



**Comments on the the Importance of Energy Efficiency and Electrification in the Climate
Action Council Draft Scoping Plan
Submitted Jointly By the Natural Resources Defense Council and Con Edison
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The Natural Resources Defense Council (NRDC) and Con Edison jointly urge the Climate Action Council to ensure that energy efficiency and end-use electrification are a cornerstone of the State’s strategy for achieving the goals of the Climate Leadership and Community Protection Act (CLCPA). We recommend the Council prioritize the significant scaling up of energy efficiency and building electrification, including strongly endorsing clear guidance for utility targets and programs to pursue all cost-effective energy efficiency measures and ensure that the utilities have the funding and other resources necessary to meet this critical objective, recognizing that energy efficiency and electrification programs will require sufficient, increased resources to support the most vulnerable customers and disadvantaged communities.

In June 2019, New York passed the Climate Leadership and Community Protection Act (CLCPA), which codified the Public Service Commission’s target of 185 TBtu of energy savings by 2025 into the State’s energy planning process and set an economy-wide goal of net-zero emissions by 2050. Spurred by ambitious targets, New York has become a leader in energy efficiency planning and implementation, resulting in lower costs for electricity and gas customers, reduced energy burdens for low- and moderate-income customers, reduced greenhouse gas (GHG) emissions, improved air quality, the creation of new green jobs, and increased economic development in the State.

Yet much of the work remains to be done. Achieving the CLCPA’s landmark climate, clean energy, and equity objectives requires aggressive action across all sectors of New York’s economy. The Draft Scoping Plan’s Integration Analysis demonstrates that achieving the CLCPA targets is technically feasible through several strategic pathways. All pathways, however, share the common features of more rapid and widespread energy efficiency and electrification.¹ Indeed, energy efficiency is one of the more cost-effective, job-creating, value-enhancing strategies available to the State in achieving its goals. The final Scoping Plan should prioritize the significant scaling up of energy efficiency and building electrification.

Energy Efficiency lays the foundation to achieving the CLCPA’s goals

Energy efficiency is most often the least-cost method of achieving carbon reductions for buildings and can create savings quickly by enabling customers to do more with less. For example, the Legislature’s recent adoption of advanced building codes and appliance standards is expected to collectively save New Yorkers \$15 billion on their utility bills over 15 years and will

¹ Draft Scoping Plan Overview, available at <https://climate.ny.gov/-/media/Project/Climate/Files/Draft-Scoping-Plan-Overview.pdf>.

result in a 17 million tons reduction of GHG emissions, which is comparable to taking more than 3.5 million cars off the road for a year.² Indeed, energy efficiency investments provide long-lasting GHG reductions immediately and are also a means of giving customers greater control over the amount of energy used and its impact on their energy bill.

Increased energy efficiency, including through Con Edison's programs, are already helping tens of thousands of customers reduce their use of fossil fuels each year. Existing, utility-run comprehensive energy efficiency programs provide a strong foundation for the Scoping Plan to build upon. For example, since 2016, Con Edison has helped customers reduce their energy use by more than 147 million MMBtu of lifetime energy savings, which is equivalent to preventing the emission of 16.7 million tons of greenhouse gases through its electric and gas energy efficiency programs.³ This includes programs for low- and moderate-income customers, which have helped customers reduce their energy use by more than 6.5 million MMBtu of lifetime energy savings in just two years. In 2021, Con Edison's energy efficiency programs delivered more than \$490 million in net benefits.⁴ This success is due to the value New York residents receive from energy efficiency projects and Con Edison's position as a trusted energy advisor to its customers.

To meet CLCPA goals, it is critical that the Scoping Plan support scaled growth of energy efficiency policies and programs. Deeper energy efficiency measures will be needed to help balance the anticipated increases in building and transportation electrification in the State and will make it easier and more cost effective to meet the state's clean energy targets, including the 70 x 30 renewables and zero-emission by 2040 electric sector targets, by reducing the need for electricity generation. Ramping up these types of measures can mitigate the need for future reliability investments by managing anticipated summer and winter peaks of our energy system. The value of reduced energy use will be substantial and capturing this value will enhance overall energy affordability.

Building Electrification is crucial to reducing GHG emissions

Building electrification programs are crucial resources for customers in transitioning away from fossil gas and fuel oil. While still a fairly new market, utility heating electrification programs have exceeded initial expectations. In Con Edison's service territory, the statewide Clean Heat program created savings of over 1,000,000 MMBtu in just two years with more than 20,000 customers participating in 2020 and 2021, demonstrating that customers are willing to fully disconnect from their fossil fuel energy source in favor of an all-electric heat pump system. This success has far outpaced the demand originally anticipated and the Company has had to pause the program as it seeks additional resources. Con Edison plans to build on this success by continuing to refine the Clean Heat program and develop additional offerings like our proposed

² S.9405/A.10439, [Advanced Building Codes, Appliances, and Equipment Efficiency Standards Act](#) (June 2022).

³ As of third quarter 2021. Source <https://www.nyserda.ny.gov/Researchers-and-Policymakers/Clean-Energy-Dashboard/View-the-Dashboard>

⁴ The total net benefits represent the total impact to New York society as a whole and is calculated by summing all the benefits, such as avoided energy costs, avoided transmission and distribution costs, and avoided carbon costs, and subtracting the costs associated with energy efficiency investments.

heating electrification make-ready program by providing incentives to customers who need to make electrical upgrades to install heat pumps.

