act**

It should be noted that a complaint has been filed in a New York federal court seeking an injunction against the Building Code Council to prevent them from implementing the All-Electric Building Act on the basis that the federal government's regulation of appliance standards preempts New York's ability to prohibit fossil fuel combustion equipment.

While we do not believe the law should be preempted, the Legislature should prepare to amend the law if the federal courts find that New York State is preempted.

## **NYSERDA's proposed Cost Effectiveness Methodology**

This year, pursuant to Advanced Building Codes and Standards Act, NYSERDA was required to create a new cost effectiveness methodology for changes to the Energy Code. The law requires NYSERDA to incorporate the societal and secondary impacts of energy efficiency upgrades to the energy code when considering the costs and benefits of such changes. Unfortunately, NYSERDA's proposed methodology falls short of the law's directive by relying solely on the Social Cost of Carbon to determine both societal and secondary impacts. This proposal will undermine the law's intent and fail to account for numerous other benefits of increasing energy

efficiency in the energy code, such as averted health impacts and newly created employment opportunities. NYSERDA should amend its proposal to incorporate all of the societal and secondary benefits of making NY's Energy code more energy efficient.

## **NYSERDA's Inflation Reduction Act (IRA) Rebates Implementation**

This year, NYSERDA should start providing New Yorkers with Inflation Reduction Act (IRA) rebates. NYSERDA has submitted a partial quick start application to the federal government to receive \$39.6 million in electrification and energy efficiency rebates and has already received \$5 million from the federal government for administrative support. NYSERDA should move quickly to make this initial batch of rebates available to the public and complete its IRA application to receive the remaining \$277.4 million of New York's portion of Inflation Reduction Act rebate funds.

### **New York Power Authority's Build Public Renewables Conferral Process was defective**

Last year, the enacted budget tasked the New York Power Authority (NYPA) with the planning and constructing of renewable energy projects to support CLCPA goals. As part of the planning process the law required NYPA to confer with climate and resilience experts as well as environmental justice and community organizations on the progress of achieving the State's renewable energy goals within 180 days.

Rewiring America reached out to NYPA to participate in the conferral process but was ignored until the conferral process was completed. Fortunately, the law requires NYPA to complete additional conferral processes periodically in the future. NYPA should comply with the law and allow relevant stakeholder participation in the conferral process.

## **Conclusion**

Thank you for the opportunity to testify.