The Gas System Transformation

Presented by the Utility Consultation Group

July 6, 2022

Who We Are

A consortium of New York's gas and electric utilities, focused on providing expertise and perspective to the Climate Action Council and its advisory panels

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Gas System Transformation

- New York's Gas System is part of an intricate energy system that is designed to safely and affordably meet the needs of every New Yorker, every day.
- The Draft Scoping Plan calls for substantial downsizing and decommissioning of much of the gas system.
  - Currently very little mention of the ability of that system to play a constructive role in the implementation of the CLCPA.
- The gas system has substantially aided NY's reduction of greenhouse gas (GHG) emissions and should continue to play an integral role in overcoming challenges.

Safety & Environment

- Safety is always top priority for all utilities
- No matter the status of the gas system, it must continue to efficiently and safely serve every single customer
- Several ongoing safety & emission reduction initiatives

Importance of Reliability

- Texas and California's reliability issues highlight negative impacts on public health and safety.
- Reliability issues would be detrimental to CLCPA's clean energy goals.
- The transition from conventional dispatchable resources to intermittent renewables must preserve reliability.

"Reliability and resiliency of energy systems is critical to providing robust systems that respond to changing demand in real-time and withstand unexpected events."

Climate Action Council Draft Scoping Plan

Maintaining Reliability/ Resiliency

- New York's energy systems have complex interactions and operations, and their reliability is a result of methodical planning.
- The gas system supplies 35 percent of the state's energy.
  - Buildout of the electric system to accommodate transformation needs to be well planned and coordinated.
- Extreme Weather Events have increased in frequency and severity.
- The pipeline network is shielded from major disruptions due to severe weather events.

Affordability - Residential

- Focus on Energy Efficiency First
- Gas remains a relatively low-cost fuel; no clear economic decision for customers to electrify
- Customer behavior must be taken into account
- Cost to Convert cannot adversely impact Disadvantaged Communities
- Regional differences (housing stock, climate)

Affordability - Businesses

- Energy Intensive Trade Exposed Businesses cannot absorb additional energy costs
- Significant cost impacts/challenges to ready commercial buildings for electrification
- Certain Industries rely on gas and may not currently have viable alternatives
- We must create safeguards against loss of jobs and industry

Decarbonizing the Gas System

- A pathway that leverages existing gas infrastructure investments to achieve decarbonization is likely to be a more cost-effective, lower risk way to achieve emissions reductions called for by the CLCPA, while supporting overall energy system reliability.
- Recognize the value of RNG
- The gas distribution system can and should be utilized as one of a number of decarbonization tools available to the State.
- Investment in R&D for the industry is critical at this juncture

Just Transition / Labor Concerns

- Utility personnel (over 32,000 strong) consist of many highly skilled craftworkers in pipeline operations; transforming the state's pipeline systems through decarbonization, thermal loops, or other future solutions will provide seamless transition for workforce
- Decommissioning the system will send highly skilled workers and high paying jobs to other states.
- The CAC's Scoping Plan should represent a 'net-plus' outcome for the State economy.

Questions?