



NEW YORK STATE SENATOR

Patrick M. Gallivan

# New Law to Expand Use of Geothermal Energy in NY

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Senator Patrick Gallivan joined Assemblyman Sean Ryan and Senator Robert Ortt to announce legislation they sponsored has been signed into law. The new law will allow geothermal energy systems to be included in New York's On-Bill Recovery Financing Program. The On-Bill program was created by the Power NY Act of 2011. This program, administered by the New York Energy Research and Development Authority (NYSERDA), allows homeowners, small businesses and not-for-profits to finance energy efficiency improvements through a charge on their utility bill.

NYSERDA provides a low-interest loan to finance the improvements, and the repayment amount is based on projected savings on the user's energy bill. This program allows homeowners, small businesses and not-for-profits to invest in energy efficiency improvements without having to pay the upfront costs. The legislation (A.7117/S.0688) passed the New York State Assembly and Senate, and was recently signed into law by Governor Cuomo. The new law takes effect on January 1, 2018.

**Senator Patrick M. Gallivan** said "Allowing geothermal operations to receive funding under the Public Authorities Law will help level the playing field and will foster the continued growth of geothermal technology. Supporting these industries is not only good for our economy, it is good for our environment."

**Assemblyman Sean Ryan** said "New York has been a leader in advancing the use of clean renewable energy, and cutting carbon emissions. Geothermal energy systems are a great way for homes and businesses to lower their energy costs, and lower the reliance on fossil fuels. Installing a geothermal energy system can be expensive, but there is now a new way New York State can help. Allowing homeowners, small businesses, and not-for-profits to install geothermal systems as part of the On-Bill program will be an easy way to expand the use of this clean, energy efficient technology."

**Senator Rob Ortt** (R,C,I,Ref-North Tonawanda) said "I am proud to be the sponsor of legislation that not only creates a cleaner and more environmentally safe New York, but one that makes going green affordable for our state's residents. While the expense of 'going green' may be a deterrent for many, Assemblyman Ryan and I were able to use previous legislation and creatively incorporate new geothermal technology into existing law. I am confident that this legislation will allow more homeowners and small-businesses to become environmentally friendly, while also saving money each month on their energy bill."

**Bill Nowak, Executive Director of NY-GEO** said “Once again Sean Ryan and Robert Ortt have come through for their constituents. Thanks to them and to Governor Cuomo for this important legislation that gives New Yorkers an alternative to crippling fossil fuel prices. Geothermal systems are generally less expensive over their life than other heating and cooling systems. However, the bulk of the cost comes at installation and that's often hard for people to afford. Low-interest, long-term, on-bill financing is the key to bringing this most comfortable and efficient heating system within reach for most homeowners.”

The legislation expands the On-Bill program by allowing homeowners, small businesses and not-for-profits to take part if they install geothermal energy systems. Prior to this new law, energy efficiency upgrades such as insulation, air sealing, heating improvements, solar electric systems, solar hot water systems, pellet stoves and advanced cordwood boilers were the options eligible for financing through the On-Bill program. Homes and businesses can use a Geothermal Heat Pump (GHP) for heating and cooling. GHPs use the shallow ground — which maintains a nearly constant temperature between 50° and 60°F — as an energy storage device. GHPs transfer heat from a building to the ground during the cooling season, and transfer heat from the ground into a building during the heating season. GHPs can also provide hot water.

By expanding the On-Bill program to include geothermal energy systems, New York can help to increase the use this technology, and move more homes and businesses toward greener energy solutions. Increasing the usage of geothermal energy systems would help to decrease our state’s reliance on fossil fuels for energy production.