August 6, 2020

**VIA ELECTRONIC FILING**

Hon. Michelle M. Phillips, Secretary

New York State Public Service Commission

Three Empire State Plaza

Albany, NY 12223-1350

Re: Matter 20-00652/Case 20-G-0131 – Proceeding on Motion of the Commission in Regard to Gas Planning Procedures.

Dear Secretary Phillips,

On behalf of New Yorkers for Affordable Energy (NYAE), a coalition of community, labor and business leaders from across the state who support efforts to expand access to natural gas for consumers and businesses, I write to you in response to the June 29, 2020 report by Synapse Energy Economics, Inc., submitted to the New York State Public Service Commissioner (PSC). The report, commissioned by the National Resources Defense Council (NRDC), was submitted to be part of the record for the PSC’s proceedings on Gas Planning Procedures.

After reading through the report, it is clear that Synapse and the NRDC advocate regulating the natural gas industry into extinction rather than plan how to encourage changes that would allow New York to explore meaningful ways to lower greenhouse gas emissions in the gas sector and take advantage of the affordable and existing resources.

The entire premise of their report is based on the false notions that the natural gas industry is operating without strong oversight; that the PSC has not been doing its job when it comes to reforming gas utility regulations and ensuring that the gas planning process is in line with the recently enacted Climate Leadership and Community Protection Act (CLCPA); and that existing and new natural gas infrastructure and facilities are at risk of becoming stranded by 2050, thereby creating financial hardship for companies, investors, and customers.

Furthermore, the basic thrust of their report is that in order to meet climate targets and reach net zero emissions by 2050, gas use must decline. This is contrary to reality and discounts the tremendous reduction in carbon emissions that have been made over the last two decades because of natural gas, and the future emission reductions possible through avenues such as renewable natural gas, power-to-gas installations to supply hydrogen/low-carbon fuels using existing gas infrastructure, enhanced energy efficiencies, hybrid electric air source heat pumps coupled with high efficiency natural gas furnaces as well as carbon capture, use and storage technologies.

The truth:

* The natural gas industry is heavily regulated by numerous agencies, including the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA), the New York State Public Service Commission (NYSPSC), and the New York State Department of Environmental Conservation. In addition, the industry works closely with the New York State Energy Research & Development Authority (NYSERDA), the New York Independent System Operator (NYISO), and the New York Power Authority.
* The industry has worked closely with the Governor, the Attorney General, and the State Legislature to address many of the concerns and issues that have been raised and will continue to do so.
* The gas utilities have a strong working relationship with the PSC and NYSERDA to address many climate related issues, including implementing numerous programs as mentioned above to lower the carbon footprint of utilities, including energy efficiency incentives and rebates.
* Existing and new natural gas infrastructure and facilities are necessary to continue to meet the needs of New Yorkers.
* Moratoriums on new gas hookups will likely occur if the construction of new pipelines or the expansion or replacement of existing pipelines is not possible.
* New and existing natural gas facilities can remain useful well into the future by taking methane from landfills, sewage plants, and farms and producing renewable natural gas and by operating in concert with intermittent energy sources.

The reality:

According to the Western Energy Alliance, natural gas “is the number one reason the United States has reduced greenhouse gas emissions more than any other country.” The shift from dirtier-burning fuels like coal to natural gas has produced 57 percent more carbon-emission reductions than have all the renewable energy sources that have come online since 2005, EIA data shows. And the industry continues to make strides in efficiency and emissions reduction.

The simple fact is that New Yorkers rely on natural gas as an affordable and reliable source of energy. Sixty percent of New York households heat with natural gas, and forty percent of our electricity comes from power plants that run on natural gas, according to the U.S. Energy Information Administration. So, whether New Yorkers heat their homes in the winter or power their air conditioners in the summer, natural gas is fueling their everyday lives.

Now bear in mind, today only 30 percent of New York’s electricity comes from renewables. And 25 of that 30 percent is from hydroelectric dams. Getting from 30 to 100 percent zero emission by 2040 just for the energy we presently consume is a massive and incredibly expensive undertaking that will use enormous amounts of land, carrying its own environmental impacts that could be minimized by using existing gas infrastructure in concert with our electric grid.

With the Indian Point nuclear unit shutting down by 2021, New York will need even more natural gas for power plants to fill the gap. Furthermore, the more New York moves to intermittent renewable energy sources like wind and solar, the more vital it will be to have natural gas power plants online and available to cycle up as quickly as the wind stops blowing or the sun goes behind a cloud.

In other words, we need dispatchable energy available at any given moment to address the market demand, especially when renewable energy is not available, or in the event of a “black start” situation, to help the energy grid recover in the event of a total or partial shutdown. As the recent *Brattle Group* Report indicated, by 2040, New York will need up to 15 GW of dispatchable power available to ensure a fully functioning energy grid.

Additionally, a recent report by NYSERDA pointed out that as we move towards electric vehicles and electrification of the grid, demand will increase from 23,948 MW to over 33,000 MW by 2040.

