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## IN SENATE

January 18, 2023

Introduced by Sens. KRUEGER, MAY, BRESLIN, BRISPORT, BROUK, CLEARE, COMRIE, COONEY, FERNANDEZ, GIANARIS, GONZALEZ, GOUNARDES, HARCKHAM, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, LIU, MAYER, MYRIE, RAMOS, RIVERA, SALAZAR, SANDERS, SEPULVEDA, SERRANO, STAVISKY, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, the public authorities law, the transportation corporations law and the labor law, in relation to aligning utility regulation with state climate justice and emission reduction targets; to repeal section 66-b of the public service law relating to continuation of gas service; and to repeal section 66-g of the public service law relating to the sale of indigenous natural gas for generation of electricity

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "NY Home Energy Affordable Transition Act".  
3 § 2. Legislative findings. The legislature finds and declares that:  
4 1. The Climate Leadership and Community Protection Act (the "CLCPA")  
5 created legal mandates for dramatic greenhouse gas emission reductions  
6 from all sectors of New York's economy. The CLCPA also emphasizes equity  
7 in addressing climate change by requiring all state agencies and author-  
8 ities to prioritize reductions of greenhouse gas emissions and co-pollu-  
9 tants in disadvantaged communities and by mandating that certain state  
10 investments deliver benefits to these communities.

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

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1 2. Buildings are New York's largest source of greenhouse gas emis-  
2 sions, accounting for approximately one-third of the greenhouse gas  
3 emissions in our state. New York state's buildings also produce more  
4 local air pollution than any other state in the country, resulting in  
5 negative health outcomes such as increased rates of asthma, particularly  
6 among children, and heart disease. Therefore, reducing greenhouse gas  
7 emissions and toxic air pollution emitted from New York's buildings,  
8 especially in disadvantaged communities, is necessary to meet the CLCPA  
9 mandates.

10 3. To meet the state's bold climate and equity mandates, New York will  
11 need to update how it regulates gas utility service. Doing so will  
12 enable strategic planning and investments in neighborhood-scale building  
13 decarbonization and help bring the statewide gas distribution system  
14 into alignment with the two thousand thirty and two thousand fifty  
15 greenhouse gas emission reduction mandates in the CLCPA through an  
16 orderly and equitable process, coordinated with appropriate investments  
17 in the electric system to ensure all New Yorkers have non-discriminato-  
18 ry, affordable access to the energy needed for heating, cooling, and  
19 powering the buildings in which they live and work.

20 4. The New York public service law not only contains barriers to  
21 neighborhood-scale building decarbonization solutions such as thermal  
22 energy networks, but also works at cross purposes with the state's  
23 climate and affordability goals, by requiring and subsidizing the  
24 continued expansion of natural gas infrastructure.

25 a. The gas utility obligation to serve codified in the public service  
26 law is a major obstacle to utilities developing neighborhood-scale  
27 building decarbonization projects that would facilitate bringing the gas  
28 system into alignment with the two thousand thirty and two thousand  
29 fifty greenhouse gas emission reduction mandates in the CLCPA in a  
30 manner that can mitigate costs for all utility customers, reduces green-  
31 house gas emissions and co-pollutants impacting local air quality, and  
32 provides a transition for impacted workers.

33 b. Statutorily mandated utility system extension allowances require  
34 existing ratepayers to subsidize gas infrastructure hookups for new  
35 customers. According to a recent joint filing with the Public Service  
36 Commission by the New York state gas utilities, these required allow-  
37 ances cost gas utilities hundreds of millions of dollars per year.  
38 These costs are passed directly to existing gas customers.

39 c. Gas utilities in New York are on track to collectively spend \$150  
40 billion to replace thousands of miles of leak prone pipe in the coming  
41 years. These investments pose a risk of becoming stranded assets, with  
42 \$77 billion of the total cost coming due after 2050, but can be avoided  
43 in many cases by strategically investing in neighborhood-scale decarbon-  
44 ization projects.

45 5. New Yorkers are suffering from dramatic fossil fuel price spikes  
46 driven by the increasingly integrated global commodity market, subject  
47 to the whims of foreign dictators such as Russia's Vladimir Putin or  
48 Saudi Arabia's Prince Mohammed bin Salman. Fossil fuel prices have  
49 spiked to historic high levels, making both electricity and gas utility  
50 service unaffordable for many New Yorkers. Decarbonizing buildings  
51 through the strategic development of neighborhood-scale building decar-  
52 bonization projects, along with investing in energy efficiency and  
53 renewable electricity, will save New Yorkers money now and in the  
54 future, protect against price volatility, and promote true energy inde-  
55 pendence for New York state.

1 6. Fossil fuel price spikes are exacerbating the affordability impacts  
2 of the COVID-19 Pandemic. Over a million households in New York now  
3 struggle to pay their utility bills. The Public Service Commission has  
4 declared, but not yet achieved, a goal that customers should not pay  
5 more than 6% of their income for utility energy services, a number based  
6 on a nationally accepted standard.

