



2025 Joint Legislative Budget Hearing
Environmental Conservation and Energy Committee

January 28th, 2025

Dear Committee Chairs Glick and Harckham,

Thank you for the opportunity to discuss topics of critical importance to our home energy affordability, use, and safety. In our testimony, we discuss our top two budget priorities for New York's state budget: NY HEAT Act and the Green Affordable Pre-Electrification Fund (GAP).

Alliance for a Green Economy is a nonprofit headquartered in Syracuse, New York. For the past 12 years, we have been a source of information for our neighbors and community members about their home energy uses and needs. In 2017, we formalized our work with residents of Central New York through the Heatsmart Campaign, in which we helped homes access funds for heat pumps, home weatherization, and other energy efficiency upgrades. Now, we are home to one of the Regional Clean Energy Hubs, funded by NYSERDA, and organized by a number of community-based organizations (CBOs) across the state. As a Hub, we continue this work to help people access all kinds of benefits from the clean energy transition, including clean heating and cooling technologies, EVs, green jobs, and more.

Yet through this work, we see how disproportionate the access to energy efficiency benefits and clean heating and cooling is, not just in our community, but throughout the state. In our testimony, we discuss the urgent need for residential retrofit funding to help homes get to the electrification and weatherization starting line. While there are funds to help homeowners and landlords purchase new, energy efficient, clean, and electric appliances for homes, many people cannot take advantage of these due to issues in the home such as structural deficiencies and toxic hazards. We need retrofit funding to ensure that people can move past these barriers to unlock the array of energy efficiency and electrification funding that will help them save money on energy bills, be more comfortable in the home, and improve health issues related to respiratory issues stemming from poor indoor air quality. The Green Affordable Pre-Electrification Fund is one of the critical pieces of how we ensure a key aspect of environmental and climate justice outcomes in New York - without it, many low- to moderate-income households will be left out of the clean energy transition and thereby miss the myriad benefits of electrification and weatherization.

Another crucial piece of this transition is NY HEAT Act. At present, New York is held back by outdated Public Service Laws that force gas ratepayers to pay \$200 million a year for new gas pipelines that are locking us into climate catastrophe. The NY HEAT Act frees us from outdated rules forcing us to burn fossil fuels, and moves us toward a 100% renewable future. It also unlocks capital currently flowing towards new gas infrastructure, and allows utilities to invest in efficient, electric buildings and renewable heating and cooling systems like heat pumps and thermal energy networks instead. This will not only slash the state's largest source of

climate-warming pollution - burning fossil fuels in buildings - but also ensure that the lowest-income New Yorkers will not be left on a gas system whose costs are exponentially rising as people leave the gas system for cleaner, more efficient, and more affordable options.

It is critical that both of these pieces of legislation are passed together in the state budget as they complement each other and deliver on New York's Climate Leadership and Community Protection Act. Without addressing New York's housing stock, buildings will continue to be our largest source of emissions. And without improving people's homes and buildings where we live, play, learn, and work, we will miss opportunities to improve lives while undergoing the renewable energy transition that is coming.

Earmarking \$200 million to fund electrification-ready retrofits will improve indoor air quality, health, and comfort in the home. The GAP Fund would address issues which, according to building decarbonization experts across the state, are some of our most pernicious barriers to weatherization and electrification retrofits. Some of these issues include:

- Removal or abatement of health hazards such as mold, lead, asbestos, radon, or pest infestations
- Replacement of insulation, air sealing, roof repairs and replacements, water intrusion mitigation, foundation repair, and moisture control
- Electrical wiring and panel upgrades

The GAP Fund was conceptualized by HVAC contractors, heat pump installers, homeowners, and efficiency and weatherization program administrators, who are frontline experts on why electrification is often a near-impossible feat for low-income households. These advocates are valuable sources of information on what barriers prevent homes from electrifying, and they've seen that this is an issue in both low and moderate income households, though the severity and abundance of issues in low income homes and disadvantaged communities is more acute as people have less upfront capital to be able to address the issues. Low Income households that do not receive support and investment from the state will almost never be able to electrify on their own, due to these pre-electrification barriers.

While this is an ongoing environmental justice issue, if we don't ensure low income households can get off the gas system, the problem will be exacerbated. These homes will be the last ones left on an increasingly expensive gas system with fewer customers to bear the cost burden. This is already happening because more and more customers are choosing to leave the gas system for heat pump technology that is continually improving; heat pump sales now regularly outpace the sale of gas furnaces.

We have seen countless homes unable to move forward with potentially life-saving retrofits because there is too much deferred maintenance to be able to install insulation or a heat pump. The Green Affordable Pre-Electrification (GAP) Fund addresses pre-electrification barriers that are not covered by existing programs by providing funding to fill in these "gaps" to homeowners and building owners. NY HEAT Act ensures that instead of pouring billions of dollars down the drain into pipelines soon to become stranded assets, utilities can invest in clean, modern,



reliable, affordable alternatives for heating and cooling like heat pumps and thermal energy networks, which can decarbonize entire neighborhoods at once. A just energy transition requires that historically-marginalized and excluded groups can access all of the benefits of a clean energy transition, including a green, healthy home with affordable heating and cooling - these bills are complementary and necessary pieces for this goal.

Alliance for a Green Economy also recommends that the State Budget includes the Renewable Capitol Act, which mandates the conversion of the Capitol and Empire State Plaza to renewable energy. We urge the governor and legislature to include this legislation in the Article VII language of the proposed 2025-26 state budget. We also recommend an initial appropriation of \$150 million for the first year for planning and construction costs as identified by the Empire State Plaza Energy Infrastructure Master Plan (May 2024, Ramboll), for a geothermal system for the buildings connected to the Sheridan Avenue Steam Plant. The continued operation of the Sheridan Avenue Steam Plant which has polluted a low-income people of color neighborhood for over a hundred years to heat and cool the Capitol Complex is contrary to New York's environmental justice policy.

Respectfully,

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