National Fuel®

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Protect energy reliability; reduce emissions responsibly and affordably

Recently, the News has run opinion pieces penned by local climate activists. Their common theme surrounds the notion that fossil fuel executives are engaged in a widespread misinformation campaign. Previously, I have cautioned that the "electrify everything as soon as possible" approach backed by the State would jeopardize the affordability and reliability of energy in New York. Unfortunately, the facts confirm that this is very much the reality of New York energy policy.

With respect to affordability, the cost of the State's transition plan continues to increase. According to the initial plan published in 2021, the incremental cost of electrification is more than $300 billion,[1] which equates to about $40,000 per household.[2] It's likely these costs are significantly understated. Since 2021, the "Great Inflation" has caused construction costs to skyrocket. Last fall, citing significant cost overages, the project developers of nearly [9] gigawatts[3] of solar/wind projects petitioned the State for permission to double the rates[4] they would charge for their power. Recognizing the cost to consumers this would bring, the State denied the developers' requests, which in turn led the developers to cancel the projects. This proceeding revealed two key facts: the cost of electrification is going to be considerably higher than originally forecast, and the buildout of new generation will take much longer than expected.

With respect to reliability, the State's plan seeks to replace natural gas fired electric generation with intermittent wind and solar. However, according to the State's data, because they are inherently unreliable, windmills and solar panels produced electricity only 25% and 13%[5] of the time in 2022, respectively. What will generate our electricity when it's not windy or sunny? Here, State planners envision the roll-out of "dispatchable, emission-free resources" (DEFR),[6] which sounds great, but according to the agency responsible for the electric grid, "DEFR technologies are not commercially viable."[7]

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[1] Scoping Plan (4 scenario average)
[2] U.S. Census Bureau QuickFacts: New York (7.6 million households)
[3] Order Denying Petitions
[4] Politico
[5] NYSIO
[6] Scoping Plan
[7] NYSIO

Despite activists' rhetoric, the facts make it clear the State aims to replace our electric generation mix with one that's much more expensive and unquestionably less reliable, and back it up with speculative technologies that don't exist today. That's not misinformation – all of the above data comes directly from Albany's own publications, sources contained on betterplannobans.com.

I'm in favor of reducing emissions in New York in a way that's reasonable and preserves the affordability and reliability of the energy system. Rather than going "all in" on electrification, I believe an "all of the above" emissions reduction strategy makes more sense. Through a combination of energy efficiency, selective electrification, hybrid heating solutions and deployment of low- and no- carbon fuels, we can leverage existing utility infrastructure to achieve significant decarbonization that not only meets the State's emissions goals but also preserves access to low cost, reliable and resilient energy for New Yorkers.[8]

David P. Bauer, President & Chief Executive Officer, National Fuel Gas Company

[8] Pathways Study