7 7. Thus, it is the intent of the legislature to enact the NY Home  
8 Energy Affordable Transition Act for the following purposes:

9 a. to ensure that the public service law regarding regulation and  
10 oversight of gas utilities will provide for the timely and strategic  
11 decarbonization and right-sizing of the gas distribution system in a  
12 just and affordable manner as required to meet the climate justice and  
13 emission reduction mandates of the CLCPA, appropriately balancing rate-  
14 payers' needs and interests with the maintenance of financially sound  
15 utilities, prioritizing low-to-moderate income customers and disadvan-  
16 taged communities, and encouraging neighborhood-scale transitions;

17 b. to provide the Public Service Commission with the statutory author-  
18 ity and direction to align utility regulations and planning with the  
19 CLCPA climate justice and emission reduction mandates and to require the  
20 Public Service Commission to take a proactive role in the timely iden-  
21 tification and amendment of such regulations or rulings as may pose an  
22 impediment to achieving CLCPA mandates, and to identify any laws that  
23 may pose an impediment;

24 c. to maintain the affordability of services for all utility custom-  
25 ers, create good paying, family sustaining jobs, and facilitate achieve-  
26 ment of the CLCPA climate justice and emission reduction mandates by  
27 enabling gas utilities to minimize the need for new investments in gas  
28 infrastructure;

29 d. to facilitate a well-planned and strategic downsizing of the gas  
30 system by redirecting ratepayer funds that would have been spent on  
31 costly new investments to maintain or expand the gas system to instead  
32 fund job-creating neighborhood-scale decarbonization projects that  
33 provide alternative clean energy solutions for efficient heating, cool-  
34 ing, cooking, hot water, and other uses that effectively transition  
35 customers away from dependence on fuels with greenhouse gas emissions  
36 and equipment that produces on-site co-pollutant emissions;

37 e. to end statutorily mandated, ratepayer-subsidized incentives for  
38 the expansion of fossil fuel infrastructure while maintaining the equi-  
39 table provision of electric service for efficient heating, cooling,  
40 cooking, hot water, and other uses;

41 f. to provide affordable access to electricity for heating and cooling  
42 and to protect low-income and moderate-income customers from undue  
43 burdens as they decarbonize their buildings; and

44 g. to clarify that municipal building codes regulating on-site emis-  
45 sions are not preempted under New York state law.

46 8. Transitioning gas customers to alternative heating and cooling  
47 services is likely to be most cost-effective from the perspective of  
48 individual customers and New York state as a whole if undertaken as part  
49 of a neighborhood-scale project. Such projects would help minimize  
50 stranded costs in gas system infrastructure and support coordinated  
51 investments on the part of customers, utilities, and others, potentially  
52 including but not limited to electrification make-ready measures, equip-  
53 ment located on the premises of customers, and thermal energy networks.

54 9. This legislation does not establish a ban on the use of gas. It is  
55 neither the intent nor would it be the effect of this legislation to

1 require the immediate transition of existing gas customers to alterna-  
2 tive heating and cooling services.

3 § 3. Subdivision 1 of section 4 of the public service law, as amended  
4 by chapter 594 of the laws of 2021, is amended to read as follows:

5 1. There shall be in the department of public service a public service  
6 commission, which shall possess the powers and duties hereinafter speci-  
7 fied, and also all powers necessary or proper to enable it to carry out  
8 the purposes of this chapter and to enable achievement of the climate  
9 justice and emission reduction mandates in chapter one hundred six of  
10 the laws of two thousand nineteen, and such successors in law and func-

11 tion as may arise from time to time. The commission shall consist of  
12 five members, to be appointed by the governor, by and with the advice  
13 and consent of the senate. A commissioner shall be designated as [~~chair-~~  
14 ~~man~~] chairperson of the commission by the governor to serve in such  
15 capacity at the pleasure of the governor or until his or her term as  
16 commissioner expires whichever first occurs. At least one commissioner  
17 shall have experience in utility consumer advocacy. No more than three  
18 commissioners may be members of the same political party unless, pursu-  
19 ant to action taken under subdivision two of this section, the number of  
20 commissioners shall exceed five, and in such event no more than four  
21 commissioners may be members of the same political party.

22 § 4. Subdivisions 1 and 2 of section 5 of the public service law,  
23 subdivision 1 as amended and subdivision 2 as added by chapter 155 of  
24 the laws of 1970, paragraph i of subdivision 1 as added by chapter 375  
25 of the laws of 2022, are amended to read as follows:

26 1. The jurisdiction, supervision, powers and duties of the public  
27 service commission shall extend under this chapter:

28 [~~b-~~] a. To the manufacture, conveying, transportation, sale or  
29 distribution of gas (natural or manufactured or mixture of both) and  
30 electricity for light, heat, cooling, or power, to gas plants and to  
31 electric plants and to the persons or corporations owning, leasing or  
32 operating the same.

33 [~~e-~~] b. To the manufacture, holding, distribution, transmission, sale  
34 or furnishing of steam for heat or power, to steam plants and to the  
35 persons or corporations owning, leasing or operating the same.

36 [~~d-~~] c. To every telephone line which lies wholly within the state and  
37 that part within the state of New York of every telephone line which  
38 lies partly within and partly without the state and to the persons or  
39 corporations owning, leasing or operating any such telephone line.

40 [~~e-~~] d. To every telegraph line which lies wholly within the state and  
41 that part within the state of New York of every telegraph line which  
42 lies partly within and partly without the state and to the persons or  
43 corporations owning, leasing or operating any such telegraph line.

44 [~~f-~~] e. To the furnishing or distribution of water for domestic,  
45 commercial or public uses and to water systems and to the persons or  
46 corporations owning, leasing or operating the same.

47 [~~g-~~] f. To every stock yard within the state and to the stock yard  
48 company owning, leasing or operating the same, to the same extent and in  
49 respect to the same objects and purposes as such jurisdiction extends,  
50 under this chapter, to depots, freight houses and shipping stations of a  
51 common carrier, including the duty of such stock yard company to submit  
52 reports and be subjected to investigation as if it were a common carri-  
53 er, and the powers and duties of such commission to fix charges and make  
54 and enforce orders relating to adequate service by such company.

