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John B. Rhodes, Chair

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New York State Department of Public Service Issues New York’s First-Ever Gas Planning Process Proposal to Combat Climate Change

Proposal Minimizes Risk of Gas Supply Shortages for New Customers

Utilities to Vigorously Pursue Alternatives to New Gas Supply Infrastructure Including Scaling and Expanding Use of Clean Energy Technologies

Proposal Reflects Significant Input from Community Advocates and Environmental Groups

ALBANY — The New York State Public Service Commission (Commission) today received a far-reaching proposal developed by Department of Public Service staff designed to ensure more thoughtful, strategic and comprehensive planning for natural gas usage and investments in New York State. Staff’s proposal intends to reduce the risk of utility-imposed moratoria on new customer orders for gas supply hook-ups. The proposal reflects significant input from stakeholders, including community advocates and environmental groups, and hundreds of individual public comments submitted in several natural gas-related proceedings before the Commission.

“A comprehensive gas planning process is essential for protecting New Yorkers and ensuring they have the natural gas infrastructure they need and minimizing what they don’t,” **said Commission Chair John B. Rhodes.** “It’s critical to ensuring reliability, keeping costs down, and advancing State clean-energy policies while combating climate change.”

New York’s gas utilities need to continue to adjust to new energy and climate directions established by the State. Accordingly, these companies must more rapidly and efficiently adopt improved planning and operational practices. Today’s proposal provides a regulatory planning roadmap to enable them to meet current customer needs and expectations in a transparent and equitable way. More importantly, the staff proposal ensures utilities will minimize — and even potentially eliminate — new gas infrastructure investments while maintaining safe and reliable service. Furthermore, planning must be conducted in a manner consistent with New York’s nation-leading Climate Leadership and Community Protection Act (CLCPA) to lower carbon emissions and combat climate change.

One goal of this improved gas planning process is that utilities should be able to meet the needs of gas customers without declaring moratoria on the attachment of new customers. While staff cannot guarantee that no moratoria will be called in the future, the proposal seeks to ensure that any future moratoria will only be called as a last resort, and only after an exhaustive effort to meet customers’ needs through other means. Such moratoria would *only* occur after ample notice and public discussion.

Importantly, this improved planning process should help guide utilities into New York State's low carbon future by maximizing the use of energy efficiency, new technologies (such as electric heat pumps) and demand response programs, and limiting unnecessary infrastructure investment and the potential for stranded costs that might result. Further, it will allow progress toward an "Integrated Resource Plan" for gas — a continuously updated model linking load, peak demand, costs, and investment opportunities for traditional gas solutions and for alternatives.

The proposed long-term gas system planning process will improve opportunities for stakeholder input and provide analysis of, and visibility into, supply and demand over a longer timeframe. This long-term planning will provide the public and stakeholders with sufficient lead-time to identify potential supply and demand needs and issues, and then evaluate, select and implement resources to address these issues. Resources that can have long development periods must be planned well in advance of their need, including energy efficiency, electrification, and demand response programs.

As part of this planning process, each utility must propose a 'no-infrastructure option', in addition to any other options that address identified needs in the filing. This option should include a mix of utility-sponsored demand reduction measures that will close any gap between the projected load and available supply. This option should also include one or more contingency solutions, such as compressed natural gas or peaking services, which can be called upon if necessary. Utilities should not merely include generalized energy efficiency, demand response, electrification, and pricing strategies. Rather, they should pursue more purposeful development of actual strategies for utilizing these alternatives to meet particular system needs. Additionally, with the clean energy transmission, DPS expects more clean energy technologies and low emission home appliances will become more available, accessible and affordable.

The gas system planning process must include substantial education and stakeholder engagement. Each long-term gas system plan will include the information necessary to clearly explain the planning, design, and implementation development so that the output of the process effectively addresses the reliability needs of natural gas customers and the interests of stakeholders. Under staff's proposal, every three years each gas utility will file a new long-term gas system plan. In addition, each utility will file an annual report to help stakeholders continue to develop and maintain their awareness and understanding of the utility's plan.

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the Climate Leadership and Community Protection Act, New York is on a path to achieving its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented ramp-up of clean energy including a \$3.9 billion investment in 67 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector, a commitment to develop 9,000 megawatts of offshore wind by 2035, and 1,800 percent growth in the distributed solar sector since 2011. Under Governor Cuomo's leadership, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while meeting a goal to deliver 40 percent of the benefits of clean energy investments to disadvantaged communities, and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's proposal may be obtained by going to the Commission Documents section of the Commission's website at www.dps.ny.gov and entering Case Number 20-G-0131 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.