NY RENEWS

The Climate, Jobs & Justice Package:
Saving New York Money, Saving New Yorkers' Lives

The Climate, Jobs & Justice Package will save New Yorkers nearly a billion dollars on energy bills and nearly $40 billion a year statewide

NY Renews' Climate, Jobs & Justice Package (CJJP) is a roadmap designed to rapidly and effectively implement NY's Climate Act, making our state healthier and more equitable for all—especially for Black, Brown, Indigenous, low-income, and working-class communities. It will also ensure a just transition for workers in fossil-fuel-dependent industries and help create a thriving renewable energy economy in New York State.

The point has been made time and time again: gas no longer comes cheap. Highly volatile in price, and causing unprecedented damage to our climate and communities, it's high time for New York State to transition off of fossil gas. While industries with a vested interest in its use claim that gas and fossil fuels are the most reliable source of energy, the cost of home heating has jumped nearly 40% this past winter alone.[1] The reality is that fully funding and implementing the state's Climate Leadership and Community Protection Act (CLCPA) will have a significant net benefit to New Yorkers' wallets, lungs, lives, and even the state's coffers.

Key takeaways:

1. Passing the suite of legislation included in the Climate, Jobs, and Justice Package would lead to total statewide consumer savings in excess of $744,000,000 per year. That's not to mention that it would also save lives, create jobs, and drive further state investment in climate mitigation and adaptation measures.

2. The CJJP would appropriate over $1 billion dollars to help lower New Yorker's energy bills and meet our Climate Act's clean-energy and emissions mandates.

3. Transitioning off fossil fuels will save New York State roughly $39 billion a year—money the state currently spends on fossil fuels and subsidizing oil and gas corporations.

[1] CNY Central, September 2022;
https://www.google.com/url?q=https://cnycentral.com/news/nation-world/national-grid-predicts-spike-in-energy-bills-this-upcoming-winter&sa=D&source=docs&ust=1678036865693040&usg=AOvVaw3IqSvs0b6qRcmw5T-wZmPd

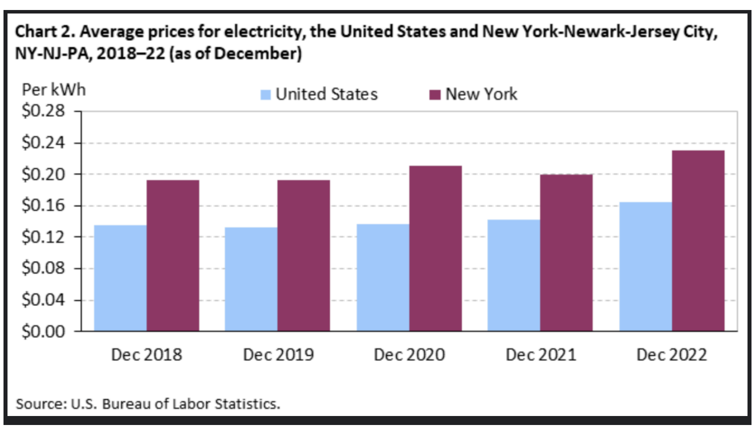
The state's transition to a clean-energy economy will significantly decrease our reliance on fossil fuels and the purchase costs of energy. In 2019 the Federal Energy Information Administration (EIA) reported that the entire New York state economy— including government, businesses, and households—spent roughly $39 billion a year on fossil energy, mostly purchased out of state. (There are some in-state costs for transportation and storage of fuel.[2]) Even when much of the economy was shut down by COVID-19 in 2020, the total cost was $29 billion.

Throughout that time, households at all income levels tended to use the same amount of energy, yet gas and utility bills remained regressive. The pandemic hit many New Yorkers hard, with unpaid gas and electric utility bills skyrocketing to over $1.9 billion by June 2022. The fossil fuel price surges and subsequent rises in utility bills this winter made heating, a basic need, out of reach for far too many families—low-income households in particular.

In heating and electrifying our homes, we should not have to choose between safety and reliability. In every region of the state, reducing consumer utility costs will assist the most vulnerable and have a proportionately greater benefit for Black, Brown, Indigenous, and working-class communities facing disproportionate energy cost burdens.

We must keep money in the hands of communities, reduce energy cost volatility, and increase system resiliency!

