

June 30, 2022

Draft Scoping Plan Comments  
NYSERDA  
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### **Comments of Center for Sustainable Energy® regarding the New York Climate Action Council's Draft Scoping Plan**

Center for Sustainable Energy® (CSE) appreciates the opportunity to provide comments in response to the New York Climate Action Council's (the Council) Draft Scoping Plan. CSE applauds the Council's efforts in developing the Draft Scoping Plan and proposing strategies to implement New York's ambitious Climate Leadership and Community Protection Act (Climate Act).

CSE is a 25-year-old national nonprofit driven by one simple mission – decarbonize. We provide program administration, technical assistance, and policy advisement, and serve as a trusted resource helping government agencies implement successful clean energy and transportation programs.

CSE provides these comments based on our experience designing, implementing, and evaluating statewide incentive programs in New York, California, Connecticut, Massachusetts, New Jersey, Oregon, and Vermont, which collectively translates to over \$1 billion worth of program value under management. In New York, CSE administers the Drive Clean, Charge Ready NY, and New York Truck Voucher Incentive Project (NYTVIP) programs on behalf of the New York State Energy Research Development Authority (NYSERDA). Based on this experience, CSE offers responses to the Council's sector-specific strategies below and centers our feedback around the following overarching recommendations:

- **Develop coordinated and complementary programs** – CSE recommends the Council highlight the importance of fostering interagency coordination in the implementation of clean energy and transportation programs to ensure that programs are complementary and additive. Specifically, CSE recommends the Council encourage agencies to align eligibility requirements, ensure that incentives are stackable across programs, and utilize standardized data collection, evaluation, and reporting processes.
- **Prioritize equity** – CSE strongly recommends the Council prioritize investments for residents of Disadvantaged Communities, low- and moderate-income (LMI) communities, overburdened communities, and environmental justice communities, as defined in the Climate Act and outlined in the Draft Scoping Plan. CSE acknowledges the

requirement within the Climate Act to direct at least 35 percent of the benefits of clean energy programs within Disadvantaged Communities and appreciates the Council's goal of increasing this minimum requirement to 40 percent. CSE notes that while this 40 percent goal is consistent with the guidance associated with the Federal Justice40 Initiative, other states have established minimum equity requirements of 50 percent or higher for similar programs. Accordingly, CSE encourages the Council to consider increasing this investment minimum to 50 percent where possible. With respect to specific equity-focused program design principles, CSE recommends the Council highlight the importance of dedicated equity incentive budgets, increased incentive levels for residents of Disadvantaged Communities, partnerships with community-based organizations (CBOs), and equity-focused marketing, education, and outreach (ME&O) initiatives.

- **Invest in robust data collection, evaluation, reporting, and forecasting** – CSE recommends the Council reiterate the importance of targeted and transparent data collection, evaluation, reporting, and forecasting processes. For example, building decarbonization initiatives can benefit from benchmarking programs that require specified building owners to report data on energy use patterns. Where incentives are provided to reduce the cost of key technologies, such as energy storage, heat pump water heaters, and combined cooling, heating, and power (CCHP) systems, program participants should be required to share anonymized operational data to help regulators better understand potential contributions to electric reliability and resilience. Detailed data collection processes will help assess progress in meeting state goals, quantify benefits to Disadvantaged Communities, and inform program design, budgetary planning, and decision-making. CSE also recommends the Council collaborate across agencies and with key stakeholders, including CBOs, to identify key performance indicators and display these metrics via transparent public dashboards such as those used for NYSERDA's Drive Clean program<sup>1</sup> and the Open Data NY initiative maintained by the New York State Department of Health.<sup>2</sup>

CSE's responses to select sections of the Draft Scoping Plan are detailed below.

## **I. Transportation Strategy T1: Light-duty ZEV adoption**

### *A. Adopt California's Advanced Clean Cars 2 Regulations*

CSE supports the Council's recommendation to the Department of Environmental Conservation (DEC) to adopt the California Air Resources Board's (CARB's) proposed Advanced Clean Cars

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<sup>1</sup> New York State, Drive Clean Rebate Data.

<https://www.nyserdera.ny.gov/All-Programs/Drive-Clean-Rebate/Rebate-Data>

<sup>2</sup> New York State Department of Health, New York State COVID-19 Data is Now Available on Open NY.

