

STATE OF NEW YORK

7135

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. PARKER -- 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 requiring the establishment of hybrid heating pilot programs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 § 3. This act shall take effect immediately.