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Res. No. 40

Resolution calling on the New York State Legislature to pass, and the New York State Governor to sign, S.2016-A/A.4592-A, also known as the NY HEAT Act, which would align utility regulation with state climate justice and emission reduction targets and repeal certain provisions of the Public Service Law relating to gas service and sale.

By Council Members Avilés, Hanif, Gennaro, Nurse, Cabán, Farías, Ossé and Banks

Whereas, In 2019, New York State (NYS) enacted the Climate Leadership and Community Protection Act (CLCPA) in an effort to dramatically reduce greenhouse gas (GHG) emissions from all sectors of NYS's economy; and

Whereas, The CLCPA, among other things, requires that the NYS Department of Environmental Conservation establish: statewide GHG emissions limits reducing emissions by 85 percent below 1990 levels by 2050; regulations to achieve statewide GHG emissions reductions; and a process to ensure that a minimum of 35 percent of investments from clean energy and energy efficiency funds are invested in disadvantaged communities; and

Whereas, This has a particular impact on New York City (NYC), as the CLCPA aligns with the City's commitments surrounding climate change, including: a target of reducing GHG emissions by 80 percent below 2005 levels by 2050, which was codified into law when the City Council passed Local Law 66 of 2014; a target of reducing GHG emissions produced by NYC's largest buildings by 40 percent below 2005 levels by 2030 and 80 percent by 2050, which was codified into law under Local Law 97 of 2019; and the City's efforts to phase out fossil fuels, including Local Law 154 of 2021, which prohibits the combustion of high carbon-emitting substances in certain newly-constructed buildings within the City; and

Whereas, In 2021, according to the NYC Mayor's Office of Climate and Environmental Justice, 86.88

million tons of carbon dioxide equivalent were emitted for all activities taking place within the boundaries of NYC's five boroughs, when using the CLPCA's accounting method; and

Whereas, According to a NYC Panel on Climate Change 2019 report, it is estimated that by the 2050s, NYC is likely to experience a 4.1 degree Fahrenheit increase in the average annual temperature, which will result in: more intense heat waves that can cause stroke, exhaustion, and possible death; a rise in sea levels of about two and a half feet that will flood lower-lying land; twice as many 100-year storms that can damage homes and infrastructure; and one and a half times more extreme precipitation days that can result in intense flash flooding; and

Whereas, The CLCPA essentially altered the context in which the Public Service Commission (PSC) regulates and how NYS' gas utilities operate, as it will require a quick transition away from fossil fuels in order to bring emissions down and meet specific targets; and

Whereas, According to a March 2023 report by the Building Decarbonization Coalition (BDC) entitled "The Future of Gas in New York State," incentives for non-fossil fuel energy alternatives are putting pressure on fossil fuel-based gas consumption and gas utilities' ratepayer counts, which could concentrate increasing system costs for gas utilities and place a financial burden on those left utilizing gas, especially for low-income New Yorkers; and

Whereas, The BDC report notes that, despite the pressure from the CLPCA to transition to non-fossil fuel energy alternatives and the increasing possibility that gas system networks may become obsolete in the future, NYS' gas utilities are increasing their investments in high fixed-cost pipeline networks, with NYS' gas utilities investments over the past 10 years more than doubling from $13 billion to $29 billion, and the average cost to gas utilities for replacing gas distribution mains, of which nearly 9 out of every 10 miles of distribution mains are replacements, has increased to about $6 million per mile, when calculating what will be sought from ratepayers; and

Whereas, As it is important for both NYS and NYC to implement measures that will ensure state

regulation and oversight of gas utilities, while providing for the equitable achievement of the CLCPA's goals and targets, S.2016-A and A.4592-A, otherwise known as the NY HEAT Act, were introduced by NYS Senator Liz Krueger and NYS Assemblymember Patricia Fahy, respectively; and

Whereas, S.2016-A, which was passed by the NYS Senate, and A.4592-A, which has yet to be passed by the Assembly, would align utility regulation with NYS' climate justice and emission reduction targets and repeal certain provision of the Public Service Law relating to gas service and sale; and

Whereas, S.2016-A/A.4592-A would: make utility bills more affordable through protections for low-to-moderate income customers; empower the PSC to equitably achieve CLCPA targets; amend provisions of Public Service Law currently undermining the CLCPA; and manage infrastructure costs paid by gas customers; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the New York State Governor to sign, S.2016-A/A.4592-A, also known as the NY HEAT Act, which would align utility regulation with state climate justice and emission reduction targets and repeal certain provisions of the Public Service Law relating to gas service and sale.

Session 13
LS #13570
01/18/2024

Session 12
KK
LS #13570
7/26/23