# STATE OF NEW YORK

5995

2025-2026 Regular Sessions

# IN SENATE

March 4, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to creating an integrated energy system planning

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

Section 1. Legislative findings. 1. Energy market, resource, climate, and technology trends, including the proliferation of distributed energy resources, energy efficiency and load flexibility, transportation electrification, heating electrification, and advanced transmission technologies are causing simultaneous impacts, and providing benefits, on both the gas and electric systems across pipelines, generation, transmission, and distribution. If planning processes do not evolve to accommodate such interactions and the benefits of advanced energy technologies, New York utilities may be at risk of overinvesting in infrastructure, and ratepayers may be at risk of paying for unnecessary infrastructure.

2. Such integrated energy system planning shall include, but not be limited to:

(a) maintaining affordability amid significant pressure to modernize and replace aging infrastructure; enhancing reliability and resilience to prepare for extreme weather; and achieving New York's clean energy and climate-related goals. New York state needs to find new ways to optimize its planning and investments, and identify the least-cost way to serve customers when designing any given project;

(b) developing new process, forecasting, and modeling innovations in utility planning to allow for optimization across gas resources, gas transmission, gas distribution, electric generation, electric transmission, electric distribution, and distributed energy resources; and

(c) capitalizing on such innovations and preventing unnecessary duplication of energy infrastructure. New York needs to consolidate its vari-

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

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ous siloed planning processes and align forecasts, assumptions, programs, plans, and other initiatives across gas, generation, transmission, distribution, and distributed resource plans.

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

§ 66-x. Integrated energy system planning. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Combination corporation" means an investor-owned public service company that is both an electric corporation and a gas corporation that serves more than one hundred thousand retail customers with either gas or electric service, or both.

(b) "Grid flexibility" means the grid's ability to shift either demand or supply to meet bulk power system and/or local distribution needs in response to changing grid conditions and prices in order to integrate increased renewable energy supply, improve reliability, lower energy costs, and reduce environmental impacts by decreasing net system peak or localized coincident or non-coincident distribution system peaks through the use of grid flexible resources.

(c) "Grid flexible resources" means the distributed energy resources, technologies, interventions, distribution system technologies, advanced transmission technologies, or other technologies as determined by the commission, that can be actively or passively leveraged to meet grid flexibility goals, measured in megawatts that contribute to decreasing net system peak or a localized coincident or non-coincident distribution system peak.

(d) "Integrated energy system plan" means a plan that coordinates and optimizes the energy needs of combination corporation customers between electric supply, electric transmission, electric distribution, distributed energy, and demand-side resources and gas transmission and distribution to provide reliable, resilient, clean energy to combination corporation customers at the lowest reasonable cost and risk.

(e) "Integrated energy system planning" means the process by which a combination corporation develops, and the commission reviews for approval, the integrated energy system plan.

(f) "Gas-only corporation" means a natural gas corporation that does not provide electric service to any of its customers.

(g) "Distributed energy resources" means any geographically dispersed energy resource located on an electric system that offsets electrical demand, individually or in aggregate, including small generation facilities, energy storage devices, energy efficiency devices and wholistic interventions, demand response or load flexibility measures, and other technologies as determined by the commission.

(h) "Advanced transmission technology" means a technology that increases the capacity, efficiency, or reliability of an existing or new transmission facility including, but not limited to advanced conductors, grid enhancing technologies, dynamic line rating, topology optimization, advanced power flow controls, and energy storage as a transmission resource.

(i) "Net system peak" means gross peak load on the independent system operator's system minus wind and solar resource generation levels to provide the variance between total demand and the amount of other resources required when renewable resources may no longer be generating.

(j) "Total systems benefit" means benefits inclusive of, in dollars on an annual basis, the lifecycle energy, ancillary services, generation capacity, transmission and distribution capacity, and greenhouse gas reduction benefits, based on the department of environmental conserva-

tion's value of carbon guidance, of distributed energy resources or load management activities or interventions that quantify the avoided costs accrued to both the electric and gas systems relative to the existing conditions or a found baseline.

(k) "Low-to-moderate income customers" shall mean households with annual incomes at or below eighty percent of the state median income.

(l) "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate- income households, as identified pursuant to section 75-0111 of the environmental conservation law.

2. By December first, two thousand twenty-five, the commission shall initiate a rulemaking proceeding to implement integrated energy system planning requirements for gas and electric services for combination corporations, identifying which existing proceedings are to be consolidated within this new process. At a minimum, this must include the long-term gas plans, distributed system implementation plans, and coordinated grid plans. The commission shall allow combination corporations that file integrated energy system plans to satisfy existing filing requirements, eliminating the need for separate plans, where appropriate, so long as all commission requirements applicable to the consolidated proceedings are all individually and jointly met in the integrated energy system plan. Where a combination corporation's electric and gas service territory does not overlap, the commission shall determine documentation necessary to demonstrate good faith attempts at meaningful coordination with the other relevant gas or electric corporations in its service territory. Combination corporations that are not required to file integrated energy plans are not otherwise relieved of commission-imposed requirements.