55 [~~h-~~] g. A corporation or person owning or holding a majority of the  
56 stock of a common carrier, gas corporation or electrical corporation

1 subject to the jurisdiction of the public service commission shall be  
2 subject to the supervision of the public service commission in respect  
3 of the relations between such common carrier, gas corporation or elec-  
4 trical corporation and such owners or holders of a majority of the stock  
5 thereof in so far as such relations arise from or by reason of such  
6 ownership or holding of stock thereof or the receipt or holding of any  
7 money or property thereof or from or by reason of any contract between  
8 them; and in respect of such relations shall in like manner and to the  
9 same extent as such common carrier, gas corporation or electrical corpo-  
10 ration be subject to examination of accounts, records and memoranda, and  
11 shall furnish such reports and information as the public service commis-  
12 sion shall from time to time direct and require, and shall be subject to  
13 like penalties for default therein.

14 ~~[i]~~ h. To thermal energy provided by gas corporations, electric  
15 corporations, or combination gas and electric corporations.

16 2. The commission shall encourage all persons and corporations subject  
17 to its jurisdiction to formulate and carry out long-range programs,  
18 individually or cooperatively, for the performance of their public  
19 service responsibilities, including the achievement of the climate  
20 justice and emission reduction mandates in chapter one hundred six of  
21 the laws of two thousand nineteen, and such successors in law and func-  
22 tion as may arise from time to time, with economy, efficiency, and care  
23 for the public safety, the preservation of environmental values and the  
24 conservation of natural resources.

25 § 5. Section 30 of the public service law, as amended by chapter 686  
26 of the laws of 2002, is amended to read as follows:

27 § 30. Residential gas, electric and steam service policy. 1. This  
28 article shall apply to the provision of all or any part of the gas,  
29 electric or steam service provided to any residential customer by any  
30 gas, electric or steam and municipalities corporation or municipality.  
31 It is hereby declared to be the policy of this state that the continued  
32 provision of ~~[all or any part of such gas,]~~ electric and steam ~~[service]~~  
33 services to all residential customers without unreasonable qualifica-  
34 tions or lengthy delays is necessary for the preservation of the health  
35 and general welfare, is consistent with the achievement of the state's  
36 climate justice and emission reduction mandates, and is in the public  
37 interest. It is further the policy of this state that electric and  
38 steam services to all residential customers, and gas service for exist-  
39 ing residential customers must be provided in a manner that is safe and  
40 adequate, not unjustly discriminatory or unduly preferential, and in all  
41 respects just and reasonable, while providing for an orderly right-siz-  
42 ing of the gas distribution system to achieve consistency with the  
43 climate justice and emission reduction mandates in chapter one hundred  
44 six of the laws of two thousand nineteen, and such successors in law and  
45 function as may arise from time to time, encouraging neighborhood-scale  
46 transitions and the elimination of on-site co-pollutants.

47 2. The commission shall regulate for the continued provision of gas  
48 service to all existing residential customers who choose to continue  
49 such service, unless such service is discontinued pursuant to a program  
50 approved by the commission. Such programs shall ensure that any transi-  
51 tioning customer has access to:

52 (a) safe and reliable substitutes for heating, cooling, cooking, and  
53 water-heating prior to a cessation of gas service; and

54 (b) necessary and appropriate financial and technical support, includ-  
55 ing for the purchase and installation of customer-owned equipment.

1 3. (a) It shall be a goal of the commission that all residential  
2 customers be adequately protected from bearing an energy burden greater  
3 than six percent of their household income, prioritizing low-to-moderate  
4 income customers, including those who are already eligible for the  
5 commission's energy affordability program. The commission may authorize  
6 the use of reasonable per-customer caps on the amount of energy subject  
7 to the affordability protections of this subdivision. The commission may  
8 also establish a reasonable cap on collections from ratepayers to fund  
9 the commission's energy affordability program or similar successor  
10 programs provided such cap is not less than 3% of total electric or gas  
11 revenues for sales to end-use customers for each utility.

12 (b) Within one year of the effective date of this subdivision, the  
13 commission shall develop a plan to implement the goal under paragraph  
14 (a) of this subdivision. In developing such plan, the commission shall  
15 evaluate available tools, including but not limited to bill discounts,  
16 bill credits, redirection of avoided costs of utility infrastructure,  
17 rate making strategies, energy efficiency, distributed renewable energy,  
18 and potential budgetary measures, prioritizing mitigation of rate  
19 increases on residential customers. Beginning in the calendar year  
20 following the effective date of this subdivision, and continuing annual-  
21 ly on or before October first, the commission shall report to the gover-  
22 nor and legislature on the actions it has taken, including the plan  
23 developed pursuant to this paragraph, and the progress that has been  
24 made toward achieving the goal laid out in paragraph (a) of this subdi-  
25 vision. Such report shall include but not be limited to recommendations  
26 regarding any additional legislative or budgetary measures necessary to  
27 achieve such goal. The annual report shall also be published on the  
28 commission's website.

29 4. For the purposes of this section, the term "low-to-moderate income  
30 customers" shall mean households with annual incomes at or below eighty  
31 percent of the state median income.

32 § 6. Subdivision 1 of section 1020-cc of the public authorities law,  
33 as amended by section 11 of part A of chapter 173 of the laws of 2013,  
34 is amended to read as follows:

35 1. All contracts of the authority shall be subject to the provisions  
36 of the state finance law relating to contracts made by the state. The  
37 authority shall also establish rules and regulations with respect to  
38 providing to its residential gas, electric and steam utility customers  
39 those rights and protections provided in article two and sections one  
40 hundred seventeen and one hundred eighteen of the public service law and  
41 section one hundred thirty-one-s of the social services law. It shall  
42 be a goal of the authority that all residential customers be adequately  
43 protected from bearing an energy burden greater than six percent of  
44 their household income pursuant to subdivision three of section thirty  
45 of the public service law. The authority shall conform to any safety  
46 standards regarding manual lockable disconnect switches for solar elec-  
47 tric generating equipment established by the public service commission  
48 pursuant to subparagraph (ii) of paragraph (a) of subdivision five and  
49 subparagraph (ii) of paragraph (a) of subdivision five-a of section  
50 sixty-six-j of the public service law. The authority shall let contracts  
51 for construction or purchase of supplies, materials, or equipment pursu-  
52 ant to section one hundred three and paragraph (e) of subdivision four  
53 of section one hundred twenty-w of the general municipal law.

