

# STATE OF NEW YORK

8746

2025-2026 Regular Sessions

## IN ASSEMBLY

June 2, 2025

Introduced by M. of A. KAY -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to requiring the establishment of hybrid heating pilot programs

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Legislative findings and intent. The legislature finds and  
2 declares that:
- 3 1. the climate leadership and community protection act (CLCPA)  
4 requires significant reductions in greenhouse gas emissions, including a  
5 40% reduction in statewide greenhouse gas emissions by 2030 and an 85%  
6 reduction in statewide greenhouse gas emissions by 2050;
- 7 2. as of 2019, the buildings sector represented the largest source of  
8 statewide greenhouse gas emissions and the decarbonization of buildings  
9 is necessary to achieve the goals of the CLCPA;
- 10 3. the climate action council's final scoping plan recommends consid-  
11 eration of hybrid heating solutions for customer space heating needs;
- 12 4. hybrid heating systems have the potential to be a key contributor  
13 to meeting the CLCPA's greenhouse gas emissions reduction goals while  
14 maintaining safe and reliable space heating, providing affordable system  
15 alternatives for customers, and avoiding potential costs associated with  
16 building out the electrical grid to meet expanded electrical require-  
17 ments during a winter peak hour;
- 18 5. this is especially the case in the colder regions of the state,  
19 where hybrid heating systems can ensure continued reliable service  
20 through a resilient energy delivery system during extreme and potential-  
21 ly dangerous weather conditions;
- 22 6. the installation of hybrid heating systems can promote strong  
23 economic development and good jobs for local residents, including resi-  
24 dents in disadvantaged communities;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD11290-01-5

1 7. hybrid heating systems have the potential to provide meaningful  
2 benefits to low- to moderate-income residents and residents in disadvan-  
3 tagged communities;

4 8. hybrid heating systems have upfront installation costs and utili-  
5 ties' access to capital and experience positions them well to develop  
6 and implement programs to install hybrid heating systems;

7 9. hybrid heating pilot programs will allow the state's utilities to  
8 develop statistically significant findings that will include but not be  
9 limited to potential impacts to the gas distribution system such as  
10 enhanced reliability and reduced upstream capacity needs, emissions  
11 reductions, cost effectiveness of heating system types, and feasibility  
12 of implementing different system configurations; and

13 10. therefore, it is the intent of the legislature to require the  
14 public service commission to immediately commence the piloting of hybrid  
15 heating pilot programs to further the goals of the CLCPA.

16 § 2. The public service law is amended by adding a new section 66-x to  
17 read as follows:

18 § 66-x. Hybrid heating pilot program. 1. As used in this section:

19 (a) "air source heat pump" means a heating and cooling system that  
20 utilizes outside air to either absorb heat or cool it to then be  
21 utilized by a building via a vapor-compression refrigeration cycle;

22 (b) "cold climate air source heat pump" means a heating and cooling  
23 system that uses outside air to heat or cool a building and works in  
24 sub-zero temperatures;

25 (c) "gas heating system" means a furnace or boiler heating system  
26 utilizing individual or a mixture of traditional natural gas, renewable  
27 natural gas, or hydrogen to meet a customer's heating needs;

28 (d) "hybrid heating pilot program" means a pilot program developed by  
29 a gas corporation or combination gas and electric corporation for the  
30 purpose of installing hybrid heating systems, or other system configura-  
31 tions involving heat pump technology paired with a gas heating system;

32 (e) "hybrid heating system" means an air source heat pump, cold  
33 climate air source heat pump, mini-split or other applicable heat pump  
34 systems or technologies paired with a gas heating system; and

35 (f) "mini-split" means a heating or cooling system that allows the  
36 control of temperature in an individual room or space.

37 2. The commission shall initiate a proceeding within three months of  
38 the effective date of this section to support the development of hybrid  
39 heating pilot programs for the purpose of meeting the greenhouse gas  
40 emissions and equity goals of the climate leadership and community  
41 protection act (CLCPA).

42 3. Within six months of the effective date of this section, each gas  
43 corporation or combination gas and electric corporation shall submit to  
44 the commission for review and approval a hybrid heating pilot program  
45 plan. The hybrid heating pilot program plan shall include, but not be  
46 limited to, the following: (a) the system configurations to be included  
47 in the pilot program; (b) screening criteria for the selection of sites  
48 to be included in the pilot program; (c) cost estimates related to the  
49 installation of the systems, including up-front installation and ongoing  
50 operations and maintenance costs and whether the pilot program will  
51 leverage available incentives and rebates; (d) proposed total annual  
52 costs of the pilot program, including costs for program administration;  
53 (e) how the pilot program will monitor and verify data related to oper-  
54 ating costs and expenses, non-cost factors such as comfort and reliabil-  
55 ity, and emissions-related benefits; and (f) projected annual greenhouse  
56 gas emissions reductions resulting from the pilot program.

1 4. The hybrid heating pilot program plan shall demonstrate how the  
2 pilot program will prioritize customers located in disadvantaged commu-  
3 nities and low- to moderate-income customers and track participation of  
4 those customers in the pilot program.

5 5. Within one year of the effective date of this section, the commis-  
6 sion shall determine whether it is in the public interest to approve or  
7 modify such hybrid heating pilot program plans and shall issue an order  
8 directing each gas or combination gas and electric corporation to imple-  
9 ment such hybrid heating pilot programs. In determining whether a hybrid  
10 heating pilot program is in the public interest, the commission shall  
11 consider whether the program: (a) supports achievement of the greenhouse  
12 gas emissions reduction goals of the CLCPA; (b) ensures benefits to  
13 customers in disadvantaged communities and low- to moderate-income  
14 customers; and (c) provides reliability benefits for heating customers,  
15 especially in cold temperatures.

16 6. The commission shall authorize each gas corporation or combination  
17 gas and electric corporation to defer costs incurred in a program year  
18 and recover those costs through a surcharge mechanism. All installation  
19 costs shall be amortized over a five-year period following the program  
20 year to reduce the impacts to customers in any given year. Each gas  
21 corporation or combination gas and electric corporation shall accrue  
22 carrying charges at the weighted average cost of capital.

23 7. Beginning in the calendar year following commission approval of a  
24 hybrid heating pilot program plan, each gas corporation or combination  
25 gas and electric corporation shall submit an annual report by June thir-  
26 tieth that includes information related to heating system performance,  
27 provides cost and emissions savings summaries, and summarizes lessons  
28 learned and general observations from the preceding year.

29 § 3. This act shall take effect immediately.