CONSUMER **ENERGY** ALLIANCE
THE VOICE OF THE ENERGY CONSUMER

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On behalf of Consumer Energy Alliance (CEA), I write to share our ongoing concerns with the Draft Scoping Plan released by the Climate Action Council (CAC).

CEA is a nationwide consumer energy advocate representing a cross-section of the U.S. economy that is working to advance all-of-the-above energy and environmental policies that will help our country meet its environmental goals while ensuring that individuals, families and businesses have access to affordable and reliable energy. We believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art push technologies that will improve our environmental stewardship and aide in the continued reductions of all emissions.

We understand the challenges and difficulties presented to the CAC as it tries to implement the sweeping, and sometimes challenging directives of the Climate Leadership and Community Protection Act (CLCPA). CEA shares a commitment to finding paths that reduce the emissions profile of the state and to find ways to stay in compliance with the directives of the law. However, some of the policy proposals under consideration – such as a ban on natural gas service and appliances for new construction by 2024 – could create significant economic hardships for New Yorkers already struggling with record high energy prices.

Natural gas provides roughly 60% of all New York households with their home heating needs. Homes using natural gas for home heating are expected to save over $500 more this winter in costs compared to homes purely reliant on electric heating, according to federal estimates. New York consumers were already hit with surging utility bills this winter and according to Public Utility Law Project, more than 1.3 million New York City households have been 60 days behind on utility bills, which is roughly 20% of the city.

CEA issued an analysis in 2021 using open-source consumer data and found that a natural gas service ban could cost New York homeowners over $35,000. The statewide report examined a broad number of considerations individuals and families in New York would face such as new appliance models, home configuration, labor, and remodeling fees to comply with an energy ban. The Scoping Plan noted there are over 4.9 million single family homes in New York, and that by 2030 “more than 200,000 homes ***every year*** will need to upgrade to all-electric and energy efficient systems” to meet the CAC’s recommendations. Using CEA’s back of the envelope cost scenario, that could be an additional compliance cost of over $7 billion per year for homeowners.

Recently, the North American Electric Reliability Corporation (NERC) released its Summer Reliability Assessment, which found that much of the country’s electricity grid is ranked either high or at an elevated risk level. Places like Ohio , XXX and XXX are already facing rolling blackouts. Unlike other areas of the U.S., here in the northeast we can experience sub-zero temperatures for weeks at a time. When the grid is vulnerable and ill-prepared, who do you think pays the price? Energy consumers. Additionally, all-electric mandates create a disincentive for investment in infrastructure that could support new and promising technologies like renewable natural gas and green hydrogen. Lawmakers shouldn't construct barriers to policies that would spur investment in pipeline infrastructure that could help reduce emissions and secure reliable and affordable energy for all New Yorkers.

Further, as CEA and a host of others have raised previously, there hasn't been an independent cost-benefit analysis conducted to examine the impacts of complying with the CLCPA. This fundamental building block is a principle of public policy-making that should have been done before the law was passed. Our world is interconnected with energy use, which means there will be a suite of issues and complexities that go along with decarbonizing it. Conducting this analysis will provide meaningful guidance and prevent unintended consequences, unnecessary price increases and help offset any undue burdens that may be placed on citizens – especially those on fixed incomes or living at the poverty line.

In New York alone, that means looking at the situation with real world pragmatism that takes into account things like decarbonizing a transportation sector that includes 20 million people, creating an aggressive ramp-up of EV penetration without proper or efficient grid upgrades and the time that needs, in addition to mandating further electrification from sources like heat pumps for individuals and families.

Specifically, from where is the expected 300-500 percent increase in electric generating capacity going to come from, and at what cost to consumers and reliability. Currently, nearly $1 billion in ratepayer and New York Power Authority funding is already committed to EV charging station installations. As media reports confirm, roughly 62,000 out of 11 million vehicles are solely electric (far less than 1% statewide).
For too long, environmental action has been propped up by those who can socioeconomically support the changes while the people who are socioeconomically disadvantaged pay the price. There are solutions in the middle that can help everyone as we evolve our energy mix.

This means we need to look at the additional costs for EV infrastructure so that we avoid unnecessary consumer impacts and cost shifting, especially for New Yorkers who don't own cars and what those cost implications mean for rural and Upstate communities. Plainly, who pays for it? For far too long, the public policy debate has treated existing pipeline infrastructure as a problem rather than opportunity towards meeting decarbonization goals. These assets have been paid for, are operational and serve as conduits for blending lower carbon fuels like RNG and green hydrogen into the existing network now and into the future. They serve as assets now for cost reductions and they'll serve as emissions controls and future energy long-term.

Prices at the pump are nearly $2.00 more per gallon today than they were last year. Couple that with the projected 12-16% increase in electricity rates and the last thing New York consumers need is more uncertainty about their energy choices, supplies and costs. We would encourage policymakers to keep all energy options on the table; and not exclude any technologies as we continue to evaluate how to best move forward with the CLCPA. As advocates for energy justice, CEA hopes that the day-to-day realities of ever-diminishing energy security faced by working families are first and foremost on the minds of the CAC while they finalize their plans.

Thank you for your time and consideration.

Sincerely,

Wendy Hijos, Director CEA New York