54 § 7. Subdivisions 1, 3 and 4 of section 31 of the public service law,  
55 as added by chapter 713 of the laws of 1981, are amended to read as  
56 follows:



1 1. Every gas corporation, electric corporation or municipality shall  
2 provide residential service upon the oral or written request of an  
3 applicant, provided that any residential gas service shall only be  
4 provided in accordance with section thirty of this article and is  
5 subject to any orders or regulations limiting or discontinuing gas  
6 service that are implemented by the commission to facilitate the  
7 achievement of consistency with the climate justice and emission  
8 reduction mandates in chapter one hundred six of the laws of two thou-  
9 sand nineteen, and such successors in law and function as may arise from  
10 time to time, and provided further that the commission may require that  
11 requests for service be in writing under circumstances as it deems  
12 necessary and proper as set forth by regulation, and provided further  
13 that the applicant:

14 (a) makes full payment for residential utility service provided to a  
15 prior account in [~~his~~] the applicant's name; or

16 (b) agrees to make payments under a deferred payment plan of any  
17 amounts due for service to a prior account in [~~his~~] the applicant's name  
18 and makes a down payment based on criteria to be established by the  
19 commission. No such down payment shall exceed one-half of any money due  
20 from an applicant for residential utility service, or three months aver-  
21 age billing, whichever is less; or

22 (c) is a recipient of public assistance, supplemental security income  
23 or additional state payments pursuant to the social services law, or is  
24 an applicant for such assistance, income or payments, and the utility  
25 corporation or the municipality receives payment from, or is notified of  
26 the applicant's eligibility for utility payments by the social services  
27 official of the social services district in which such person resides  
28 for amounts due for service to a prior account in the applicant's name,  
29 together with guarantee of future payments to the extent authorized by  
30 the social services law; and

31 (d) receives clear, timely information from the gas corporation, elec-  
32 tric corporation, municipality, or retail energy service company, writ-  
33 ten in plain language, available in the top twelve most common non-Engl-  
34 ish languages spoken by limited English proficient New Yorkers, and  
35 approved by the commission after stakeholder input, on incentives and  
36 opportunities for installing, energy-efficient electric heating and  
37 cooling technologies, weatherization, demand-side management, and  
38 distributed energy resource programs.

39 (e) nothing in this subdivision shall be construed to prohibit exist-  
40 ing gas customers, in accordance with section thirty of this article and  
41 subject to any other regulations implemented by the commission, from  
42 reconnecting to the gas distribution system following a gas interruption  
43 due to emergency repairs or remediation of leaking equipment.

44 3. Subject to the requirements of subdivisions four and five of this  
45 section, and in accordance with section thirty of this article, whenever  
46 a residential customer moves to a new residence within the service  
47 territory of the same utility corporation or municipality, [~~he~~] the  
48 applicant shall be eligible to receive service at the new residence and  
49 such service shall be considered a continuation of service [~~in all~~  
50 ~~respects~~] as operationally feasible based on infrastructure and commod-  
51 ity availability at the site of the new residence, with any deferred  
52 payment agreement honored, and with all rights of such customer and such  
53 utility corporation provided by this article unimpaired.

54 4. In the case of any application for service to a building which is  
55 not supplied with electricity or gas, a utility corporation or municipi-  
56 pality shall be obligated to provide electric service to such a build-

1 ing, and to provide gas service for such a building in accordance with  
2 commission regulation, provided however, that the commission may require  
3 applicants for service to buildings [~~located in excess of one hundred~~  
4 ~~feet from gas or electric transmission lines~~] to pay or agree in writing  
5 to pay material and installation costs relating to the applicant's  
6 proportion of the pipe, conduit, duct or wire, or other facilities to be  
7 installed.

8 § 8. Section 12 of the transportation corporations law, as separately  
9 amended by chapters 713 and 895 of the laws of 1981, is amended to read  
10 as follows:

11 § 12. Gas and electricity must be supplied on application in accord-  
12 ance with commission rules and regulations. Except in the case of an  
13 application for residential utility service pursuant to article two of  
14 the public service law, upon written application of the owner or occu-  
15 pant of any building [~~within one hundred feet of any main of a gas~~  
16 ~~corporation or gas and electric corporation, or a line of an electric~~  
17 ~~corporation or gas and electric corporation, appropriate to the service~~  
18 ~~requested,~~] and payment by [~~him~~] the applicant of all money due from  
19 [~~him~~] the applicant to the corporation, it shall supply [~~gas or~~] elec-  
20 tricity as may be required for [~~lighting~~] such building and it may  
21 provide gas for such building in accordance with commission regulation,  
22 notwithstanding there be rent or compensation in arrears for gas or  
23 electricity supplied, or for meter, wire, pipe or fittings furnished, to  
24 a former occupant thereof, unless such owner or occupant shall have  
25 undertaken or agreed with the former occupant to pay or to exonerate  
26 [~~him~~] them from the payment of such arrears, and shall refuse or neglect  
27 to pay the same; and if for the space of ten days after such applica-  
28 tion, and the deposit of a reasonable sum as provided in the next  
29 section, if required, the corporation shall refuse or neglect to supply  
30 gas or [~~electric light~~] electricity as required, such corporation shall  
31 forfeit and pay to the applicant the sum of ten dollars, and the further  
32 sum of five dollars for every day thereafter during which such refusal  
33 or neglect shall continue; provided that no such corporation shall be  
34 required to lay service pipes or wires for the purpose of supplying gas  
35 or electric light to any applicant where the ground in which such pipe  
36 or wire is required to be laid shall be frozen, or shall otherwise pres-  
37 ent serious obstacles to laying the same; nor unless the applicant, if  
38 required, shall deposit in advance with the corporation a sum of money  
39 sufficient to pay the cost of [~~his proportion~~] the applicant's portion  
40 of the pipe, conduit, duct or wire required to be installed, and the  
41 expense of the installation of such portion.

