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(Prefiled)

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Introduced by Sens. S. RYAN, KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- reported favorably from said committee, ordered to first and second report, 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:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "home utility weatherization jobs act".
3 § 2. Legislative findings and intent. The legislature finds and
4 declares that:
5 (a) The Climate Leadership and Community Protection Act (CLCPA)
6 requires significant reductions in greenhouse gas emissions, including a
7 40% reduction in statewide greenhouse gas emissions by 2030 and an 85%
8 reduction in statewide greenhouse gas emissions by 2050;
9 (b) The Climate Action Council Final Scoping Plan (Plan) deems it
10 essential that buildings make significant investments in energy effi-
11 ciency, and the Plan's integration analysis demonstrates that widespread
12 improvements to building envelope will reduce energy demand from the
13 building sector by 30% to 50% by 2050;
14 (c) Energy efficiency is and will continue to be a key and necessary
15 component of achieving the CLCPA's greenhouse gas emissions targets and
16 has proven to be one of the most cost-effective strategies available;
17 (d) Weatherization efforts that prioritize a whole-building approach
18 to reducing energy needs, such as through building envelope enhance-
19 ments, are an effective way to reduce greenhouse gas emissions while at
20 the same time facilitating further emissions reduction measures such as
21 full electrification or hybrid heating systems by reducing heating load;
22 (e) Improving the integrity of the building envelope through upgrades
23 or retrofits may result in deep energy savings;

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

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1 (f) While existing energy efficiency programs administered by the New
2 York state energy research and development authority and some utilities
3 are available for low- to moderate-income (LMI) customers, there are
4 some gaps in coverage, including LMI tenants who do not live in build-
5 ings covered by existing LMI programs, individuals who do not qualify as
6 LMI customers, rental properties, and where existing programs do not
7 remove or mitigate up-front financial burdens for customers;

8 (g) Weatherization efforts can provide significant benefits to disad-
9 vantaged and other communities through the reduction of energy usage and
10 decreases in greenhouse gas emissions;

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

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

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

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

25 § 66-x. Neighborhood scale weatherization and electrification read-
26 iness. 1. As used in this section:

27 (a) "building" means a residential building or the residential units
28 located within a non-residential building;

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

33 (c) "pre-weatherization work" means any measures necessary to prepare
34 the building for air sealing and insulation including work that
35 addresses applicable code and/or safety requirements that arise during,
36 are identified as a result of, or that would impede the successful
37 completion of the weatherization work being performed, and should
38 include identification of electrification-ready work;

39 (d) "electrification-ready work" means that (i) branch circuits,
40 conduit and/or raceway, wiring, junction boxes, and receptacles for
41 future electric equipment or appliances are properly labeled and
42 installed, as applicable; (ii) physical space is reserved for future
43 electric equipment or appliances; and (iii) electrical capacity and
44 reserved physical space for circuit breakers in the main electrical
45 service panel are properly labeled;

46 (e) "neighborhood scale weatherization and electrification-ready
47 project" means a project implemented by a gas corporation, electric
48 corporation or combination gas and electric corporation to improve the
49 integrity of a series of building envelopes in close geographic proximi-
50 ty following outreach to all buildings within a targeted pilot area,
51 that may include but not be limited to, locating and sealing air leaks,
52 increasing insulation, weatherstripping windows and doors and moisture
53 control such as installing attic vents, and pre-weatherization and/or
54 electrification-ready work;

55 (i) Such projects shall (A) not include the purchase and installation
56 of appliances, including but not limited to, boilers and hot water heat-