Electrified buildings also have the potential to become active participants in a two-way optimized clean electric system, providing responsive load as part of an integrated approach with demand response programs and distributed energy resources. For example, insulation and air sealing can be combined with heating and hot water heat pumps, and smart thermostat installations, to reduce overall costs and increase home comfort while creating a controllable grid resource. Similarly, energy efficiency improvements reduce building energy loads, allowing customers to install smaller and less costly distributed generation systems such as solar plus battery systems than they would otherwise need. Such integrated solutions produce compound savings and create synergies that amplify the benefits of electrification and distributed energy resources to customers and utilities, all while making New York's buildings more comfortable and affordable to operate.

Energy efficiency and electrification programs reduce other harmful pollution, improve quality of life, and spur economic development

In addition to the benefits tied to reducing greenhouse gas emissions, increased energy efficiency and building electrification, including through utility programs, bring other important benefits, as well. They reduce other harmful environmental pollutants and improve public health, create jobs, and stimulate the local economy.

Energy efficiency and electrification interventions deliver substantial health benefits from improved air quality by reducing fossil fuel combustion emissions from both buildings and power plants. Importantly, air quality improvements can help reduce premature deaths, non-fatal heart attacks, asthma-related emergency room visits, other hospitalizations, and lost workdays.

Furthermore, these improvements enhance the quality of life for residents. Building envelope and heating electrification upgrades enhance comfort by improving heating and cooling, and better managing humidity. New, efficient appliances and equipment function better and even lighting enhancements can improve dimly lit areas.

By providing these benefits and reducing energy use at the same time, these improvements can improve quality of life and reduce energy burden, making these programs particularly important for low- and moderate-income customers and those residing in disadvantaged communities. The Scoping Plan should recognize that energy efficiency and electrification programs will require additional resources to support the most vulnerable customers and disadvantaged communities.

Increased energy efficiency and electrification, including through utility programs, is also spurring clean energy markets, expanding business opportunities for contractors and equipment providers. This translates into high-quality jobs in our state. New York is already home to more than 120,000 jobs related to decarbonizing and electrifying buildings across the state.⁵ Statewide,

⁵ E2, *Building Opportunity: New York - The Jobs, Economic and Equity Benefits of Decarbonizing and Electrifying Buildings Across the Empire State* (April 26, 2022), available at <https://e2.org/reports/building-opportunity-new-york/>.

the Clean Heat Program has supported the work of 750 participating contractors and the training of more than 3,100 people in skills needed to work in the clean heating and building electrification industry. Con Edison's Clean Energy Academy also offers a Small Commercial Energy Auditing Training, which aligns with various nationally recognized certifications. Since 2020 nearly 400 participants have graduated from the program, learning the skills needed to help businesses undertake energy efficiency upgrades.

Indeed, history shows that the clean energy sector is a proven catalyst for quick job growth in the aftermath of a recession.⁶ No part of the 2009 American Recovery and Reinvestment Act ("ARRA") was more successful at stimulating the economy following the Great Recession than the \$90 billion in federal investments in clean energy.⁷ The ARRA helped create nearly one million clean energy jobs and resulted in the weatherization of more than one million homes by expanding energy efficiency, getting electricians, HVAC technicians, and other construction workers, as well as manufacturers of building supplies and Energy Star appliances, back to work.⁸ NYERDA's 2021 Clean Energy Industry Report counts more than 120,000 energy efficiency jobs in New York.⁹ Environmental Entrepreneurs (E2) recently modeled the scaling up of efficiency and electrification in New York and projected there would be more than 400,000 jobs in these sectors by 2050.¹⁰

Energy Efficiency and Electrification are necessary to achieve CLCPA goals

In sum, NRDC and Con Edison urge the Climate Action Council to declare that fully scaled energy efficiency and electrification are a cornerstone of the final Scoping Plan, including utility energy efficiency, building electrification, and demand management programs. These cost-effective programs are a crucial part of New York's clean energy future – they reduce GHG emissions, reduce other harmful pollution, help customers manage their energy bills, enhance quality-of-life for participants, mitigate infrastructure investments, and create clean energy job opportunities in local communities.

Accordingly, the Council should prioritize the significant scaling up of energy efficiency and building electrification, including strongly endorsing clear guidance for utility targets and programs to pursue all cost-effective energy efficiency measures and ensuring that the utilities have the funding and other resources necessary to meet this critical objective, recognizing that energy efficiency and electrification programs will require sufficient, increased resources to support the most vulnerable customers and disadvantaged communities.

Con Edison and NRDC look forward to working with the Council and other stakeholders as the Council finalizes the Scoping Plan and applaud the hard work of both the Council and Advisory Panels.

⁶ E2, *Clean Jobs America 2020: Repowering America's Economy in the Wake of COVID-19*, at 2 (April 2020) ("E2 Clean Jobs America 2020").

⁷ *Id.*

⁸ *Id.*

⁹ <https://www.nyserda.ny.gov/About/Publications/New-York-Clean-Energy-Industry-Report>

¹⁰ E2, *Building Opportunity: New York - The Jobs, Economic and Equity Benefits of Decarbonizing and Electrifying Buildings Across the Empire State* (April 26, 2022), available at <https://e2.org/reports/building-opportunity-new-york/>.

Sincerely,

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