42 § 9. Subdivision 2 of section 66 of the public service law, as amended  
43 by chapter 877 of the laws of 1953, is amended and a new subdivision  
44 12-e is added to read as follows:

45 2. Investigate and ascertain, from time to time, the quality of gas  
46 supplied by persons, corporations and municipalities; examine or inves-  
47 tigate the methods employed by such persons, corporations and munici-  
48 palities in manufacturing, distributing and supplying gas or electricity  
49 for light, heat, cooling, or power and in transmitting the same, and  
50 have power to order such reasonable improvements as will best promote  
51 the public interest, preserve the public health and protect those using  
52 such gas or electricity and those employed in the manufacture and  
53 distribution thereof, and have power to order reasonable improvements  
54 and extensions of the works, wires, poles, lines, conduits, ducts and  
55 other reasonable devices, apparatus and property of gas corporations,  
56 electric corporations and municipalities; and have power after an inves-



1 tigation and a hearing to order any corporation having authority under  
2 any general or special law or under any charter or franchise, to lay  
3 down, erect or maintain wires, pipes, conduits, ducts or other fixtures  
4 in, over or under the streets, highways and public places of any municipi-  
5 pality for the purpose of supplying, selling or distributing natural  
6 gas, to augment its supply of natural gas, whenever the commission deems  
7 necessary and whenever artificial gas can be reasonably obtained, by  
8 acquiring by purchase, manufacture or otherwise a supply thereof to be  
9 mixed with such natural gas, in order to render adequate service to the  
10 customers of such corporation or to maintain a proper and uniform pres-  
11 sure; and have power after an investigation and a hearing to order any  
12 corporation having authority under any general or special law or under  
13 any charter or franchise, to lay down, erect or maintain wires, pipes,  
14 conduits, ducts or other fixtures in, over or under the streets, high-  
15 ways and public places of any municipality for the purpose of supplying,  
16 selling or distributing artificial gas, to augment its supply of artifi-  
17 cial gas, whenever the commission deems necessary and whenever natural  
18 gas can be reasonably obtained, by acquiring by purchase or otherwise a  
19 supply thereof to be mixed with such artificial gas, in order to render  
20 adequate service to the customers of such corporation or to maintain a  
21 proper and uniform pressure; and to fix such rate for the supplying of  
22 mixed gas as shall secure to such corporation a fair return; and may  
23 order the curtailment or discontinuance of the use of natural gas for  
24 manufacturing or industrial purposes, for periods aggregating not to  
25 exceed four months in any calendar year, if it is established to the  
26 satisfaction of the commission that the supply of natural gas is not  
27 adequate to meet the reasonable demands of domestic consumption and may  
28 ~~[prohibit the use of natural gas in wasteful devices and practices]~~  
29 order the curtailment or discontinuance of the use of the distribution  
30 system, where the commission has determined that such curtailment or  
31 discontinuance is reasonably required to implement state energy policy,  
32 provided that such curtailment or discontinuance shall be consistent  
33 with programs approved by the commission pursuant to subdivision two of  
34 section thirty of this chapter, and may prohibit the use of natural gas  
35 in wasteful devices and practices, as defined by the commission, and  
36 require conservation and efficiency in gas usage.

37 12-e. The commission shall review the capital construction plan of  
38 each gas corporation and establish a process to examine feasible alter-  
39 natives to such construction in order to achieve consistency with the  
40 climate justice and emission reduction mandates in chapter one hundred  
41 six of the laws of two thousand nineteen, and such successors in law and  
42 function as may arise from time to time, encouraging neighborhood-scale  
43 transitions and the elimination of on-site co-pollutant emissions. Such  
44 process shall include thresholds and criteria for the types of projects  
45 subject to such examination. The commission shall require participation  
46 in such process by each electric corporation with a service area over-  
47 lapping the service area of the gas corporation; and the commission  
48 shall have the power to require any such electric corporation to partic-  
49 ipate in alternatives to gas capital construction, including partic-  
50 ipation in financing. Any costs incurred by such electric corporation  
51 for such corporation's participation shall be subject to an opportunity  
52 for full recovery, as determined by the commission.

53 § 10. Section 66-a of the public service law, as added by chapter 7 of  
54 the laws of 1948, subdivision 1 as amended and subdivision 3 as added by  
55 chapter 582 of the laws of 1975, and subdivision 2 as amended by chapter  
56 722 of the laws of 1977, is amended to read as follows:

1 § 66-a. Conservation of gas, declaration of policy, delegation of  
2 power. 1. It is hereby declared to be the policy of this state that  
3 when there develops in any area a situation under which a gas corpo-  
4 ration supplying gas to such area is unable to meet the reasonable needs  
5 of its consumers and of persons or corporations applying for new or  
6 additional gas service, the available supply of gas shall be allocated  
7 among the customers of such gas corporation, in such manner as may be  
8 necessary to protect public health and safety and to avoid undue hard-  
9 ship, particularly for low-to-moderate income residential customers,  
10 electric generation needed for electric system reliability, and custom-  
11 ers with hard-to-electrify industrial and commercial uses, pursuant to  
12 rules and regulations as may be adopted by the commission, and that to  
13 carry out this declared policy the jurisdiction of the public service  
14 commission should be clarified. It is further declared to be the policy  
15 of this state that gas service to existing customers must be provided in  
16 a manner that is safe and adequate, not unjustly discriminatory or undu-  
17 ly preferential, and in all respects just and reasonable, subject to the  
18 provisions of section thirty of this chapter.