1 ers; (B) leverage all local, state, and federal funding available and
2 work in collaboration with New York state energy research and develop-
3 ment authority, the division of homes and community renewal, regional
4 energy hubs, and other partners; (C) be completed at no cost to the
5 individual building owner; (D) include pre-weatherization work, to the
6 extent practicable and cost effective. If such pre-weatherization work
7 is not practicable and cost effective, it may be completed at cost to
8 the individual building owner in advance of the neighborhood scale
9 weatherization and electrification-ready project; (E) be in close
10 geographic proximity with a goal of performing work on contiguous build-
11 ings, on a block-by-block or neighborhood basis. Once a targeted pilot
12 area has been approved by the commission for such project, no buildings
13 within that area shall be bypassed for such project without just cause;
14 such proposed building omissions, and the cause for them, shall be
15 presented to the commission, who may approve or disapprove of such omis-
16 sions on a case-by-case basis. The need for pre-weatherization work,
17 and/or weatherization work shall not be accepted as justification for
18 bypassing a building. If there are nearby buildings that, due to envi-
19 ronmental or infrastructure-related factors, can be incorporated into a
20 project in a reasonable, unburdensome manner, these buildings may be
21 included in such project's proposal, and the commission may approve or
22 disapprove of a non-contiguous building's inclusion on a case-by-case
23 basis; and

24 (ii) The gas corporation, electric corporation or combination gas and
25 electric corporation shall share information about electrification read-
26 iness with the building owner, who may then choose whether to have elec-
27 trification-ready work completed as part of the neighborhood scale
28 weatherization and electrification project;

29 (f) "targeted pilot areas" means the specific geographic regions
30 selected for the implementation of each neighborhood scale weatheriza-
31 tion and electrification-ready pilot program. Targeted pilot areas shall
32 be determined by each gas corporation, electric corporation or combina-
33 tion gas and electric corporation. The boundaries of targeted pilot
34 areas shall be drawn with the goal of performing work on contiguous
35 properties on a block-by-block or neighborhood basis;

36 (g) "energy audit" means a review of each building within a series of
37 contiguous buildings for the purpose of building a weatherization and
38 electrification-ready strategy which includes, but is not limited to,
39 identifying air leaks, examining insulation, inspecting all heating and
40 cooling systems and ductwork, and inspecting electrical wiring and iden-
41 tifying electrical capacity. Such audit shall be aligned with industry
42 standards as identified by the department. Documentation of denial of
43 access to a building to complete the review shall qualify as completion
44 for purposes of this section;

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

1 (i) "cost-effective" means determining whether the costs of materials
2 and their installation for the energy efficiency and electrification-
3 ready measures for a project will be recovered through (i) savings in
4 energy costs over the design life of the relevant buildings; (ii)
5 averted costs related to reduced demand on energy systems and the energy
6 grid including the avoidance of costs related to expanding or maintain-
7 ing energy infrastructure; (iii) secondary effects, including, but not
8 limited to, reductions in greenhouse gas emissions and other pollutants;
9 and (iv) societal benefits, including, but not limited to, averted
10 health costs, workforce development, and the benefits of mitigating
11 disproportionate environmental burdens on disadvantaged communities.

12 2. The commission shall initiate a proceeding within three months of
13 the effective date of this section to support the development of neigh-
14 borhood scale weatherization and electrification-ready projects for the
15 purpose of meeting the greenhouse gas emissions and equity goals of the
16 Climate Leadership and Community Protection Act (CLCPA).

