

# Energy Efficiency and Housing Advisory Panel

Panel Meeting 9  
March 16, 2021

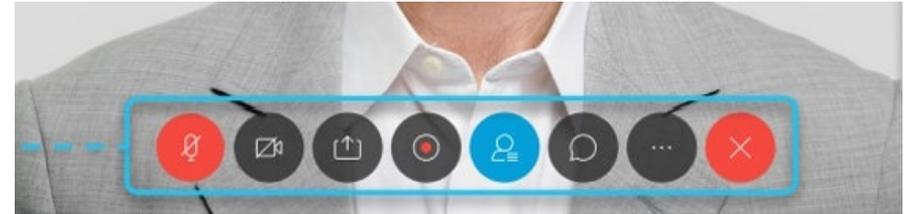


**Climate Action  
Council**

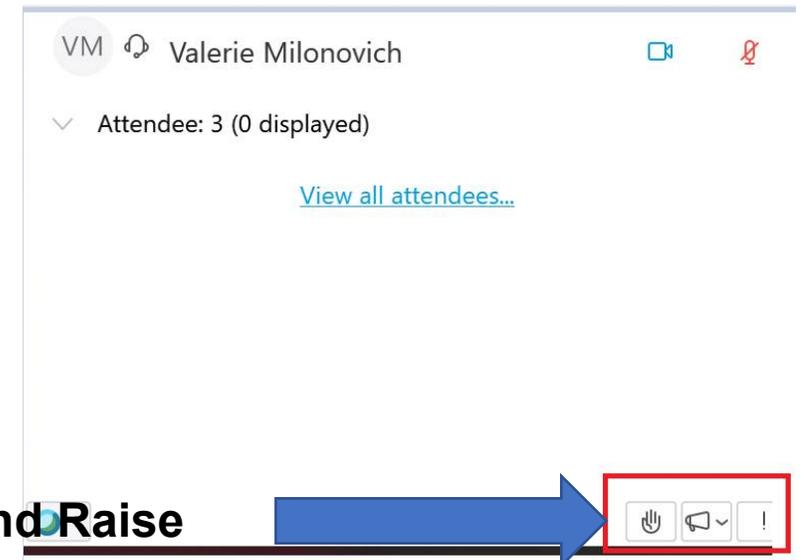
# Meeting Procedures

## Before beginning, a few reminders to ensure a smooth discussion:

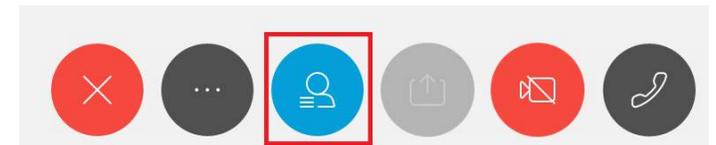
- > Panel members should be on mute if not speaking.
  - > If using phone for audio, please tap the phone mute button.
  - > If using computer for audio, please click the mute button on the computer screen (1<sup>st</sup> visual).
- > Video is encouraged for Panel members, in particular when speaking.
- > In the event of a question or comment, please use the hand raise function (2<sup>nd</sup> visual). You can get to the hand raise button by clicking the participant panel button (3<sup>rd</sup> visual). The chair will call on members individually, at which time please unmute.
- > If technical problems arise, please contact Edward Galvin at [Edward.Galvin@cadmusgroup.com](mailto:Edward.Galvin@cadmusgroup.com)



You'll see  when your microphone is muted



Hand Raise



# Agenda

**Overall Objective:** Review stakeholder input and the draft recommendations package under development, to confirm areas of alignment and priority areas to refine

- > Welcome (2 min)
- > Review input (15 min)
  - Climate Action Council member input during building electrification discussion
  - Key themes from stakeholder comments
- > Discuss the draft recommendations package under development (40 min)
- > Next steps (3 min)

# **Input from Climate Action Council Members and Stakeholders**

# Input from Council Members

## > **Dennis Elsenbeck**

- Expect that rapid electrification will accelerate the need for distribution system upgrades – so shouldn't we go directly to figuring out the increased costs for the distribution system?
- Look at value stacked pricing to provide incentive to avoid distribution system upgrade
- Phasing of codes and regulations – currently very strict on energy storage

## > **Raya Salter**

- Keep equity front of mind in system upgrades – communities that have historically been left out or left
- DACs are referred to as customers, but they are full participants in the economy
- Support and capacity building for MWBEs

## > **Bob Howarth**

- Consider incentives for GSHP since they are more efficient
- Worry that waiting 5-10 yrs for new construction (10-15 yrs for replacement) to ban gas in construction may not get to the goals (40% GHG reduction by 2030), especially with upstream and methane emissions
- Considering the low cost of natural gas, should consider a carbon fee to appropriately price the harm of gas

# Input from Council Members

## > **Anne Reynolds**

- Can cost info for building upgrades be summarized similarly to that for EVs: When will we reach upfront cost parity? When will we reach operational cost parity? How many buildings need to electrify each year to meet the goals?