<https://data.ny.gov/>

(ACC) II regulation. This regulation would require automakers to produce an increasing percentage of zero-emission vehicles (ZEVs) for sale in California, culminating to a requirement that 100 percent of new vehicle sales in the state are ZEVs by 2035, a goal that was originally outlined in California Governor Newsom's Executive Order N-79-20. CSE commends New York Governor Hochul and the State Legislature for enacting A.4301 / S.2758 in 2021, which established a similar goal for 100 percent of new passenger vehicle sales in New York to be ZEVs by 2035. However, additional effort will be needed to achieve this goal. Accordingly, CSE encourages the Council to propose specific implementation strategies for NYSERDA, the lead agency tasked with implementing this target. Specifically, CSE encourages the Council to highlight the need for enforceable interim targets, reliable incentive funding streams for consumers, and dedicated equity elements to ensure that all consumers can participate in the benefits of clean transportation. With respect to interim targets, CSE notes that CARB's proposed ACC II regulation language currently adopts an interim target requiring 68 percent of new vehicle sales in the state to be ZEVs by 2030. However, stakeholders have advocated for a more stringent target of 70 to 100 percent by 2030. Although CSE does not offer a position on the level of interim target that would be appropriate for New York to adopt, we reiterate the importance of setting strong interim targets that are based on ZEV market data and can ensure stable progress towards achieving state goals. With respect to equity elements, CSE highlights that CARB's proposed ACC II regulation includes provisions encouraging automakers to offer discounted vehicles to community car share and other equity programs and would require automakers to produce low-MSRP ZEVs (including ZEVs costing below \$20,000 for cars and below \$27,000 for trucks). CSE encourages the Council to consider adopting similar program elements and aligning these provisions with other clean transportation incentives to maximize program participation

#### *B. Provide enhanced ZEV purchase incentives*

CSE strongly supports the Council's recommendation to provide incentives for ZEV purchases. Incentives play a critical role in facilitating the widespread adoption of ZEVs and enabling customers to realize the benefits of these vehicles, including limited fuel expenditures, lower maintenance costs, and improved air quality. In surveys conducted by CSE regarding the impact of EV incentives across multiple states, over 90 percent of consumers state that the incentive was moderately to extremely important, and over 50 percent of consumers state they would not have acquired the EV without the rebate.<sup>3</sup>

CSE supports expanding funding for the Drive Clean NY ZEV incentive program and recommends the Council identify stable, long-term revenue streams to secure long-term program funding. For example, once Georgia's EV incentive program was discontinued, the state experienced an

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<sup>3</sup> Williams, B., Electric Vehicle Rebates: Lesson Learning.  
[https://energycenter.org/sites/default/files/docs/nav/resources/2019-02-08\\_CSE\\_CT\\_EV\\_Roadmap\\_handout\\_v2.pdf](https://energycenter.org/sites/default/files/docs/nav/resources/2019-02-08_CSE_CT_EV_Roadmap_handout_v2.pdf)

80 percent contraction in the EV market.<sup>4</sup> This is confirmed by CSE's experience administering California's Clean Vehicle Rebate Project (CVRP), which indicates that funding disruptions result in incentive waitlists and reduce overall program efficacy.<sup>5</sup> CSE encourages the Council to identify a variety of potential funding sources, including future revenue allocations through the Regional Greenhouse Gas Initiative (RGGI) and the Transportation and Climate Initiative (TCI),<sup>6</sup> vehicle registration fees (as is used in the California Energy Commission's Clean Transportation Program),<sup>7</sup> dealer franchise fees [as used in the Oregon Clean Vehicle Rebate Program (OCVRP)],<sup>8</sup> or utility system benefit charges.<sup>9</sup> CSE reiterates the importance of data-driven forecasting to assess incentive demand, inform budgetary planning, and avoid disruptions or waitlists.

CSE notes that the Drive Clean NY Program currently only offers incentives for new vehicles. CSE encourages the Council to recommend that NYSERDA include used vehicle incentives within the program, as recommended in NYSERDA's New York State Transportation Electrification Report.<sup>10</sup> Used vehicles constitute a significant portion of vehicle sales, particularly for LMI consumers, and thus incentivizing the purchase of used EV can accelerate widespread ZEV adoption.

*C. Remove barriers to ZEV infrastructure by funding rebates, either directly through NYSERDA programs or through mechanisms like a clean fuel standard*

CSE supports the Council's recommendation to incentivize ZEV infrastructure deployment. Support for ZEV infrastructure deployment is warranted given the significant expected EV growth over the next decade, coupled with the need for widespread and reliable charging access. CSE encourages the Council to highlight multiple funding streams to support charging infrastructure, including continued incentives through NYSERDA programs, federal funding through the forthcoming National Electric Vehicle (NEVI) Formula Program, and revenue

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<sup>4</sup> Walton, R., Utility Dive, Georgia electric vehicles sales shrink 80% in wake of tax credit repeal.

