

STATE OF NEW YORK

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PILOT PROJECT SEEKS TO REDUCE GREENHOUSE GAS EMISSIONS — Innovations Sought to Lower Global Warming Emissions; Renewed Effort Underway to Speed Replacement of Leak-Prone Gas Pipes —

Albany, NY—09/25/14— In support of Climate Week’s emissions reduction goals, the New York State Public Service Commission (Commission) today announced that Commission staff will work with Consolidated Edison Company of New York, Inc. on a pilot project to investigate technologies for quantifying methane emissions from non-hazardous leaks on Con Edison’s gas distribution system and develop a program to further reduce the backlog of such leaks.

“This pilot project, a direct result of the Commission-ordered collaborative to reduce greenhouse gas emissions from Con Edison’s sizeable gas distribution system, will develop cutting-edge technologies to quantify and reduce global-warming methane emissions from leaking gas pipes,” said Commission Chair Audrey Zibelman. “Given the fact that methane, when trapped in the atmosphere, has been acknowledged to contribute to global warming, this initiative is an important regional step to help mitigate climate change.”

In addition to Con Edison and Commission staff, there are a number of other participants in the collaborative, including the Environmental Defense Fund, Pace Energy and Climate Center, and the Center for Climate Change Law at Columbia University.

While the rollout of the new pilot program in New York City will help create new technologies and innovations, Commission staff is pushing hard on other fronts to increase the rate of leak-prone pipe replacement statewide by identifying new ways to finance pipe replacement projects. Possibilities include developing incentives that encourage gas utilities to find more cost-effective

ways to replace pipe, such as working with municipalities that are planning to replace other buried infrastructure on joint bidding projects, or pursuing potential federal funding grants.

Leaking natural gas pipes is a contributor to the presence of methane in the environment. Methane is the second most prevalent greenhouse gas emitted in the United States from human activities. In 2012, methane production from all sources, of which only a small portion is from leaking gas pipes, accounted for about 9 percent of U.S. greenhouse gas emissions from human activities. Pound for pound, the comparative impact of methane on climate change is more than 20 times greater than carbon dioxide over a 100-year period, according to the U.S. Environmental Protection Agency.

Replacing leak-prone pipe is one way to reduce the occurrence of all leaks, including non-hazardous gas leaks. The new leak-prone pipe replacement initiative announced today will be coordinated with Con Edison's pilot program. The information collected as part of the pilot program will be used to help select the leakiest non-hazardous pipes for earlier remediation.

Gas utilities in New York have 12,321 miles of leak-prone pipe inventory, and 66 percent is located in New York City and Long Island. The State's gas utilities are planning to spend \$578 million in 2014 to replace 371 miles of leak-prone pipe. The same utilities estimate the cost to replace all leak-prone pipes in the State at \$30.4 billion. Finding innovative ways to finance the replacement of leak-prone pipe is critically important to ratepayers.