If there is anything the COVID-19 Pandemic has taught us, it is that we need reliable, affordable energy to help power emergency operations for hospitals, grocery stores and millions of New Yorkers working from home in a time of crisis. If natural gas was not available to us during this pandemic, I shudder to think how our state would have functioned under those conditions. Likewise, restricting the use of natural gas in favor of more expensive options during New York’s efforts to rebuild its economy will further burden the homeowners and businesses that can ill afford these costs.

The truth is, natural gas is the only source of energy that can fully and reliably meet the needs of New Yorkers - and do so without increasing energy costs to homeowners and businesses or increasing the cost of new construction to alleviate New York’s affordable housing problem.

And while we are in agreement with the Governor and the State Legislature about the need to have a clean energy future, we must take into account cost and affordability when making these decisions. Just this past week, Governor Cuomo delayed the “Reclaiming Mother Nature Bond Act” precisely because of our current financial situation and its cost.

What the NRDC commissioned report fails to address, as is often the case with the push for the elimination of natural gas, is cost and affordability. The report also ignores the fact that the natural gas industry has worked to reduce emissions and never explores the possibility for further emission reductions using our existing gas infrastructure through approaches such as enhanced energy efficiency, renewable natural gas, power-to-gas installation, hybrid ASHP electric/gas heating solutions and carbon capture, use and storage technologies.

What is the social and financial cost associated with the move to 100% renewable energy and how are we, as a state and individual taxpayers, going to pay for it?

What is the direct cost for each homeowner to convert their natural gas home heating system and their natural gas ovens and stovetops to electric?

What is the cost to the taxpayers and consumers to eliminate natural gas from our energy portfolio over the next 19 years?

How would the loss of natural gas impact communities across our state, especially low-income communities?

How would the elimination of natural gas impact the cost of new construction, especially as relates to affordable housing?

How would the elimination of natural gas impact the environment given the massive required buildout of renewable power generation in NY, such as wind and solar installations, as well as the new electric transmission and distribution facilities associated with moving such electric?

These are legitimate questions that New York taxpayers and homeowners have and require detailed answers to ensure we are making informed public policy decisions.

We urge the PSC when considering the future planning of natural gas to take these facts and concerns into consideration and to make decisions based on the reality of where we are today and how best to get where we want to go.

When the PSC does release its findings, we hope those findings will keep three important words in mind: *reliability, accessibility, and affordability*.

Sincerely,



Michael Lawler

Director, New Yorkers for Affordable Energy

***About New Yorkers for Affordable Energy***

New Yorkers for Affordable Energy is a coalition of community, labor, business and industry leaders from across the state who support greater access to clean, reliable and affordable sources of energy for residential and business consumers. We understand the important role that natural gas plays in our everyday lives, from heating and cooling our homes to powering our communities. As demand for energy continues to grow, New Yorkers for Affordable Energy supports efforts to increase access to natural gas for manufacturing facilities, power production, transportation, and to serve as a catalyst for job growth and support New York’s economy and quality of life.

***Coalition Members***

***The Business Council of New York State, Inc.***

***New York State Building & Construction Trades Council***

***Acoustic Clean Dennis***

***AGC NYS***

***Albany Valve & Fitting Co. Inc.***

***Ambient Environmental, Inc.***

***API***

***BlueRock Energy***

***Buffalo Niagara Partnership***

***Capital Region Chamber of Commerce***

***Central Hudson***

***Chautauqua County Chamber of Commerce***

***Chemung County Chamber of Commerce***

***Constitution Pipeline***

***Cortland County Chamber of Commerce***

***D.A. Collins***

***Danskammer Energy***

***Delaware Engineering***

***Dominion Energy***

***Eastern NY District Council of Laborers***

***Enbridge***

***Energy Coalition New York***

***Energy Equipment and Infrastructure Alliance***

***EnergyMark, LLC***

***Engineers Labor-Employer Cooperative (ELEC 825)***

***General Contractors Association of NY***

***Hudson Valley Building & Construction Trades Council***

***Independent Oil & Gas Association of NY (IOGA-NY)***

***Independent Power Producers of NY (IPPNY)***

***International Union of Operating Engineers Local 825 (IOUE 825)***

***Iroquois***

***IUOE Local 825***

***Joint Landowners Coalition***

***Laborers District Council of Eastern NY***

***Laborers Local 17 LECET Fund***

***Manufacturers Association of the Southern Tier***

***Millennium Pipeline***

***National Fuel Gas Company***

***National Federation of Independent Business***

***North Country Chamber of Commerce***

***NYS Building & Construction Trades Council***

***NYS Conference of the International Union of Operating Engineers***

***NYS Economic Development Council***

***NYS LECET Fund (Laborers-Employers Cooperation & Education Trust)***

***NYS Pipe Trades Association***

***Orange County Partnership***

***Otsego County IDA***

***Penn-York Land Services Corp.***

***Unshackle Upstate***

***Upstate New York Laborers District Council***

***U.S. Chamber of Commerce’s Institute for 21st Century Energy***

***USA Compression***

***The Williams Companies***