<https://www.utilitydive.com/news/georgia-electric-vehicle-sales-shrink-80-in-wake-of-tax-credit-repeal/434092/>

<sup>5</sup> California Clean Vehicle Rebate Project (CVRP), Summary of CVRP Rebate Eligibility and Funding Availability Over Time. [https://cleanvehiclerebate.org/sites/default/files/attachments/CVRP\\_Disruptions\\_Fact\\_Sheet.pdf](https://cleanvehiclerebate.org/sites/default/files/attachments/CVRP_Disruptions_Fact_Sheet.pdf)

<sup>6</sup> Transportation and Climate Initiative, Homepage.

<https://www.transportationandclimate.org/>

<sup>7</sup> California Energy Commission, Clean Transportation Program Overview.

<https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-overview>

<sup>8</sup> Oregon State Legislature, House Bill 2017

<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2017/Enrolled>

<sup>9</sup> New York State Energy Research and Development Authority, System Benefits Charge.

<https://www.nyserdera.ny.gov/Researchers-and-Policymakers/System-Benefits-Charge>

<sup>10</sup> New York State Energy Research and Development Authority, New York State Transportation Electrification Report.

<https://www.nyserdera.ny.gov/-/media/Files/Publications/Research/Transportation/21-06-New-York-State-Transportation-Electrification-Report.pdf>

generation through a clean fuel standard. CSE highlights that revenues through California’s Low Carbon Fuel Standard and Oregon’s Clean Fuel Standard have funded used EV programs, dedicated transportation equity programs, consumer engagement campaigns, and credit programs to offset the costs of ZEV charging and fueling infrastructure. CSE notes that previous legislative efforts to develop a clean fuel standard in New York State have not been successful, and we encourage the Council to express direct support for this initiative. CSE encourages the Council to recommend that state agencies coordinate on the best way to allocate these distinct funding streams, ensure that charging infrastructure is deployed in an equitable and non-duplicative manner while prioritizing Disadvantaged Communities, and utilize data-driven modeling to inform EV infrastructure deployment. While CSE supports the deployment of charging infrastructure in areas with forecasted high demand, we note that some regions, including frontline communities, tribal communities, and rural regions, may not have a comparable level of EV adoption but will still need charging infrastructure to accommodate future demand. CSE notes that planning for EV infrastructure deployment in these communities may require more sophisticated modeling to assess future demand. Accordingly, CSE suggests that state agencies establish minimum funding commitments to help these communities plan for and deploy EV infrastructure, which will help ensure that they are included in the transition to electric transportation.

#### *D. Achieve fully zero emission state fleet by 2035*

CSE supports the recommendation to fully transition New York’s light-duty state fleet to ZEVs by 2035. As highlighted in NYSERDA’s New York State Transportation Electrification report, converting the state fleet to ZEVs is both realistic and could result in operational cost savings.<sup>11</sup> As highlighted in the Draft Scoping Order, the state has already taken actions to support this goal, including expanding incentives for Disadvantaged Communities through the Charge Ready NY program, incentivizing the deployment of electric transit buses under the NYTVIP, and supporting utility programs to deploy make-ready EV infrastructure. CSE commends these actions and encourages the state to continue setting ambitious but achievable fleet conversion standards. Specifically, CSE recommends that the Council consider highlighting the role of administrative purchasing policies in encouraging ZEV procurement by state agencies.

## **II. Transportation Strategy T2: Adoption of Zero-Emission Trucks, Buses, and Non-Road Equipment**

### *A. Adopt California’s Advanced Clean Trucks regulations*

CSE supports the Council’s recommendation to direct DEC to adopt CARB’s Advanced Clean Trucks regulation. CSE encourages the Council to also direct DEC to adopt complementary regulations, including CARB’s Advanced Clean Fleets, Innovative Clean Transit, and Zero-

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<sup>11</sup> *Id.*

Emissions Airport Shuttle regulation. Like the ACC II regulation, the Advanced Clean Trucks regulation requires automakers to increase sales of medium- and heavy-duty (MD/HD) ZEVs over time, which increases the supply of these vehicles and sends a strong market signal to customers. To complement the Advanced Clean Trucks regulation, the Advanced Clean Fleets regulation enacts ZEV purchasing requirements for specified fleets, including state and local government fleets, high priority and federal fleets, and drayage truck owners and operators. Similarly, the Innovative Clean Transit (ICT) Regulation requires fleet owners to procure an increasing percentage of zero-emission buses over the course of 20 years, culminating in complete fleet decarbonization by 2040,<sup>12</sup> and the Zero-Emission Airport Shuttle regulation requires shuttle operators in select airports to gradually decarbonize their shuttle fleets from 2027 through 2035.<sup>13</sup> Adopting this holistic suite of regulations will result in a coordinated approach to electrifying the MD/HD transportation sector and will facilitate the achievement of New York's ambitious decarbonization goals.

