STATE OF NEW YORK

641--A

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IN SENATE

(Prefiled)

January 8, 2025

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:

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;

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

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(f) While existing energy efficiency programs administered by the New York state energy research and development authority and some utilities are available for 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. Neighborhood scale weatherization and electrification readiness. 1. As used in this section:

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

(b) "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;

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

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

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

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

ers; (B) leverage all local, state, and federal funding available and work in collaboration with New York state energy research and development authority, the division of homes and community renewal, regional energy hubs, and other partners; (C) be completed at no cost to the individual building owner; (D) include pre-weatherization work, to the extent practicable and cost effective. If such pre-weatherization work is not practicable and cost effective, it may be completed at cost to the individual building owner in advance of the neighborhood scale weatherization and electrification-ready project; (E) be in close geographic proximity with a goal of performing work on contiguous buildings, on a block-by-block or neighborhood basis. Once a targeted pilot area has been approved by the commission for such project, no buildings within that area shall be bypassed for such project without just cause; such proposed building omissions, and the cause for them, shall be presented to the commission, who may approve or disapprove of such omissions on a case-by-case basis. The need for pre-weatherization work, and/or weatherization work shall not be accepted as justification for bypassing a building. If there are nearby buildings that, due to environmental or infrastructure-related factors, can be incorporated into a project in a reasonable, unburdensome manner, these buildings may be included in such project's proposal, and the commission may approve or disapprove of a non-contiguous building's inclusion on a case-by-case basis; and

(ii) The gas corporation, electric corporation or combination gas and electric corporation shall share information about electrification readiness with the building owner, who may then choose whether to have electrification-ready work completed as part of the neighborhood scale weatherization and electrification project;

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

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

(h) "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; and

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

2. The commission shall initiate a proceeding within three months of the effective date of this section to support the development of neighborhood scale weatherization and electrification-ready projects 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 at least one and up to ten neighborhood scale weatherization and electrification-ready projects. Such projects may be submitted jointly by corporations operating in the same territory. If such projects are submitted jointly, each jointly submitted project shall be considered one half of a project for each corporation for purposes of meeting such requirement of submitting at least one and up to ten projects. At least forty percent of projects shall be in targeted pilot areas located within disadvantaged communities as identified by the climate justice working group. Every proposed project shall be developed to reduce system costs and avoid the potential for infrastructure investments, such as by reducing demand in constrained areas, avoiding costly wire or pipeline upgrades or replacements, reducing peak demand, or other such cost reduction measures. The projects shall be varied in type of region and building typology, to the extent possible. The neighborhood scale weatherization and electrification-ready projects shall be posted on the commission's website and be subject to a public comment period of no fewer than sixty days. All projects submitted to the commission shall include, but not be limited to, the following: (a) the buildings and customers eligible for the proposed project, which shall include a description of how the proposed project fills existing gaps related to low- to moderate-income customers and other customers in targeted pilot areas; (b) a staffing plan identifying the workforce and specific work to be performed; (c) maps of the locations of these projects, which should target contiguous properties over entire street blocks; (d) proposed total annual costs of the project; (e) projected annual greenhouse gas emissions reductions resulting from the proposed projects; and (f) the projected savings on infrastructure investment from the reduction in usage. In developing projects, 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 neighborhood scale weatherization and electrification-ready projects and shall issue an order directing the implementation of such projects. In determining whether a project is in the public interest, the commission shall consider whether such project: (a) facilitates

energy reliability and reduces energy costs for customers in targeted pilot areas; (b) supports the state's achievement of the climate justice and 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 neighborhood scale weatherization and electrification-ready projects. Such data shall include:

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

(b) for buildings 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 neighborhood scale weatherization and electrification-ready project. Each corporation may also utilize additional sources of funding, including, but not limited to, funding provided by the state. Each gas corporation, electric corporation or combination gas and electric corporation shall defer any unrecovered expenses associated with an approved or modified neighborhood scale weatherization and electrification-ready project 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 neighborhood scale weatherization and electrification-ready project or enhanced neighborhood scale weatherization and electrification-ready projects as determined by the commission, the status of each project. 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; (b) barriers to implementation, if any; (c) costs of the projects; (d) number of jobs retained, created or enhanced by the projects; and (e) any other such information the commission deems to be in the public interest.

8. Any neighborhood scale weatherization and electrification-ready projects 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 projects.

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

§ 4. This act shall take effect immediately.