3. Beginning no later than July first, two thousand twenty-eight and every three years thereafter, the commission shall require combination corporations to file an integrated energy system plan demonstrating how the combination corporations' investment plans in the ten years following the filing are consistent with the requirements of this chapter and any rules and guidance adopted by the commission, and which, without limitation:

(a) Achieve the obligations of the combination corporation of all plans consolidated into the integrated energy system plan;

(b) Assess and optimize an investment, program, and action plan across the energy system for cost, operational efficiency, and greenhouse gas reductions all commercially available supply- and demand-side resources across the electric and gas systems, including a comparison of the benefits and risks of purchasing electricity or gas, acquiring or building new capacity or delivery resources, adopting technologies to make more efficient use of existing infrastructure, and implementing conservation, efficiency, load management customer programs to:

(i) achieve the lowest reasonable cost to ratepayers across both systems;

(ii) mitigate stranded asset, fuel price volatility, reliability, resilience, overinvestment, and underinvestment risks to ratepayers;

(iii) mitigate overgeneration or curtailment events; and

(iv) implement the state's greenhouse gas emissions reduction limits in chapter one hundred six of the laws of two thousand nineteen;

(c) Provide a range of twenty-year gas and electric forecasts and scenarios, considering the interactions between the forecasts, of projected customer demand that takes into account econometric data and

addresses changes in the number, type, and efficiency of usage, including a bottom-up forecast of distributed energy resources and building and transportation electrification technologies that may be installed, with an assessment of their effect on load and operations;

(d) Incorporate programs designed to achieve all available electric energy efficiency, building envelope and shell efficiency, and electric and gas demand flexibility technologies or interventions that are cost-effective on a total system benefits basis as further defined by the commission at the portfolio level after accounting for all non-rate recoverable incentive programs, including any federal incentives;

(e) Assess the achievable potential for electric and building shell energy efficiency and demand flexibility technologies or interventions for the subsequent ten-year period to optimize system benefits. Such assessment should include barriers, challenges, and gaps to deploy energy efficiency and demand flexibility technologies or interventions within the population at large and specifically within vulnerable populations, and make recommendations for how to address those barriers, challenges and gaps strategically, including a systematic technical analysis of current demographic and geographic energy consumption patterns to identify areas and programs with high potential to provide system benefits and cost savings;

(f) Assess and pursue non-pipeline and non-wires alternatives, and advanced transmission technologies, as alternatives to replacing, expanding, or upgrading aging gas or electric infrastructure or capacity in all instances where the non-pipeline, non-wires alternative, or advanced transmission technology is lower cost, lower risk, or both;

(g) Achieve grid flexibility goals with grid flexibility resources equal to or greater than twenty percent of net system peak electric demand in addition to the net system peak reductions from any energy storage targets by two thousand forty, unless the commission finds that a higher target is cost-effective, and commission-set distribution system grid flexibility goals. The commission may accept a lower level of achievement if it determined that this requirement is neither technically nor commercially feasible during the applicable emissions reduction period;

(h) Include programs targeted at low-to-moderate income customers and disadvantaged communities, designed after conducting community engagement and consultation with relevant community-based organizations. Programs may include, but are not limited to, electric appliance and efficiency rebates and incentives, bill assistance, distributed energy resource incentives, customer education, and electrification-readiness incentives; and

(i) Anything else deemed necessary by the commission.

4. In determining whether to approve, approve with conditions, or reject the integrated energy system plan, the commission shall evaluate whether the plan is in the public interest, meets greenhouse gas emissions reduction goals such that the requirements of section 75-0107 of the environmental conservation law would be met in both the gas and electric sectors; maintains energy system reliability, including for critical facilities; mitigates long-term costs and risks, and results in reasonable bill impacts to customers.

5. To maximize transparency, the commission shall require a combination corporation to make the data input files for its integrated energy system planning process available to stakeholders in a format that is compatible with existing department data platforms, aggregated as necessary to protect customer confidentiality.

6. To the extent that a combination corporation's electric and gas service territories do not entirely overlap, the commission shall direct corporations to collaborate to the extent possible with the other relevant electric and gas corporations, as determined by the public service commission, within its jurisdiction to produce a plan that complies with commission requirements and include a narrative describing its efforts in this regard.

7. Combination corporations may consult with entities that engage in planning beyond their service territory, such as the New York independent system operator and the North American electric reliability corporation, to inform their plans, but are not required to include planning beyond state jurisdiction in their integrated energy system plans. If they do consult with such entities, they shall detail the nature of that consultation, and the results thereof, in their integrated energy system plan filing.

8. In each long-term gas plan filed with the commission, the commission shall require a gas-only corporation to detail how it is or is not coordinating with entities providing electricity services to customers within its service territory to develop mutual awareness and improved planning efforts related to gas and electric load forecasting, non-pipeline solutions that impact the electric system, thermal energy networks' impact on the electric system, and overall infrastructure optimization as utilities plan to achieve the climate justice and emission reduction mandates in chapter one hundred six of the laws of two thousand nineteen. Such plan shall include modeling of the relevant electric corporation's assumptions about electrification onto gas load forecasts within various decarbonization scenarios. Such plan shall also include a description of protocols and unresolved challenges regarding secure data sharing between electric and gas utilities that protect customers but facilitate a meaningful exchange of usable information, a discussion of the benefits and barriers to shared networks, and an identification of gaps in granular, hourly data collection that is necessary to convert gas usage into anticipated electric usage.

§ 3. This act shall take effect immediately.