#### *B. Provide enhanced ZEV purchase incentives*

As mentioned above, CSE strongly supports the use of ZEV purchase incentives and encourages the Council to identify stable, long-term revenue streams to support these incentive programs. This is especially necessary for MD/HD vehicle incentive programs, as these vehicles are substantially more expensive than their conventional counterparts, and demand for these incentives can strain limited program budgets. CSE recommends the implementation of incentive programs be accompanied by ME&O to highlight the total cost of ownership (TCO) benefits that may arise due to reduced operations and maintenance as well as lower fuel costs.

#### *C. State fleet*

CSE supports the Council's recommendations to enact procurement targets to transition to a zero-emission state fleet by 2040, where possible. This timeline is consistent with existing initiatives in New York. For example, the Metropolitan Transit Authority (MTA) operating around New York City recently committed to electrifying its bus fleet by 2040 and has allocated over \$1 billion to purchase 500 zero-emission buses.<sup>14</sup> CSE contends these state fleet conversion goals can be achieved through a combination of regulatory targets, dedicated incentive funding for both vehicles and infrastructure, preferential procurement policies, and technical assistance for fleet operators.

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<sup>12</sup> California Air Resources Board, Innovative Clean Transit (ICT) Regulation Fact Sheet  
<https://ww2.arb.ca.gov/resources/fact-sheets/innovative-clean-transit-ict-regulation-fact-sheet>

<sup>13</sup> California Air Resources Board, Zero-Emission Airport Shuttle Regulation Factsheet  
[https://ww2.arb.ca.gov/sites/default/files/2019-10/asb\\_reg\\_factsheet.pdf](https://ww2.arb.ca.gov/sites/default/files/2019-10/asb_reg_factsheet.pdf)

<sup>14</sup> New York State, On Earth Day, Governor Hochul Announces MTA to Expand Next Wave Deployment of Zero-Emission Buses to Six Depots.  
<https://www.governor.ny.gov/news/earth-day-governor-hochul-announces-mta-expand-next-wave-deployment-zero-emission-buses-six>

#### *D. Invest in ZEV charging or fueling infrastructure*

CSE supports the Council's recommendation to support MD/HD ZEV charging and fueling infrastructure. CSE also encourages the Council to highlight the need for coordination in deploying MD/HD charging and fueling infrastructure. In particular, fleet operators will need to coordinate with utilities to accommodate the high loads associated with charging MD/HD ZEVs. This can lead to natural synergies and opportunities to align efforts across programs. For example, transit bus operators receiving incentives through NYTVIP could partner with the utilities implementing make-ready charging infrastructure programs to ensure that grid infrastructure is being upgraded at locations with expected load growth. Lastly, CSE encourages the Council to highlight the potential to offset charging loads with distributed energy resources (DERs), such as solar photovoltaics (PV) and energy storage systems, as well as bidirectional chargers, which can store renewable energy and return it to the grid or building during periods of high load.

### **III. Building Strategy B1: Adopt advanced codes for highly efficient, all-electric, and resilient new construction**

#### *A. Update regulations to improve energy efficiency and building resilience*

Building codes offer a cost-effective opportunity to ensure newly constructed buildings are highly efficient and resilient for decades to come, rather than adding to the decarbonization burden of future generations. Every new building locks-in GHG emissions for decades, making it critical that New York act now to ensure new construction uses the most efficient available technologies and practices with additional readiness attributes to prepare for when cleaner technologies become available and cost-effective. CSE strongly supports the development of advanced codes that utilize existing efficient technologies and practices, while also future proofing buildings to ease the transition to cleaner, all-electric equipment. CSE is also encouraged by the leveraging of building codes to support resiliency and GHG emissions reductions through DERs, including onsite generation and storage as well as grid-interactive appliances and EV infrastructure. Flexible loads that can take advantage of daytime solar and offshore wind resources and reduce energy use when the electric grid is most carbon intensive will be critical for achieving decarbonization goals, especially as the state electrifies more end-uses. As such, CSE encourages the Council to consider leveraging codes and standards to enable and encourage load management practices to the greatest extent possible.