The average price of electricity in New York is 23.1 cents per kilowatt hour (kWh) and 1.845 cents per therm on utility (piped) gas[3]



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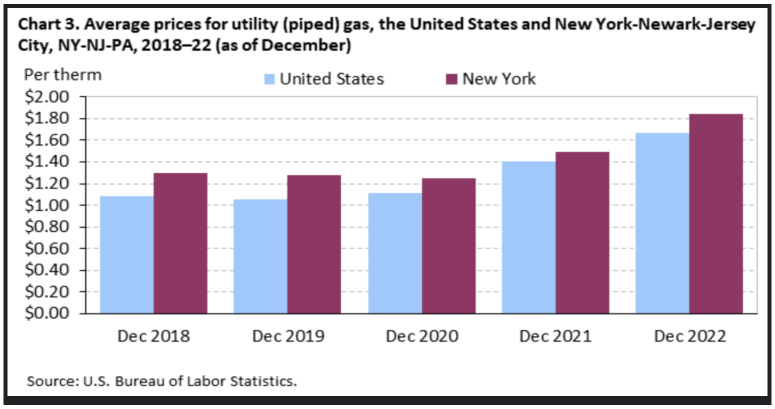
[2] U.S Energy Information Administration: https://www.google.com/url?q=https://www.eia.gov/state/data.php?sid%3DNY&sa=D&source=docs&ust=1678037075413580&usg=AOvVaw0pGLWbERmzZhMULPwLF5-6

[3] U.S. Bureau of Labor Statistics, December 2022: https://www.bls.gov/regions/new-york-new-jersey/news-release/averageenergyprices_newyorkarea.htm



New Yorkers pay an average of $242 per month or$2,904 per year on electricity alone,—24% higher than the national average electricity bill of $2,351.[4] On top of this, recent reports from the Public Service Commission (PSC) have shown that energy supply hedging practices and billing reconciliations, lack of competition and accountability, flawed customer notices and utility communications, and systemic billing issues are rampant.[5] This points to a number of regulatory gaps and the need for intervention, especially as energy demand becomes higher with a combination of outside impacts (such as inflation, the pandemic, and extreme storms) and as frontline communities continue to bear the brunt of the dangers, and costs, of inaction.

The Climate Leadership and Community Protection Act (CLCPA) specifically stipulates that:[6]

- State programs should be designed in a manner to provide substantial benefits for DAC and low- and moderate-income (LMI) consumers, as defined in Article 75 of the environmental conservation law, at a reasonable cost while ensuring safe and reliable electric service.
- New York State Energy Research and Development Authority (NYSERDA) and investor-owned utilities are charged with developing and reporting metrics for energy savings and clean energy penetration in the low- and moderate-income market and in disadvantaged communities, as defined in Article 75 of the environmental conservation law as it relates to allocation of ratepayer funds.

To meet CLCPA mandates, the Final Scoping Plan recommends that utilities:

- prioritize and partner with under-resourced community-based organizations to learn more about communities and identify specific needs and shared objectives.[7]
- expand and align bill discount programs for low-income households to ensure that current or future public utility bill assistance programs recognize and adjust for both increased cooling

[4] https://www.energysage.com/local-data/electricity-cost/ny/
[5] Times Union, January 2023: https://www.timesunion.com/hudsonvalley/news/article/State-Senate-issues-report-on-utility-pricing-17696236.php; Office of the New York State Comptroller July 2022: https://www.osc.state.ny.us/press/releases/2022/07/dinapoli-number-new-yorkers-behind-utility-bills-soared-during-pandemic
[6] Senate Bill S599; Climate Leadership and Community Protection Act
[7] Climate Action Council Final Scoping Plan; Pg 253

needs and the shift from traditional forms of heating to efficient electrification.[8]

- Set a reasonable timeline to transition off fossil gas that provides safe and reliable service as we adopt alternatives.[9]
- prioritize low- to moderate-income households and disadvantaged communities by requiring meaningful technical and financial assistance to enable these households to make energy efficiency upgrades and electrify affordably; moreover, electric utilities benefiting from increased revenue thanks to heating load electrification should absorb some of the potential burdens of the standard costs.[10, 11]
- reduce energy burdens and address energy affordability concerns, including identifying ways to:
    - mitigate impacts on remaining gas customers during the transition to electrification with a particular focus on low-income consumers;
    - review the costs and benefits associated with the transition to electrification in efforts to decarbonize the gas system and evaluate the impact on overall affordability;
    - prioritize and target public financial support of energy efficiency upgrades and electrification initiatives for distressed housing, LMI households, affordable and public housing, and buildings in DACs in advance of or paired with the electrification of heating and in a manner that lessens cost burdens on customers.[12]
- approach interconnection through a justice-oriented lens, where community-led and community-supported clean energy projects are facilitated while recognizing that the barrier of high interconnection costs for projects in DACs needs to be addressed.[13]

