STATE OF NEW YORK

8575--A

Cal. No. 1213

IN SENATE

February 15, 2024

Introduced by Sen. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged and said bill committed to the Committee on Rules -- ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the public service law, in relation to enacting the "home utility weatherization jobs act"

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

Section 1. Short title. This act shall be known and may be cited as the "home utility weatherization jobs act".

§ 2. Legislative findings and intent. The legislature finds and declares that:

(a) The Climate Leadership and Community Protection Act (CLCPA) requires significant reductions in greenhouse gas emissions, including a 40% reduction in statewide greenhouse gas emissions by 2030 and an 85% reduction in statewide greenhouse gas emissions by 2050;

(b) The Climate Action Council Final Scoping Plan (Plan) deems it essential that buildings make significant investments in energy efficiency, and the Plan's integration analysis demonstrates that widespread improvements to building envelope will reduce energy demand from the building sector by 30% to 50% by 2050;

(c) Energy efficiency is and will continue to be a key and necessary component of achieving the CLCPA's greenhouse gas emissions targets and has proven to be one of the most cost-effective strategies available;

(d) Weatherization efforts that prioritize a whole-building approach to reducing energy needs, such as through building envelope enhancements, are an effective way to reduce greenhouse gas emissions while at the same time facilitating further emissions reduction measures such as full electrification or hybrid heating systems by reducing heating load;

(e) Improving the integrity of the building envelope through upgrades or retrofits may result in deep energy savings;

(f) While existing energy efficiency programs administered by the New York state energy research and development authority are available for

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

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low- to moderate-income (LMI) customers, there are some gaps in coverage, including LMI tenants who do not live in buildings covered by existing LMI programs, individuals who do not qualify as LMI customers, rental properties, and where existing programs do not remove or mitigate up-front financial burdens for customers;

(g) Weatherization efforts can provide significant benefits to disadvantaged and other communities through the reduction of energy usage and decreases in greenhouse gas emissions;

(h) Weatherization and energy efficiency projects can promote strong economic development and good jobs for local residents, including residents in disadvantaged communities;

(i) Utilities' access to capital and to a trusted workforce able to effectively execute projects, and experience with implementing energy efficiency programs specifically, positions them well to develop and implement programs to weatherize residential buildings; and

(j) It is therefore the intent of the legislature to remove legal barriers to utility development of weatherization programs and require the public service commission to authorize utilities to immediately commence piloting the development and implementation of targeted utility weatherization pilot programs to further the goals of the CLCPA.

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

§ 66-x. Energy efficiency weatherization improvements. 1. As used in this section:

(a) "building envelope" means the assemblies, components and materials of a building that form the thermal barrier between the interior space of the building and the exterior environment, including but not limited to walls, floors, roofing, foundation, windows and doors;

(b) "weatherization improvement project" means a project implemented by a gas corporation, electric corporation or combination gas and electric corporation to improve the integrity of a building envelope or a series of contiguous building envelopes, including but not limited to locating and sealing air leaks, increasing insulation, weatherstripping windows and doors and moisture control such as installing attic vents;

(c) "weatherization pilot program" means a program developed by a gas corporation, electric corporation or combination gas and electric corporation for the purpose of implementing weatherization improvement projects in targeted pilot areas, for a series of contiguous properties which shall generally be no less than two hundred feet in the aggregate. To the extent possible, the program shall be developed in coordination with a utility non-pipe alternative project, including a thermal energy network project, and shall leverage all local, state, and federal funding available;

(d) "targeted pilot areas" means the specific geographic regions selected for the implementation of the weatherization pilot program. Targeted pilot areas shall include:

(i) single-family homes and multi-family buildings built before nineteen hundred eighty located within disadvantaged communities as identified by the climate justice working group; and

(ii) a mix of urban, suburban, and rural regions.

Each dwelling in the targeted pilot area shall be eligible for the weatherization pilot program;

(e) "energy audit" means a review of a series of contiguous dwellings for the purpose of building a weatherization strategy which includes, but is not limited to, sealing air leaks, examining insulation, inspecting all furnaces and ductwork, and upgrading heating and cooling

systems. Documentation of denial of access to a dwelling to complete the review shall qualify as completion for purposes of this section; and

(f) "project labor agreement" shall mean a pre-hire collective bargaining agreement between a gas corporation, electric corporation, combination of gas and electric corporation or a third party on behalf of such corporation or corporations, and a bona fide building and construction trade labor organization establishing the labor organization as the collective bargaining representative for all persons who will perform work on a public work project, and which provides that only contractors and subcontractors who sign a pre-negotiated agreement with the labor organization can perform project work. All contractors and subcontractors associated with this work shall be required to utilize an apprenticeship agreement as defined in article twenty-three of the labor law.