#### *B. Adopt regulations to end on-site emissions*

CSE also commends the state's leadership in its efforts to end on-site emissions. Transitioning away from oil and gas equipment within the state's building stock will be essential for meeting necessary climate goals, while also improving public health and air quality. As such, CSE

supports energy codes for new construction that are aligned with state climate goals by requiring highly efficient, all-electric buildings. Existing technologies and building practices allow for cost-effective, all-electric new construction for most building types, making the proposed state code updates an efficient strategy for decarbonizing the building sector.

#### **IV. Building Strategy B2: Adopt standards for zero emissions equipment and the energy performance of existing buildings**

##### *A. Regulations to improve energy efficiency in existing buildings*

CSE strongly supports the adoption of building performance standards (BPS) for existing buildings to ensure continued realization of energy savings and GHG emissions reductions. Specifically, CSE commends New York City's leadership in adopting Local Law 97, which establishes a BPS that sets GHG emissions caps for the City's largest buildings starting in 2024. CSE encourages the Council to leverage the work of New York City, as well as existing resources such as model BPS ordinances,<sup>15</sup> to begin phasing-in a BPS sooner than 2027. Meeting a future BPS will require a robust market for zero emission equipment. As such, CSE supports the strategy of phased-in zero emissions standards for equipment, which will send a strong market signal for the development and deployment of zero emissions equipment to help transform the market while maintaining affordability.

#### **V. Building Strategy B3: Require energy benchmarking and disclosure**

##### *A. Require energy consumption information and disclosure*

Whole building energy benchmarking lays the foundation for effective energy efficiency market transformation by illuminating current building performance to identify savings opportunities and to better plan for a more efficient building stock. Building energy benchmarking is a key strategy to both ensure building codes are realizing the anticipated savings, as well as quantify the requirements to pursue zero emissions goals for the existing building stock. Moreover, energy benchmarking will be essential for successful implementation of the BPS recommendation discussed Strategy B2 above. As such, CSE strongly supports the implementation of statewide energy benchmarking and disclosure requirements and encourages New York State to glean insights from successful policies in other jurisdictions, such as the District of Columbia, Boston, and Washington State.<sup>16,17</sup> Specifically, CSE encourages the Council to highlight the importance of establishing a comprehensive building list, enabling energy data access, and ensuring energy data management. With respect to energy data

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<sup>15</sup> Institute for Market Transformation, Building Performance Standards.  
<https://www.imt.org/public-policy/building-performance-standards/>

<sup>16</sup> Institute for Market Transformation, Building Performance Policy Center.  
[www.buildingrating.org/jurisdictions](http://www.buildingrating.org/jurisdictions).

<sup>17</sup> *Id.*



access, CSE contends that data should be accessible by any entity meeting aggregation thresholds, not just those entities that must comply with reporting requirements. With respect to energy data management, CSE highlights the role of third parties in verifying and aggregating data to ensure that it is accurate and maintains a high standard of quality.

Through our experiences supporting the City of San Diego's benchmarking ordinance, CSE emphasizes the importance of high-quality data. CSE encourages any benchmarking requirements to be accompanied by technical assistance and ongoing support for local jurisdictions as they implement disclosure requirements. These will help ensure streamlined access to utility data, implementation of data quality control best practices, and support to address other issues that may arise as new requirements are rolled out.

## **VI. Building Strategy B4: Scale Up Public Financial Incentives**

### *A. Scale up incentives for building decarbonization*

Decarbonizing existing buildings will require a significant investment to undertake the necessary transition to zero emissions buildings. Incentives will be a critical tool for encouraging adoption of clean technologies while maintaining affordability, and, as such, CSE supports the scaling up of public financial incentives. Specifically, we applaud the Plan's prioritization of Disadvantaged Communities, LMI households, and affordable housing, which will require robust incentives to ease the financial burden of upfront investments, ensure electrification solutions meet the needs of such customers, and ensure these customers do not suffer adverse bill impacts. Additionally, CSE recommends the Council highlight the role of alternative financing options, including on-bill financing, to reduce upfront capital costs and enhance program participation from Disadvantaged Communities.

