



## Affordable Gas Transition Act (AGT) & NY HEAT Act

*Affordable Gas Transition Act (S.8308/A.8808 Part P)*

*NY Heat Act (Home Energy Affordable Transition Act) [S.2016-B/A.4592-B]*

### Concerns

**Both bills assume that the natural gas delivery system must be discontinued to meet the emissions targets of the Climate Act:**

- But, nowhere in the Climate Act is it stated that natural gas use must be discontinued.
- The all-options pathway that doubles down on energy efficiency and includes low-carbon fuels can meet the emissions targets..

**Both bills empower the Public Service Commission with the authority to remove natural gas service to existing customers and decommission entire streets and neighborhoods and ends the legal obligation for new and existing customers to receive gas service.**

- This represents an executive overreach as there are currently 5 gas proceedings in play at the Public Service Commission to study the natural gas transition.
- Completely eliminates consumer energy choice.
- Could very likely result in shifting entire neighborhoods off the natural gas delivery system.

**Neither include consideration of cost implications for forced electrification.**

- Who will pay for electrification transition, stranded assets of the gas delivery system, compensate homeowners for the useful life remaining on gas appliances?
- NY HEAT caps energy burdens at 6% for low-to-moderate income households, with cost overruns presumably to be socialized onto other customers.

**Both end incentives for new gas customers.**

- Removes the 100 ft. rule requiring utilities to connect new customers without charge depending on proximity to existing main line.
- Does not align with the timing and protections in the All-Electric New Buildings law which goes into effect on December 31, 2025.

## Rationale

- The provision of safe and reliable service should remain of paramount importance in crafting reasonable energy policy in NYS, especially when considering the routine frigid temperatures and extreme winter weather events in NYS.
- The December 2022 blizzard wreaked havoc throughout Western NY, causing extended power outages for more than 100,000 electric customers. By contrast, gas service during that period observed only 13 outages.
- The AGT/HEAT bills authorize the Public Service Commission (PSC) to discontinue or decommission portions of the gas distribution system, while making sweeping amendments to the “obligation to serve” provision in Public Service Law. The CLCPA does not mandate discontinuance of the natural gas system.
- Currently, there is an approximately 50,000-mile natural gas pipeline system in NYS which can be available to transport low- and no-carbon energy like renewable natural gas (“RNG”) and hydrogen in the near-term. These, plus thermal heating systems, can obtain the goals established in the CLCPA.
- A systematic review of the State’s energy systems is already underway to examine affordability, the pace of electrification, and the ability to deliver electricity in a reliable and affordable manner. Adopting the AGT/HEAT Act is inappropriate given that viable decarbonization actions, such as alternative fuels and hybrid heating, are still under consideration by the PSC.
- The PSC also is examining the future role of alternative fuels, such as RNG and hydrogen, and the future capital investment in the gas distribution system. It is inappropriate to adopt the provisions in the AGT/HEAT Act before the future role of the gas distribution system has been clearly defined.
- The AGT/HEAT Act undermines critical provisions of the All-Electric Buildings Act of 2023. The State acknowledged that there will be situations in which electric service cannot be reasonably provided by the grid, therefore including multiple exemptions and a reliability carve-out in the legislation to that effect.
- The AGT/HEAT Act ignores the agreement negotiated in good faith last year, leaving hospitals and other health-related services, manufacturing facilities, commercial food establishments, laundromats, manufactured homes, etc., as well as facilities with no guaranteed back up generation or standby power systems that would allow them to receive continued service in emergencies.
- Most concerning is the AGT/HEAT Act modifies PSC laws erodes the legislative intent of the Home Energy Fair Practices Act of 1981 which established the continued provision of gas, electric and steam service as necessary for the preservation of the health and general welfare of residential customers/ public interest, thus elevating compliance with the CLCPA over the critical safety and reliability concerns that underpin the enactment of HEFPA.

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