19 2. Notwithstanding the provisions of any statute or any franchise held  
20 by a gas corporation, the commission shall have power, upon the finding  
21 that continued gas service is not consistent with the achievement of the  
22 climate justice and emission reduction mandates in chapter one hundred  
23 six of the laws of two thousand nineteen, and such successors in law and  
24 function as may arise from time to time, or that there exists such a  
25 shortage of gas in any area in the state, that the gas corporation  
26 supplying such area is unable and will be unable to secure or produce  
27 sufficient gas to meet the reasonable needs of its customers and of  
28 persons or corporations applying for new or additional gas service, to  
29 require such corporation to immediately discontinue the supplying of gas  
30 to additional customers or of supplying additional service to present  
31 customers, for such purpose or purposes as may be designated by the  
32 commission, or to customers using gas for a purpose prohibited by the  
33 commission pursuant to this act, and that upon the finding that the  
34 supply of gas available is and will be insufficient to supply the  
35 demands of all consumers receiving service, to require such gas corpo-  
36 ration to curtail or discontinue service to any or all classes of  
37 customers of such gas corporation. In imposing such a direction or  
38 requirement, the commission shall give consideration first to existing  
39 domestic uses and uses deemed to be necessary by the commission to  
40 protect public health and safety and to avoid undue hardship [~~and shall~~  
41 ~~be limited to the period of the emergency provided that the gas corpo-~~  
42 ~~ration affected shall make such restriction, curtailing or discontin-~~  
43 ~~uance applicable to all customers or applicants for service in a like~~  
44 ~~class. If the commission determines that good cause exists for supplying~~  
45 ~~service to additional customers or for supplying additional service to~~  
46 ~~some existing customers, notwithstanding the curtailment or discontin-~~  
47 ~~uance of service to other existing customers, it shall, to the extent~~  
48 ~~feasible, allocate gas with equal priority to new or additional domestic~~  
49 ~~uses of gas and commercial or industrial processes which require gas~~  
50 ~~because there is no practical substitute for it in such proportion as~~  
51 ~~the commission determines to be reasonable. Provided that the commis-~~  
52 ~~sion shall be permitted, after public hearing, to authorize any natural~~  
53 ~~gas produced from lands under the waters of Lake Erie to be used for~~  
54 ~~process or feedstock requirements]. The commission is authorized to  
55 adopt such rules, regulations and orders as are necessary or appropriate  
56 to carry out these delegated powers.~~

1 3. In carrying out the delegated powers provided for in this section,  
2 the commission shall, to the extent practicable, determine and establish  
3 gas conservation measures or standards, including energy efficient elec-  
4 trification of gas end uses. The commission may require compliance with  
5 such measures or standards as a condition of receiving service.

6 4. The commission shall determine conditions under which new or addi-  
7 tional gas service is warranted notwithstanding the need to conserve  
8 resources for service to existing gas customers. Such determination  
9 shall be consistent with the achievement of the climate justice and  
10 emission reduction mandates in chapter one hundred six of the laws of  
11 two thousand nineteen, and such successors in law and function as may  
12 arise from time to time, and may take into account factors including  
13 economic development, impacts on new and existing customers including  
14 low-to-moderate income customers, impacts on system safety and adequacy,  
15 equity toward existing customers with limited conversion alternatives,  
16 and the feasibility of neighborhood-scale alternatives to usage of fuels  
17 with greenhouse gas emissions and on-site co-pollutants, including ther-  
18 mal energy networks.

19 5. The commission shall require gas and/or electric utilities to  
20 provide coordination assistance and financial assistance, in such forms  
21 as the commission deems reasonably required to implement state energy  
22 policy, to identify and adopt alternatives where applications for new or  
23 additional gas service are denied and encourage neighborhood-scale tran-  
24 sitions.

25 § 11. Section 66-b of the public service law is REPEALED.

26 § 12. The public service law is amended by adding a new section 66-w  
27 to read as follows:

28 § 66-w. Expansion of gas company service territories. Except as  
29 provided in this section, and notwithstanding any other provision of  
30 this chapter, after December thirty-first, two thousand twenty-four, the  
31 commission shall not grant an amendment of a gas company's certificate  
32 of public convenience and necessity that expands a gas company's service  
33 territory in order to extend gas plant and the availability of gas  
34 service into geographic areas where gas service was not available prior  
35 to such date. The commission may authorize exceptions to the policy set  
36 forth in this section on a case-by-case basis, provided that the commis-  
37 sion finds that the amendment of the certificate of public convenience  
38 and necessity is limited to a project that serves a compelling state  
39 interest, alternatives to gas service are either not technically feasi-  
40 ble or prohibitively expensive, and that the project will be completed  
41 and put into service not later than December thirty-first, two thousand  
42 twenty-seven.

43 § 13. Section 66-g of the public service law is REPEALED.

44 § 14. The public service law is amended by adding a new section 77-a  
45 to read as follows:

46 § 77-a. Aligning utility regulation with climate justice and emission  
47 reduction mandates. 1. Within three months of the effective date of  
48 this section, the commission shall initiate a proceeding, or multiple  
49 proceedings, as it deems appropriate, to consider and act on the matters  
50 identified in this section in order to better align its regulation of  
51 utility services with the timely achievement, of consistency with the  
52 climate justice and emission reduction mandates in chapter one hundred  
53 six of the laws of two thousand nineteen, and such successors in law and  
54 function as may arise from time to time. If the commission is already  
55 engaged in a proceeding addressing one or more of the matters identi-  
56 fied in this section, it shall not be required to open a new proceeding

1 on that matter. Following completion of all proceedings initiated  
2 pursuant to this section, the commission shall initiate regular subse-  
3 quent proceedings, as it deems necessary, to ensure the achieve-  
4 ment of the goals outlined in this section. The proceeding or  
5 proceedings shall include:

6 (a) Within one year of the effective date of this section, a review of  
7 the public service law and its current rules and policy guidance to  
8 identify any law, rule, guidance, or lack thereof, that may inhibit  
9 timely, equitable achievement of consistency with the climate  
10 justice and emission reduction mandates in chapter one hundred six of  
11 the laws of two thousand nineteen, and such successors in law and func-  
12 tion as may arise from time to time. The commission shall report to the  
13 legislature its progress and findings, identify subsequent actions it  
14 will take, and make recommendations for any statutory amendments, or  
15 budgetary or other actions that may be needed to facilitate the timely  
16 achievement of such mandates.