The current system is not working. Today's gas, electric, and energy infrastructure and transition are funded in the most regressive manner: working people's utility bills. This issue lies at the heart of the current affordability and utility debt crisis. For example:

- As of January 2023, New York's residential electric and gas customers owe more than $1.54 billion in unpaid utility bills.[14]
- More than 1.3 million households in New York are at risk of a utility service termination.[15]
- In January 2023, New York utilities sent final termination notices to 492,050 households.[16]
- Arrears reduction assistance currently in progress thanks to the State's COVID-19 utility bill relief Phase 2 program will achieve meaningful but one-time improvements in utility

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[8] Ibid; pg 206
[9] Ibid; pg 353
[10] Ibid; pg 356
[11] Also see DPS report in Case 18-M-0084 citing woeful lack of progress in achieving EE/building electrification for LMI customers:https://www.google.com/url?q=https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId%3D%7BB870F67B-E748-4910-BD25-C64B00652954%7D&sa=D&source=docs&ust=1678297977562995&usg=AOvVaw3EAqRQqnkxpxSROenylrCE
[12] Climate Action Council Final Scoping Plan; pg 360
[13] Ibid; pg 243
[14] See, Monthly Collections Activity Reports from Public Service Commission proceeding, DPS Case 91-M-0744.
[15] Ibid
[16] Ibid

affordability. However, it does not address long-term, structural affordability concerns. For example, following the completion of Phase 1 arrears relief to Con Edison EAP participants during the summer of 2022, the arrears of these customers rose an alarming 8% by December.[17]

The evidence agrees: in the long run, New Yorkers will save money and have a safer energy system run on clean renewable energy if we make decarbonization investments *now* and shift the burden of the energy transition away from ratepayers to polluters and the ultra-wealthy millionaires and billionaires most responsible for the climate crisis who must pay their fair share for climate action. The Climate, Jobs & Justice Package provides a clear plan to raise revenue and fund climate programs.

CJJP appropriations include expanding existing funds and new programs created in an effort to assist with utility debt relief, worker transition, piloting programs, and more. Appropriations are also focused on ensuring New Yorkers experience fewer costs related to health, disasters, and more when transitioning our current infrastructure. Reductions in the utility bills of the public also have a financial benefit to the State budget. That is why the CJJP includes funding and multiple policy tools to expand on the State's numerous programs and entitlements to lower household utility bills, energy burdens, and energy debt or to provide improved services.[18]

The CJJP will also help lower consumer energy costs, particularly via the NY Home Energy Affordable Transition Act (NY HEAT, S.8198/A.9329), which gives the Public Service Commission the authority and direction to align gas utilities with the Climate Act's emission reduction and climate justice mandates.

New Yorkers deserve a break when skyrocketing energy costs make utility bills unaffordable!

NY Renews supports the recommendations of the Public Utility Law Project (PULP), the only independent nonprofit in NYS that advocates specifically for low-income utility customers and helps individuals regain financial stability.[19]

Require data sharing and matching in law! New York State must address under-enrollment in the electric/gas utilities' Energy Affordability Policy (EAP) programs so that every low-income New Yorker

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[17] See Con Edison Low-Income Low-Income Reports (June 2022 and December 2022), Case 14-M-0565. Available at: https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-m-0565&CaseSearch=Search
[18] NY Renews Net Benefits Brief on State Government Savings: https://docs.google.com/document/d/1TT3wBX-wGePhfXDzdLpuc5J0WvmothF4KP-hPvzwNFw/edit
[19] Public Utility Law Project FY 2024 New York State Environmental Conservation Budget Hearing; https://www.nysenate.gov/sites/default/files/public_utility_law_project_-_pulp.pdf

benefits from bill credits that will lower their energy burden to no more than 6% of their monthly income. It must also require data sharing and matching between the utilities and the Office of Temporary Disability and Assistance (OTDA), including the following amendments to A.4876 (Solages) /S.4548 (Parker):

- (1) include a public reporting requirement to track data matching; and (2) specify the data points that should be matched, including but not limited to first/last name, address, account number(s), phone number, and the last four digits of one's social security number; this will help improve the accuracy of the data match, which historically has been error-prone.
- adding a public reporting requirement which will improve accountability and transparency. Moreover, providing more specific data points will increase the chances of matching a low-income customer between their utility company and OTDA.

Add intervenor funding to the one-house budget! We need to implement a workable program that will advance small intervenors in rate cases, policy proceedings, and other matters before the PSC. S.405 (Parker 2023).