In addition to the upfront costs of the equipment and installation itself, electrification measures often require infrastructure upgrades to accommodate new equipment, such as increasing the size of electric service panel. The cost and logistics of upgrading electric service panels is a significant barrier to electrification measures, especially within Disadvantaged Communities, LMI communities, or other overburdened communities where older vintage homes are often more common. Accordingly, CSE recommends electrification incentive programs address these additional upfront cost barriers by allowing incentives to cover the costs for electric panel upgrades and other behind-the-meter wiring and plumbing expenses necessary to install equipment, such as a heat pump heating and cooling systems and heat pump water heaters (HPWH), in an optimal location, so long as the total of these costs remains under established programmatic cost caps. Furthermore, CSE urges the development of incentive structures that encourage the adoption of grid-interactive appliances and smart electrical panels. Enabling two-way communication will be essential for promoting flexible loads that will benefit the grid and further reduce GHG emissions.

*B. Prioritize LMI households, affordable housing, and Disadvantaged Communities*

CSE encourages the state to design incentive programs that can be layered or stacked with other offerings and create a streamlined process for the consumer. This should also include coordination with programs that fund building improvements beyond energy-related measures, such as health and safety upgrades, to allow for a holistic approach to retrofits that address consumer priorities. This is especially important among affordable housing properties, LMI households, Disadvantaged Communities, and environmental justice communities, where concerns and needs often go beyond the building's energy use. Moreover, while CSE believes in the judicious use of public funds, accurately evaluating the cost-effectiveness of clean technologies requires aligning distinct regulatory frameworks and accounting holistically for the societal costs of carbon. For example, implementing building energy upgrades that replace fossil fuel combustion with electric alternatives can result in improved air quality and reduce the incidence of respiratory illnesses and other health impacts, which are disproportionately concentrated in Disadvantaged Communities and LMI communities. However, these benefits are not always captured in the cost-effectiveness assessments of electrification initiatives.

**VII. Building Strategy B6: Align Energy Price Signals with Policy Goals**

*A. Price GHG emissions from fossil fuels & Align electric rates*

As the state continues to take action toward meeting its ambitious climate goals through the increased use of renewable resources to power the grid and electrification of the transportation and building sectors, load management strategies will become increasingly important. Furthermore, accurate price signals are a critical tool for encouraging such strategies. To accurately value energy, CSE agrees that pricing GHG emissions is an essential component of valuation methods, including rate design. CSE recommends considering a forward-looking marginal GHG signal. Insights can be gleaned from a working group report developed to inform the Self-Generation Incentive Program (SGIP) within the California Public Utilities Commission's (CPUC) Rulemaking 12-11-005.<sup>18</sup> The report found that energy storage systems can achieve greater GHG emissions reductions if they have a forward-looking marginal GHG signal to inform the best times to charge and discharge. The CPUC adopted the signal recommended in August 2019; the final signal was made available April 1, 2020.<sup>19</sup>

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<sup>18</sup> AESC, Inc. for California Public Utilities Commission Rulemaking 12-11-005, SGIP GHG Signal Working Group Final Report.

[https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc\\_public\\_website/content/utilities\\_and\\_industries/energy/energy\\_programs/dem\\_and\\_side\\_management/customer\\_gen\\_and\\_storage/ghg-working-group-report-09-06-18-corrected.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy/energy_programs/dem_and_side_management/customer_gen_and_storage/ghg-working-group-report-09-06-18-corrected.pdf)

<sup>19</sup> California Public Utilities Commission, Decision (D.)19-08-001.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M310/K260/310260347.PDF>

Moreover, CSE supports the consideration of dynamic rates and encourages the exploration of locational rates that change at least hourly to reflect marginal wholesale costs and GHG emissions. Gleaning insights from our engagement in the California Energy Commission's Electric Program Investment Charge (EPIC) funded Smart Home Study (EPC-15-048), modeling indicates that dynamic real-time pricing can result in added grid and customer benefits when compared to block Time-Of-Use (TOU) rates.<sup>20</sup> The evaluation found that the dynamic day-ahead signal may be more beneficial for certain end-uses, such as EV charging, than the available TOU price signals, which did not encourage customers to increase electricity consumption during the middle of the day when excess electricity generated from solar or other renewable sources may be available.<sup>21</sup> In addition, results indicated that strong price differentials are needed within all seasons to ensure desired load shifting behaviors occur year-round. As such, CSE recommends the Council encourage the New York Public Service Commission (PSC) and the New York State Department of Public Service (DPS) to work closely with load serving entities to help inform rate development to optimize benefits through price differentials that sufficiently and fairly compensate customers to encourage participation in automated load management. Rate design options should also address issues specific to building electrification. For example, the Building Decarbonization Coalition reviewed rate designs that would be beneficial for electrification in California.<sup>22</sup> Lastly, CSE recommends the Council encourage PSC and DPS to consider additional subsidized rates or expanded bill discounts for low-income households that adopt heat pumps, induction cooktops, and other electrification technologies.