17 (b) Within one year of the effective date of this section, a revision  
18 of the commission's rules and regulations for determining appropriate  
19 allowances for the extension of gas and electric utility services to  
20 ensure that utility service is provided in a manner consistent with the  
21 achievement of the climate justice and emission reduction mandates in  
22 chapter one hundred six of the laws of two thousand nineteen, and such  
23 successors in law and function as may arise from time to time. In estab-  
24 lishing rules governing the allowance for the extension of gas service,  
25 the commission shall eliminate all main and service line extension  
26 allowances for gas service and may increase allowances for electric  
27 service. The commission may establish rules that provide for distinct  
28 electric allowances for all-electric customers and for dual-fuel custom-  
29 ers and may provide additional electric allowances to buildings that are  
30 made ready for beneficial electric loads such as those with electric  
31 vehicle charging facilities and grid interactive buildings. The commis-  
32 sion may also establish allowances for buildings seeking interconnection  
33 with thermal energy networks.

34 (c) In order to minimize long-term costs and stranded assets, and  
35 maximize savings and benefits for customers, within one year of the  
36 effective date of this section the commission shall issue an order  
37 requiring each gas corporation, within one hundred eighty days of the  
38 issuance of such order, to restructure its plan for addressing the leak-  
39 prone gas mains and service lines on its system to facilitate the order-  
40 ly right-sizing of the gas distribution system to achieve consistency  
41 with the climate justice and emission reduction mandates in chapter one  
42 hundred six of the laws of two thousand nineteen, and such successors in  
43 law and function as may arise from time to time, while maintaining safe-  
44 ty and reliability of the gas system, subject to all relevant federal  
45 laws and regulations. To accomplish this, the commission shall require  
46 each gas corporation, in coordination with any and all electric corpo-  
47 rations with overlapping service areas, to pursue programs pursuant to  
48 subdivision two of section thirty of this chapter that minimize the  
49 replacement of leak-prone gas mains and service lines. The commission  
50 shall require each gas corporation, after notice and comment, to estab-  
51 lish criteria for evaluating whether specific segments of leak-prone  
52 mains and service lines are candidates for such programs and to evalu-  
53 ate their entire inventory of leak-prone pipes to create a strategic  
54 decommissioning ranking in which it ranks the segments in terms of the  
55 ability to electrify all customers served by the segment and retire the  
56 gas distribution infrastructure. The commission shall require each gas

1 corporation to file an annual report that provides a qualitative and  
2 quantitative assessment of the reduction of leak-prone pipe inventory  
3 and that updates the strategic decommissioning ranking from the prior  
4 year. The commission shall establish notice requirements and consumer  
5 and affordability protections in accordance with section thirty of this  
6 chapter applicable to customers served by segments of the gas distrib-  
7 ution system targeted for decommissioning.

8 (d) In order to maximize the cost savings and benefits of the transi-  
9 tion of the electric system for the equitable, orderly, and affordable  
10 achievement of consistency with the climate justice and emission  
11 reduction mandates in chapter one hundred six of the laws of two thou-  
12 sand nineteen, and such successors in law and function as may arise from  
13 time to time, within one year of the effective date of this section the  
14 commission shall issue an order requiring all electric corporations to  
15 pursue all available electric energy efficiency and demand flexibility  
16 measures that are cost-effective, reliable, and feasible. No less  
17 frequently than every three years, the commission shall identify the  
18 statewide achievable potential for energy efficiency and demand flexi-  
19 bility measures for the subsequent ten-year period and establish annual  
20 energy efficiency and demand flexibility targets for each electric  
21 corporation that are no lower than its proportional share of the state-  
22 wide achievable potential.

23 (e) Within one year of the effective date of this section, the commis-  
24 sion shall complete a proceeding to develop and issue a report evaluat-  
25 ing and considering rate making strategies to encourage and facilitate  
26 achievement of the climate justice and emission reduction mandates in  
27 chapter one hundred six of the laws of two thousand nineteen, and such  
28 successors in law and function as may arise from time to time. The  
29 report shall explore options for developing and assessing the impacts of  
30 rates for electric, gas, steam, and thermal energy networks on total  
31 customer energy costs, and shall explore options for integrating cost  
32 sharing and recovery across utilities and services. The report shall  
33 also identify statutory barriers to the implementation of such strate-  
34 gies. In considering such rate making strategies, the commission shall  
35 have a goal of ensuring that all residential customers be adequately  
36 protected from bearing an energy burden greater than six percent of  
37 their household income pursuant to subdivision three of section thirty  
38 of this chapter.