## > **Gavin Donohue**

- What is meant by cost compression in this context? When will we know what the costs are?
- Explore putting a cost on carbon

## > **Donna DeCarolis**

- Beneficial to share comments to EE&H Panel from the Utility Consultation Group with Council members
- Extent to which resilience is being considered by Panel – Texas as example, need storm hardened, reliable infrastructure
- Cost – unclear how cost for consumers is being considered? Have hybrid ASHP/furnace options been explored?

## > **Peter Iwanowicz**

- Urge panelists to consider challenges around alternative fuels (e.g., potential pollution burden on EJ communities)

# Stakeholder Input: Recap

- > **Expert Round Tables**
  - **3 in November 2020: builders, installers, designers (SF/MF); landlords, owners, agents**
- > **Stakeholder (expert) survey**
  - **October – December 2020: ~65 responses**
- > **Public Engagement Session (2/4/21)**
  - **270 attended, ~330 including NYS agencies**
  - **Written comments** received through 2/18/21
  - **110 unique comments (session and email), plus ~320 comments via two coordinated emails**
- > **Additional listening sessions with real estate actors re: housing**

# Stakeholder Comments: Overview

- > **Most active engagement from Environmental/EJ and energy efficiency/heat pump groups**
- > **Significant attention and support for possible State codes and equipment standards to phase out fossil fuel heating/hot water/appliances – with clear dates allowing the market to adjust**
  - Support for all-electric Code for new construction
  - Support for phasing out the sale/installation of fossil fuel equipment (for replacement at end of useful life)
  - Range of timelines proposed
  - Emphasis on the need for consumer education, funding, tech. assistance to help meet new mandates
  - Concerns noted include: disproportionate impacts on low-income customers, cost of violation penalties, transition for workers whose skills do not easily transfer to another sector

# Stakeholder Comments (continued)

## > **Strong and broad support for:**

- Building electrification and energy efficiency
- Public education/marketing – for consumers, contractors, real estate industry, etc.
- Funding/incentives and technical assistance (to offset cost premiums, in conjunction with regulations), esp. for LMI/DAC
- Workforce development and training, with attention to equity and workforce diversity
- Statewide requirement for building energy usage benchmarking and disclosure

## > **Calls for:**

- Planning/policy for a managed transition from fossil gas system; calls to end the 100-foot rule
- Consideration of enforcement – already code enforcement challenges
- Attention to HFCs/refrigerants (use, management, disposal, R&D)
- Attention to biofuels and renewable natural gas (different views evident)
- Monitoring/mitigating risks re: affordable housing, gentrification, disinvestment in disadvantaged communities
- Additional input from housing and developers

# Coordinated Responses

## **Coordinated Email Response** (71 emails)

- Fund all mandates – vis a vis poor/working class households and DACs – grants, incentives, and affordable inclusive financing
- End structural racism in the housing market
- Invest in green jobs – training, community-to-career pathways
- Support and prioritize MWBEs
- Prioritize bottom-up solutions
- Open all meetings of the Panel to the public

## **Coordinated Email Response** (245 emails)

Urges sunset plan for fossil fuel combustion in all NY buildings:

- Immediately - End the 100 foot rule subsidy for new gas service
- January 1, 2024 - No new fossil fuel systems in new construction
- January 1, 2026 - No new fossil fuel water heating systems upon replacement
- January 1, 2028 - No new fossil fuel heating systems upon replacement
- *Different dates might apply for affordable housing or for safety-related waivers*

# Environmental, EJ groups, and Clean Energy Industry

## Common Themes

- Overall support for draft recommendations shared on Feb. 4
- Strengthen building codes and equipment standards – solidify dates for all electric new construction and for phasing out purchase of combustion appliances
- Consumer education, pilots, tech. assistance, financial support for upgrades and energy audits
- ASAP: statewide benchmarking and strengthened appliance standards
- ASAP: Planning studies/process on long-term transition away from gas
- Workforce development, target MWBEs

## Equity and Affordability – specific points

- Prioritize resources to DACs, affordable housing
- If resource constraints, set dates that consider the needs of certain sectors (e.g. affordable housing)
- Incorporate housing quality, health, and affordability across recommendations
- State/muni housing agencies to require projects meet efficiency standards, transition to electrification

## Financial Assistance – specific points

- Update NY Green Bank Investment Plan
- Tariff-based inclusive financing programs
- Reforms to the Benefit Cost Analysis framework
- Prioritize early focus on energy efficiency and/or packaging efficiency + electrification upgrades

# Real Estate Industry

## Real Estate Industry

- Support for phasing out fossil fuels in new construction
  - Clear date signals necessary
  - Support for statewide benchmarking
  - One size fits all approach will not work
  - Grid and transmission line readiness and resilience
  - Tie fossil fuel mandates to electric grid readiness
  - Mandates should align with capital cycle of buildings
  - Avoid penalties to buildings for upstream emissions
  - Align all new State requirements with NYC local laws
  - Incentives needed; prioritize LMI
  - Provide training for building workers
- Practical considerations for retrofits raised in discussion: tenant disruption in occupied units, construction feasibility/space for equipment, logistics for rewiring/electrical service upgrades, need more info on solutions and cost, economic impact of COVID-19