CSE encourages the Council to emphasize the importance of raising consumer awareness to understand the benefits of load management opportunities. Specifically, CSE recommends highlighting general information about how new rates and tools and technologies function and developing a venue for utilities and energy providers to share best practices and consistent messaging to avoid customer confusion. CSE also recommends the Council direct state agencies to continue to play an active role in helping educate New Yorkers on how to best participate in automated load management, with a particular focus on education and outreach efforts in Disadvantaged Communities, LMI communities, and other underserved communities. As mentioned above, we suggest the Council, utilities, and energy providers partner with CBOs to deliver culturally and linguistically appropriate messaging and to also compensate them for these efforts.

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<sup>20</sup> EPC-15-048: Assessment of Tariffs - Balancing Renewable Energy Integration and Utility Costs Using an Innovative Residential Tariff Structure and a Wholesale Market Mechanism, Final Tariff Assessment Report. [https://energycenter.org/sites/default/files/docs/cse/CSE\\_RDERMS\\_Final\\_Tariff\\_Assessment\\_Report\\_2020.pdf](https://energycenter.org/sites/default/files/docs/cse/CSE_RDERMS_Final_Tariff_Assessment_Report_2020.pdf)

<sup>21</sup> EPC-15-048: Residential Intelligent Energy Management Solution to Enable Integration of Distributed Energy Resources, Final Project Report. <https://ww2.energy.ca.gov/2020publications/CEC-500-2020-057/CEC-500-2020-057.pdf>

<sup>22</sup> Building Decarbonization Coalition, Rate Design for Building Electrification. [http://www.buildingdecarb.org/uploads/3/0/7/3/30734489/bdc\\_report\\_2\\_rate\\_design.pdf](http://www.buildingdecarb.org/uploads/3/0/7/3/30734489/bdc_report_2_rate_design.pdf).

## **VIII. Building Strategy B8: Scale Up Public Awareness and Consumer Education**

### *A. Create strategic partnerships, Prioritize Disadvantaged Communities, & Provide technical resources*

CSE commends the Plan’s recognition of the need for public awareness and consumer education campaigns. Lack of consumer awareness regarding the various benefits of all-electric equipment and misinformation regarding their performance remain significant barriers to consumer adoption; therefore, consistent messaging and education are important strategies in addition to incentive programs. Along with the campaign strategies outlined in the Plan, CSE recommends learning from the success of “loaner” programs in which customers can try out electric appliances such as induction cook tops. For example, the San Diego Green Building Council operates the Electric Home Cooktop Program<sup>23</sup> and the New York City organization WE ACT for Environmental Justice operates the Out of Gas, In with Justice pilot.<sup>24</sup>

Moreover, CSE recommends the creation of partnerships with CBOs and other community leaders throughout all phases of the decision-making process for education and public awareness initiatives. This type of partnership will ensure that community-identified needs and solutions are prioritized.

## **IX. Electricity Strategy E3: Facilitate distributed generation / distributed energy resources**

### *A. Adopt technologies and programs to increase hosting capacity*

CSE encourages the Council to consider highlighting the benefits of energy dispatch programs, which can facilitate the use of distributed generation (DG) technologies and distributed energy resources (DERs) to manage load, defer distribution spending, and keep utility rates down. Specifically, this dispatch program should emphasize the need for utilities to manage circuits individually, particularly those that are near hosting capacity or are already overloaded. Additionally, the program could facilitate solar and storage deployment by offering upfront incentives and ongoing capacity payments for customers who provide dispatch when needed. The program could also incentivize the use of smart inverters that provide grid volt/var support and resource adequacy benefits. Lastly, the Council could consider providing targeted support to energy efficiency efforts that directly reduce load in areas of high grid congestion.

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<sup>23</sup> San Diego Green Building Council, Announcing the Electric Home Cooktop Program.  
[https://www.sd-gbc.org/electric\\_home\\_cooktop\\_program\\_launch](https://www.sd-gbc.org/electric_home_cooktop_program_launch)

<sup>24</sup> WE ACT for Environmental Justice, Out of Gas, In with Justice.  
<https://www.weact.org/campaigns/out-of-gas/>

*B. Improve compensation to account for the value of DER*

CSE supports the Council's efforts to more precisely characterize the value of DERs and encourages the Council to emphasize the role of proper rate design and DER compensation to maximize the value of these technologies to customers and the grid. Specifically, effective utility rates should be accompanied by real-time pricing, TOU rates, and other dynamic rates to ensure the effective utilization of DERs. Other rate design mechanisms should include appropriately-sized minimum bills or fixed fees that do not dilute the effectiveness of dynamic rates. Lastly, CSE encourages the Council to highlight the role of consumer-facing tools to help customers and contractors understand the value of these incentives, particularly if complex pricing signals are implemented. This will help evaluate the business case for and viability of DER systems.

