



## Testimony

### Joint Legislative Public Hearing on Fiscal Year 2025-2026 Executive Budget Proposal: Environmental Conservation

Thank you to the Committee on Environmental Conservation for the opportunity to submit testimony today.

New York State must transform how it heats and cools its buildings with policies that decarbonize our built environment at a scale that makes energy bills more affordable, fortifies a truly clean heating and cooling infrastructure with union jobs, and creates nationally-recognized models for advancing the clean heat market.

**To unlock the ability to decarbonize buildings at a neighborhood-scale through thermal energy networks, the NY HEAT Act must be included in the Budget.** Without the NY HEAT Act, the Public Service Commission (PSC) is constrained in its ability to offer utilities a path toward clean energy solutions and away from spending ratepayer money on replacing aging pipe, costing \$3-6 million per mile of pipe replaced, a practice that could end up costing ratepayers \$28 billion by 2043 if business as usual continues<sup>1</sup>. By amending the utility obligation to serve gas to allow for safe and reliable neighborhood-scale decarbonization, this bill would open up a pathway to avoid investing in aging gas infrastructure and instead advancing solutions such as thermal energy networks. The current cross-subsidy, or “100 foot rule”, costs existing customers \$200 million per year to defray the cost of extending gas lines to new customers. Eliminating this wasteful gas line expansion subsidy will help stop gas utility bill increases and could shift funds to support clean heat and cooling technologies. This bill would also codify the State’s existing policy goal of keeping energy utility bills below 6% of household income, helping to keep it affordable for New Yorkers to heat their homes.

**To continue New York’s progress toward clean heating and cooling supported by union jobs, the Budget must also include funding for shovel-ready thermal energy networks. Specifically:**

The Executive Budget committed \$1 billion to support investments in thermal energy networks over five years. This is a critical investment toward achieving New York’s climate goals, reducing emissions, and building resilient, energy-efficient infrastructure. To maximize the impact of these investments, in the first year, the budget should allocate \$200 million to advance thermal energy networks at SUNY Purchase and the University at Buffalo, and for additional shovel ready projects at campuses like SUNY ESF and Binghamton University. These projects will create family-sustaining union jobs and serve as flagship models for decarbonized campuses.

There are also additional projects across the state that need critical funding in order to progress. Incorporating

<sup>1</sup> Building Decarbonization Coalition, The Future of Gas in New York State pg. 4  
<https://buildingdecarb.org/wp-content/uploads/BDC-The-Future-of-Gas-in-NYS.pdf>

an allocation of \$15 million in the Budget to support engineering for the expansion and upgrade of a thermal energy network in Jamestown NY by the Jamestown Board of Public Utilities would serve as a model for how to decarbonize a municipally-run steam system.

New York State has been leading the nation on building decarbonization policy. Through the passage and implementation of the Utility Thermal Energy Networks and Jobs Act of 2022, utilities in New York are planning innovative thermal energy network projects across the state. The All Electric Buildings Act requires most new buildings to use electric heating and appliances starting in 2026. New York has made a critical investment of \$30 million in a thermal energy network at SUNY University at Albany and committed to decarbonization action plans featuring thermal energy networks at the State's highest emitting campuses and facilities. It's essential that New York continues to lead the way and advance neighborhood-scale building decarbonization.

The State can make meaningful progress to usher in an equitable clean energy transition through neighborhood-scale building decarbonization solutions, like thermal energy networks, which will retain and expand middle-class union careers while tackling climate change. This can be accomplished while also lowering energy costs for New York families and making New York a more affordable, healthier, and greener place to live and work.

Sincerely,



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Building Decarbonization Coalition

*The Building Decarbonization Coalition (BDC) unites critical stakeholders on a path to transform the nation's buildings through clean energy, using policy, research, market development and public engagement. The BDC and its members are charting the course to eliminate fossil fuels in buildings to improve people's health, cut climate and air pollution, prioritize high-road jobs, and ensure that our communities are more resilient to the impacts of climate change.*