17 3. Within six months of the effective date of this section, each gas
18 corporation, electric corporation, or combination gas and electric
19 corporation shall submit to the commission for review and approval at
20 least one and up to ten neighborhood scale weatherization and electrifi-
21 cation-ready projects. Such projects may be submitted jointly by corpo-
22 rations operating in the same territory. If such projects are submitted
23 jointly, each jointly submitted project shall be considered one half of
24 a project for each corporation for purposes of meeting such requirement
25 of submitting at least one and up to ten projects. At least forty
26 percent of projects shall be in targeted pilot areas located within
27 disadvantaged communities as identified by the climate justice working
28 group. Every proposed project shall be developed to reduce system costs
29 and avoid the potential for infrastructure investments, such as by
30 reducing demand in constrained areas, avoiding costly wire or pipeline
31 upgrades or replacements, reducing peak demand, or other such cost
32 reduction measures. The projects shall be varied in type of region and
33 building typology, to the extent possible. The neighborhood scale weath-
34 erization and electrification-ready projects shall be posted on the
35 commission's website and be subject to a public comment period of no
36 fewer than sixty days. All projects submitted to the commission shall
37 include, but not be limited to, the following: (a) the buildings and
38 customers eligible for the proposed project, which shall include a
39 description of how the proposed project fills existing gaps related to
40 low- to moderate-income customers and other customers in targeted pilot
41 areas; (b) a staffing plan identifying the workforce and specific work
42 to be performed; (c) maps of the locations of these projects, which
43 should target contiguous properties over entire street blocks; (d)
44 proposed total annual costs of the project; (e) projected annual green-
45 house gas emissions reductions resulting from the proposed projects; and
46 (f) the projected savings on infrastructure investment from the
47 reduction in usage. In developing projects, a gas corporation, electric
48 corporation, or combination electric and gas corporation shall coordi-
49 nate with other utility participants and the New York state energy
50 research and development authority.

51 4. Within one year of the effective date of this section, the commis-
52 sion shall determine whether it is in the public interest to approve or
53 modify such neighborhood scale weatherization and electrification-ready
54 projects and shall issue an order directing the implementation of such
55 projects. In determining whether a project is in the public interest,
56 the commission shall consider whether such project: (a) facilitates

1 energy reliability and reduces energy costs for customers in targeted
2 pilot areas; (b) supports the state's achievement of the climate justice
3 and greenhouse gas emissions reduction goals of the CLCPA; and (c)
4 promotes job training and workforce development.

5 5. The gas corporation, electric corporation, or combination gas and
6 electric corporation shall collect data to inform strategies for the
7 neighborhood scale weatherization and electrification-ready projects.
8 Such data shall include:

9 (a) for every eligible building: (i) if applicable, the number of
10 vacant units and reason for vacancy, if ascertainable; and (ii) whether
11 an energy audit was agreed to.

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

21 6. The commission shall authorize each gas corporation, electric
22 corporation or combination gas and electric corporation to fully recover
23 in the context of rate or other duly authorized proceedings the costs
24 associated with each such corporation's neighborhood scale weatheriza-
25 tion and electrification-ready project. Each corporation may also
26 utilize additional sources of funding, including, but not limited to,
27 funding provided by the state. Each gas corporation, electric corpo-
28 ration or combination gas and electric corporation shall defer any unre-
29 covered expenses associated with an approved or modified neighborhood
30 scale weatherization and electrification-ready project as a regulatory
31 asset pending a subsequent rate or other duly authorized proceeding. All
32 unrecovered expense balances shall accrue carrying charges at such
33 corporation's pre-tax approved rate of return.

34 7. Each gas, electric, or combination gas and electric corporation
35 shall report to the commission, on a quarterly basis, and until
36 completion of the neighborhood scale weatherization and electrifica-
37 tion-ready project or enhanced neighborhood scale weatherization and
38 electrification-ready projects as determined by the commission, the
39 status of each project. The commission shall post and make publicly
40 available such reports on its website. The report shall include, but not
41 be limited to: (a) projects completed; (b) barriers to implementation,
42 if any; (c) costs of the projects; (d) number of jobs retained, created
43 or enhanced by the projects; and (e) any other such information the
44 commission deems to be in the public interest.

45 8. Any neighborhood scale weatherization and electrification-ready
46 projects approved or modified under this section shall require that
47 energy audits are conducted by employees of the gas corporation, elec-
48 tric corporation, or combination gas and electric corporation repres-
49 ented by a bona fide labor organization of jurisdiction that is actively
50 engaged in representing the gas corporation, electric corporation, and
51 combination gas and electric corporation employees. The use of contrac-
52 tors is prohibited except as necessary for training or implementation of
53 the projects.

54 9. Every neighborhood scale weatherization and electrification-ready
55 project shall be subject to a project labor agreement.

56 § 4. This act shall take effect immediately.