39 (f) Within one year of the effective date of this section, the commis-  
40 sion shall determine, based on the best available information, the  
41 greenhouse gas emission reductions necessary to bring the statewide gas  
42 distribution system into alignment with the statewide two thousand thir-  
43 ty and two thousand fifty greenhouse gas emission reduction targets in  
44 chapter one hundred six of the laws of two thousand nineteen, and such  
45 successors in law and function as may arise from time to time, and set  
46 interim emission reduction targets for each gas utility as well as  
47 developing a periodic process to review and update such targets;

48 (g) Within one year of the effective date of this section, the commis-  
49 sion shall revise its rules and regulations for conducting benefit-cost  
50 analyses so that the methodology and the base financial and framework  
51 assumptions for the analysis support achievement of the climate justice  
52 and emission reduction mandates in chapter one hundred six of the laws  
53 of two thousand nineteen, and such successors in law and function as may  
54 arise from time to time. Such revisions shall include, but not be  
55 limited to:



1 (1) Greenhouse gas emission reduction mandates shall be used as a  
2 constraint in designing the scenarios to be analyzed such that all the  
3 scenarios shall comply with the statutory greenhouse gas emission  
4 requirements and any interim targets set by the department of environ-  
5 mental conservation or the commission in order to internalize the cost  
6 of achieving such targets in the benefit-cost analysis.

7 (2) Quantification of public health impacts from improvements in ambi-  
8 ent and indoor air quality. When quantitative metrics are not possible,  
9 qualitative analysis shall be included.

10 (3) Consideration of the significant uncertainties and risks associ-  
11 ated with different scenarios, including the environmental impact of  
12 leaked gas, the prolonged reliance on the gas system that results from  
13 long-lived investments in gas infrastructure and gas-consuming equip-  
14 ment, the positive option value associated with measures that can elimi-  
15 nate or defer the need for investments in gas infrastructure and gas-  
16 consuming equipment, and potential challenges associated with full  
17 electrification.

18 (4) In instances where an alternative fuel has an environmental attri-  
19 bute, only attribute alternative fuels with emission reduction benefits  
20 under the benefit-cost analysis if the environmental attributes are  
21 retained by the utility for the benefit of the utility's customers or by  
22 the end-use customer.

23 (5) Use accurate depreciation schedules that assume the full value of  
24 any new gas asset is fully depreciated no later than two thousand fifty,  
25 absent demonstration that the specific asset will remain in service  
26 beyond two thousand fifty, and earlier if it is likely that such asset  
27 will need to be phased out or retired before two thousand fifty given  
28 any interim greenhouse gas emission reduction targets or geographically  
29 targeted strategic asset retirement.

30 (6) Assess demographic impacts by measuring with as much geographic  
31 granularity as possible and considering different levels of exposure and  
32 risk factors for impacts on disadvantaged communities and other popu-  
33 lations with vulnerability to changes induced by regulation.

34 2. Nothing in this chapter or any other law of New York state shall be  
35 interpreted or otherwise construed as preempting a municipality from  
36 adopting building codes or other regulations regarding on-site emissions  
37 for new and existing buildings within their localities.

38 § 15. The labor law is amended by adding a new section 224-g to read  
39 as follows:

40 § 224-g. Wage requirements for neighborhood-scale decarbonization  
41 projects. 1. For purposes of this section, the term "covered neighbor-  
42 hood-scale decarbonization project" shall mean projects performed by  
43 contractors or subcontractors hired directly by a public utility compa-  
44 ny, as defined by subdivision twenty-three of section two of the public  
45 service law, to ensure that customers permanently transitioning off  
46 utility gas service have access to safe and reliable substitutes for  
47 heating, cooling, cooking, and water-heating prior to a cessation of gas  
48 service.

49 2. Notwithstanding the provisions of section two hundred twenty-four-a  
50 of this article, a covered neighborhood-scale decarbonization project  
51 shall be subject to prevailing wage requirements in accordance with  
52 sections two hundred twenty and two hundred twenty-b of this article.  
53 Provided that a neighborhood-scale decarbonization project which is not  
54 considered to be covered by this section may still otherwise be consid-  
55 ered a covered project pursuant to section two hundred twenty-four-a of  
56 this article if it meets the requirements of such definition.



1 3. For purposes of this section, a covered neighborhood-scale decar-  
2 bonization project shall not include:

3 a. projects performed under private contract with an entity other than  
4 a public utility company, even if the building owner or the contractor  
5 receives financial and technical support from a public utility company,  
6 including for the purchase and installation of customer-owned equipment;

7 b. projects that meet exclusion criteria established by the public  
8 service commission at its discretion to reasonably ensure the require-  
9 ments of this section do not inhibit equitable and orderly achievement  
10 of the climate justice and emission reduction mandates in chapter one  
11 hundred six of the laws of two thousand nineteen, and such successors in  
12 law and function as may arise from time to time; or

13 c. projects performed under a pre-hire collective bargaining agreement  
14 between an owner or contractor and a bona fide building and construction  
15 trade labor organization which has established itself, and/or its affil-  
16 iates, as the collective bargaining representative for all persons who  
17 will perform work on such a project, and which provides that only  
18 contractors and subcontractors who sign a pre-negotiated agreement with  
19 the labor organization can perform work on such a project, or projects  
20 performed under a labor peace agreement, project labor agreement, or any  
21 other project performed under an enforceable agreement between an owner  
22 or contractor and a bona fide building and construction trade labor  
23 organization.

24 4. For purposes of this section, the "fiscal officer" shall be deemed  
25 to be the commissioner. The enforcement of any covered neighborhood-sca-  
26 le decarbonization project pursuant to this section shall be subject to  
27 the requirements of sections two hundred twenty, two hundred twenty-a,  
28 two hundred twenty-b, two hundred twenty-three, two hundred  
29 twenty-four-b and two hundred twenty-seven of this article and within  
30 the jurisdiction of the fiscal officer; provided, however, nothing  
31 contained in this section shall be deemed to construe any covered neigh-  
32 borhood-scale decarbonization project as otherwise being considered  
33 public work pursuant to this article.

34 5. The fiscal officer may issue rules and regulations governing the  
35 provisions of this section. Violations of this section shall be grounds  
36 for determinations and orders pursuant to section two hundred twenty-b  
37 of this article.

38 § 16. This act shall take effect immediately.