2. The commission shall initiate a proceeding within three months of the effective date of this section to support the development of weatherization pilot programs for the purpose of meeting the greenhouse gas emissions and equity goals of the Climate Leadership and Community Protection Act (CLCPA).

3. Within six months of the effective date of this section, each gas corporation, electric corporation, or combination gas and electric corporation shall submit to the commission for review and approval a weatherization pilot program plan. The weatherization pilot program plans shall be made publicly available on the commission's website and be subject to a public comment period of no less than sixty days. All plans submitted to the commission shall include, but not be limited to, the following: (a) the buildings and customers eligible for the proposed program, which shall include a description of how the proposed program fills existing gaps related to low- to moderate-income (LMI) customers and other customers in targeted pilot areas; (b) a description of the weatherization improvement projects to be included in the proposed program; (c) a staffing plan identifying the workforce and specific work to be performed; (d) maps of the locations of these projects, which should target contiguous properties over entire street blocks; (e) a description of job training or workforce development efforts necessary to implement the proposed plan; (f) proposed total annual costs of the program; (g) projected annual greenhouse gas emissions reductions resulting from the proposed program; and (h) the projected savings on pipeline and other equipment repair or replacement from the reduction in usage. In developing weatherization pilot program plans, a gas corporation, electric corporation, or combination electric and gas corporation shall coordinate with other utility participants and the New York state energy research and development authority.

4. Within one year of the effective date of this section, the commission shall determine whether it is in the public interest to approve or modify such weatherization pilot program plans and shall issue an order directing each gas, electric, or combination gas and electric corporation to implement such weatherization pilot programs. In determining whether a weatherization pilot program is in the public interest, the commission shall consider whether the program: (a) facilitates energy reliability and reduces energy costs for customers in targeted pilot areas; (b) supports the state's achievement of the greenhouse gas emissions reduction goals of the CLCPA; and (c) promotes job training and workforce development.

5. The gas corporation, electric corporation, or combination gas and electric corporation shall collect data to inform strategies for the weatherization pilot program. Such data shall include:

(a) for every eligible housing unit: (i) if applicable, the number of vacant units in a building and reason for vacancy; and (ii) whether an energy audit was agreed to (possible answers include: yes, no: owner refused, no: tenant refused, no: owner could not be reached, no: tenant could not be reached, and no: other).

(b) for housing units that have undergone energy audits: (i) age, type, and estimated retirement date of heating source or heating system; (ii) any deferred maintenance, including, but not limited to: roof repairs, vermiculite in attic, knob-and-tube wiring, mold in attic, water in basement, asbestos tape in basement, and asbestos shingles; and (iii) the results of the energy audit. Such data shall be anonymized and aggregated by zip code and be made available on such gas corporation, electric corporation, or combination gas and electric corporation's website.

6. The commission shall authorize each gas corporation, electric corporation or combination gas and electric corporation to fully recover in the context of rate or other duly authorized proceedings the costs associated with each such corporation's weatherization pilot program. Each gas corporation, electric corporation or combination gas and electric corporation shall defer any unrecovered expenses associated with an approved or modified weatherization pilot program as a regulatory asset pending a subsequent rate or other duly authorized proceeding. All unrecovered expense balances shall accrue carrying charges at such corporation's pre-tax approved rate of return.

7. Each gas, electric, or combination gas and electric corporation shall report to the commission, on a quarterly basis, and until completion of the weatherization pilot programs as determined by the commission, the status of each weatherization pilot program. The commission shall post and make publicly available such reports on its website. The report shall include, but not be limited to: (a) projects completed pursuant to the program; (b) barriers to implementation, if any; (c) costs of the program; (d) number of jobs retained, created or enhanced by the program; and (e) any other such information the commission deems to be in the public interest.

8. Any weatherization pilot program approved or modified under this section shall require that energy audits are conducted by employees of the gas corporation, electric corporation, or combination gas and electric corporation represented by a bona fide labor organization of jurisdiction that is actively engaged in representing the gas corporation, electric corporation, and combination gas and electric corporation employees. The use of contractors is prohibited except as necessary for training or implementation of the program.

9. Every weatherization improvement project shall be subject to a project labor agreement.

§ 4. This act shall take effect immediately.