*C. Target incentives to stimulate high-benefit DER projects*

Upfront incentives are a critical driver for accessibility to DERs by all customer segments. Incentives should be designed at rates that effectuate changes in the behavior of general market customers and enable DER deployment in applications where they would not otherwise occur, including in Disadvantaged Communities or low-income applications. Where possible, CSE recommends the Council encourage customers to participate in programs (including demand response programs) to maximize the value of their DER systems. Additionally, CSE encourages the Council to design incentives using data-driven analysis to ensure that the incentives effectively influence customer behavior but also encourage the market to reduce costs over time. As these costs decline, incentives can be phased out.

**X. Electricity Strategy E4: Support clean energy siting and community acceptance**

*A. Fund public education campaigns led by non-profits and CBOs*

CSE notes that effective market transformation will require information to be disseminated and socialized across different customer groups and community segments. Energy can be a difficult commodity to sell, particularly when energy sources and prices are not well understood within a community or region. This is especially true for alternatives to utility-generated energy. To address these challenges, CSE encourages the Council to highlight the benefits of public education campaigns that encourage market adoption of alternative clean energy sources. These campaigns should be branded to enable customer understanding and comfort with whomever is disseminating the information. Public education campaigns can also help assuage customers' concerns over increasing energy costs. While some electrification strategies can result in higher monthly electricity bills, public education campaigns can be vital in clarifying that these increases will be offset by the removal of other expenditures. For example, gas and delivered fuel (e.g., propane) bills would be displaced by electric cooking and heating, and gasoline costs would be displaced by EV charging. Lastly, CSE commends New York's Executive

Order on Language Accessibility, which aims to increase non-English-speaking communities' participation in clean energy programs. CSE contends that public education campaigns should be implemented in multiple languages to enhance accessibility and program participation.

CSE highlights the importance of recognizing that not all communities are equally receptive to general public education campaigns and may require specialized messengers. For Disadvantaged, LMI, and environmental justice communities, the message should be delivered through a trusted source that acts as an intermediary between government agencies, utilities, and program administrators. CSE highlights the value of partnering with CBOs as trusted and effective messengers. Additionally, these entities are well-situated to implement the New York Executive Order on Language Accessibility, as mentioned above, because they know the languages and culturally appropriate messages most relevant to the communities they serve. To ensure these entities have the resources necessary to support the program, CSE recommends that CBOs be compensated for their assistance in designing, implementing, and evaluating public education campaigns.

## **XI. Electricity Strategy E6: Deploy existing storage technologies**

### *A. Update the Energy Storage Roadmap*

CSE supports the Council's efforts to update New York's Energy Storage Roadmap. The Roadmap should identify incentives, rate structures beneficial to energy storage, and details regarding the energy dispatch program outlined in CSE's response to Electricity Strategy E3 above. The Roadmap should also highlight specific proposals to reduce permitting costs, interconnection costs, and financing or other soft costs. With respect to permitting, CSE encourages the Council to consider continuing to update the New York Battery Energy Storage System Guidebook for Local Government and enhancing the implementation of the Solar Automated Permit Process + (SolarAPP+). These efforts could be implemented through mayoral, gubernational or legislative mandates.

### *B. Provide increased funding for energy storage deployment*

CSE highlights the need for additional funding to help foster the market for energy storage deployment. As mentioned above, this could include funding from both upfront incentive funds and ongoing capacity payments. CSE also reiterates the importance of an energy dispatch program to facilitate the use of energy storage to participate in retail or wholesale markets. Such a program could incentivize storage projects installed behind-the-meter to be activated when local grid circuits are constrained and in need of dispatchable energy.

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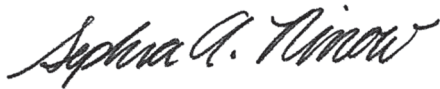
## Conclusion

CSE appreciates the opportunity to provide comments in response to the Council's Draft Scoping Plan and looks forward to continued collaboration with the Council in developing the Scoping Plan and strategies to implement New York's ambitious Climate Act.

Sincerely,



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