

Donna L. DeCarolis Statement
Climate Action Council Meeting
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It has been my privilege to serve as a member of this Council and contribute to its important work. I support many of the initiatives it is advancing, including the adoption of accelerated energy efficiency measures, the need for frequent evaluations to assess power system reliability, robust research and development programs to facilitate deployment of innovative emissions reduction solutions, and the use of the natural gas distribution system to deliver renewable natural gas (RNG) and hydrogen for hard-to-electrify applications. Having said that, however, the draft Scoping Plan doesn't go far enough with many of these initiatives, and also fails to adequately answer critical questions about the cost of electrification (including its impact on electricity and natural gas costs), who pays that cost, and the appropriate evolution of New York's complex energy system in a way that ensures continued energy affordability, reliability and resiliency for the state's residents, businesses and manufacturers. The need for a laser focus on the reliability and resilience of New York's energy delivery systems can't be stressed enough, particularly in light of the NYISO's *2021–2030 Comprehensive Reliability Plan* issued earlier this month, which “demonstrates that our reliability margins are thinning to concerning levels beginning in 2023” and that “the system may cross a reliability ‘tipping point’ in future years such that the transmission system could not fully serve the demand.”

Customer Cost Impacts are Missing

It is imperative that the Plan include a detailed, credible analysis of cost impacts for all consumer sectors across New York, and that information should be part of the public discussion of the Plan. Presently, the Plan does not include this information. This omission is especially concerning in light of the significant upfront costs to convert an upstate single-family home to all electric, identified by the Council's consultants as costing between \$20,000 to \$50,000 for heat pump installation and energy efficiency upgrades. Using these numbers, in National Fuel's service territory alone the estimated cost would be between \$10 and \$25 billion dollars. These costs are particularly remarkable given the \$159,000 median sales price of a home in the counties that make up National Fuel's service territory. We simply cannot pursue a historic overhaul of the state's energy production and delivery systems without a clear picture of all of the costs consumers will bear, particularly low-income consumers and those living in Disadvantaged Communities.

Also Missing is an Evaluation for Optimization of the Natural Gas and Electric Energy Systems

Mandated electrification of heat, bans on appliances, prohibitions on natural gas service, closure of substantial portions of the natural gas delivery system and near-complete, economy-wide electrification are all extraordinary measures that would increase costs for consumers, and could also impair energy reliability and resiliency. Not only are these measures dramatically premature given the early stage of the state's energy transformation, they are unnecessary to fulfilling the goals of the Climate Act and may limit New York's ability to achieve a responsible energy transformation. Rather than forgoing opportunities to leverage the natural gas system, the Plan

should instead seek to create a blueprint to optimize and evolve it in a way that will not only preserve but enhance reliable energy delivery for New Yorkers.

Specifically, the Plan should more thoroughly evaluate the use of the dual-heat pathway for buildings, and include comprehensive research and development of low- and no-carbon technologies such as RNG and hydrogen that can be transported by the state's existing natural gas infrastructure and used to mitigate electric system build out and winter peak. Both pathways will provide needed resilience during extreme weather events, and reduce emissions in impossible and difficult to electrify subsectors of New York's economy. Recent projects such as New Jersey Resources Corp.'s hydrogen pilot project, which has been delivering small quantities of green hydrogen to homes and businesses in the utility's service area, suggest that these technologies have even broader applications. Multiple utility studies indicate that a hybrid approach to heat decarbonization can achieve net zero more affordably and reliably by pursuing widespread energy efficiency and using RNG and hydrogen as well as dual energy heating systems. All of these options should be explored with the rigor included for mandated electrification of heating. Technologies that are capable of decarbonizing the state's energy system should not be earmarked at this early stage for only certain sectors, but should be considered for use in multiple sectors as the full potential of these technologies is discovered through extensive research and development efforts.

Regional Considerations

I am especially concerned about the Plan's effect on upstate New York, where energy affordability and reliability are even more critical for customers and businesses due to greater financial challenges and more extreme climate conditions. On average, over the past ten years Buffalo has been 56% colder than New York City. As it is, the Plan cannot answer the question of whether upstate customers required to electrify their single-family homes at great expense will pay more to receive potentially less reliable service. That is not the Council's aim, of course, but the Plan makes no assurances that it will not be the result. It is worth pointing out as well that upstate emissions are already substantially lower than downstate. Given these obvious regional differences across the State, regional solutions such as utilizing dual energy heating systems in the coldest regions of the state, where air source heat pumps are less effective and efficient, should be pursued by the Council.

Public Review and Comment

While recognizing that hearings will be scheduled across the state, I am nonetheless concerned about whether the public is aware of the breadth, scope, and intended impact of the Plan. I am respectful of the process that the Council has followed so far, but I believe that the public needs to be made more aware of the degree of transformation being advanced by policymakers. Accordingly, I support issuing the draft Scoping Plan for public review and comment. Integral to my vote is an expectation that the Council will ensure that the draft Scoping Plan, and the important issues concerning cost, safety, reliability and resiliency not fully addressed in the Plan, will receive a thorough and fair review by the Council and before the public.