# Utilities

## Utilities

- Support for the State's energy and climate goals
- Urge a pause on recommendations that would constrain installation of gas equipment until completion of a gas transition planning study
  - Understand energy needs, conversion costs, impact on LMI/DAC
- Publish “how to” case studies of electrification
- Provide incentives to lower cost
- Identify funding (state, federal, property tax treatment)
- Advance low/no carbon gas technologies, incl. State support for R&D

# City of New York

## City of New York

- Cost considerations as a key factor – more info needed on costs of recommendations, affordability, LMI/DAC impacts, funding
- Make upgrades accessible to LMI and DACs
- More analysis needed to plan for a managed transition off fossil fuels, incl re: impact of modified depreciation rates on customers
- Encourage packaging EE with electrification
- More stringent, performance-based building codes
- State appliance standards, incl. for cold climate heat pumps
- Access to energy usage data and benchmarking
- Education, workforce development, inclusion of MWBEs
- Consider adopting climate action tax credit

**Discussion:  
Recommendations  
Package under  
Development**

# Workforce (enabling strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Ease of implementation	Cost
E-3	Support workforce education, training, job placement and development that equip the state's current and future workforce to design, install, inspect, maintain and operate healthy, comfortable, low-carbon buildings while increasing clean energy job placement for disadvantaged communities and advancing industry diversity.	Financial, programmatic, regulatory	Medium	Low/Medium

# Consumer Education (enabling strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Ease of implementation	Cost
E-4	Support broad consumer awareness and education, create strategic partnerships including with trusted community leaders, and scale-up targeted outreach and decision-making support to increase market demand and accelerate the transition to low-carbon, energy-efficient, all-electric buildings.	Programmatic	Easy	Medium

# Innovation (enabling strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Ease of implementation	Cost
E-5	Support research and development (R&D), demonstration projects, and more companies and manufacturers operating in NYS to bring innovative solutions to the marketplace for: highly efficient, all-electric, and resilient buildings; grid-interactive buildings, with revenue opportunities; and reducing embodied carbon in buildings.	Programmatic	Easy	Commensurate with scale

# Benchmarking and Disclosure (mitigation strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Emissions impact by 2050	Ease of implementation	Cost
M-2	Require measuring building energy usage, benchmarking energy performance, and making that information accessible via disclosure or labeling.	Legislative, programmatic	[to estimate]	Easy/Medium	Low

# Codes and Standards (mitigation strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Emissions impact by 2050	Ease of implementation	Cost
M-1	Enact codes and standards that: phase out fossil fuel use in buildings, requiring electric space heating, electric hot water heating, and electric appliances; improve energy efficiency; and enhance building resilience.	Legislative, regulatory, programmatic	High	Medium/Hard	High

# Gas system transition (mitigation strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Emissions impact by 2050	Ease of implementation	Cost
M-3	Advance a managed, phased, and just transition from reliance on fossil gas and the gas distribution system to a clean energy system, including elimination of embedded subsidies for fossil gas.	Regulatory, legislative	Planning required to estimate	Hard	Planning expected to mitigate
M-4	<b>[Forthcoming – Mitigation for HFCs]</b>				

# EE&H – Next Steps

# Meetings/Timeline

## > Subgroup sessions during second half of March

- March 17 – Considerations for rent-stabilized and affordable housing
- March 24 – Level-setting: possible financing and financial solutions to enable recommendations
- March 31 – Identifying possible financing and financial solutions
- TBC: Feedback on input assumptions for the Integration Analysis and EE&H cost/impact scenario

## > April

- April 12 – CAC meeting – Council members review recommendations from:
  - Agriculture & Forestry,
  - Waste,
  - Energy-Intensive & Trade-Exposed Industries,
  - Just Transition Working Group
- April 9 – wrap up EE&H recommendations
- April 16 – EE&H and other panel recommendations shared with Panel Chairs for review
- Panel members to remain available for further potential collaboration and recommendation refinement
- Panels will shift to meeting on an as-needed basis

## > May

- May 3 – EE&H recommendations shared with CAC for review
- May 10 - CAC Meeting – Council members review EE&H, Land Use & Local Government, Power Generation, and Transportation Panel recommendations and discuss with panel reps

# Appendix

# Low-cost Financing (enabling strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Ease of implementation	Cost
E-1	Low-cost financing for energy efficiency, electrification, electrification readiness, solar PV, and other related improvements in buildings	Financial	Medium	Commensurate with scale

# Incentives (enabling strategy)

## DRAFT MATERIAL

Initiative #	Description	Action type	Ease of implementation	Cost
E-2	Provide incentives for single family, multifamily, and commercial and institutional building owners that speed uptake and help to transform the market for building efficiency, electrification, and decarbonization, with a focus on enabling uptake in LMI households, disadvantaged communities, and affordable housing.	Financial, programmatic, regulatory	Medium	Commensurate with scale