NEW YORKERS FOR CLEAN POWER

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Legislative Joint Corporations, Authorities and Commissions and Energy and Telecommunications hearing

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Contact: Anshul Gupta, Policy & Research Director
(914) 441-2358; anshul@nyforcleanpower.org

New Yorkers for Clean Power (NYCP) is a statewide collaborative campaign to shift to a clean energy economy. We thank the senate committee chairs for this opportunity to share our feedback on CLCPA implementation in the context of energy affordability and utility bills.

Table of Contents

1. Impact of CLCPA implementation on utility bills

The Public Service Commission recently released its second CLCPA informational report.[1] While the Report shows that CLCPA costs are a component of utility bills, these costs remain a small portion of a customer's total utility bill, and are expected to stay fairly modest until 2029. These are currently about 5-9% of residential electric bills and less than 2% of gas bills.

Contrary to the clean-energy adversaries' claims, most bill increases are driven by other factors such as high costs for replacing New York's aging pipelines and electrical infrastructure, property taxes, growing electricity demand, and global factors driving higher energy costs.

2. Impact of utility obligation to serve gas

Among these other factors, an important one is actually related to a failure to follow a key recommendation of the Climate Action Council's scoping plan, which is to modify the utility obligation to serve gas to a fuel-agnostic obligation to serve energy for heating, cooling, and other household appliances. This was one of the provisions of the NY HEAT Act that the assembly hasn't passed yet. The utility obligation to serve gas represents a direct contradiction between our public service law and the climate law, which the legislature can rectify.

As a result, we are being forced to simultaneously invest in the gas energy system of the past and the electrical energy system of the future, and the gas utilities are slated to spend tens of billions of ratepayer dollars on pipe replacement in the coming years.[2]

It is critically important to curb unnecessary investments in the gas system for our future energy affordability and for our ability to eventually

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[1] Revised Second CLCPA Informational Report; https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D0147799-0000-CE6F-B0E3-C2569C01A378}

[2] The future of gas in New York State; https://buildingdecarb.org/wp-content/uploads/BDC-The-Future-of-Gas-in-NYS.pdf

decarbonize the building sector affordably. A transition towards a singular energy system will drive down investment-related increases in energy costs. This was also emphasized by PSC Chair Rory Christian during his 2025 budget testimony.[3]

3. Investments in the electrical infrastructure

While we can and should avoid unneeded investments in the gas infrastructure, our electric grid does need modernization and expansion for resiliency and to accommodate new loads and new generation. However, the way we fund the capital costs of transmission is inherently unfair and costly for ratepayers.

Transmission construction and upgrade projects can take years to reach their full capacity after completion. However, current ratepayers start incurring the full cost of the projects as soon as they come online based on the straight-line depreciation methodology that we use for cost-recovery. This disproportionately burdens the current ratepayers who are not experiencing the full benefits of the projects and are effectively subsidizing future customers. The future customers will also see lower per kWh costs from the same transmission projects because the cost will be spread over more kWhs as the utilization increases.

Just this month, California passed a landmark bill, SB 254,[4] that authorizes and facilitates public financing and public-private partnerships for new transmission projects[5] to address some of the same issues that we are experiencing in New York. We strongly urge the legislature to consider legislation similar to California's SB 254 and then apply the public financing model for building the nearly shovel-ready Clean Path project.

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[3] Joint Legislative Hearing on 2025 Exec. Budget Proposal: Environmental Conservation/Energy-01/28/25; https://youtu.be/x4iZDXRm_Rg?t=27954
[4] CA SB254 | 2025-2026 | Regular Session | Amended; https://legiscan.com/CA/text/SB254/id/3220315
[5] California legislature passes landmark energy and affordability package, saving ratepayers billions; https://www.catf.us/2025/09/california-legislature-passes-landmark-energy-and-affordability-package-saving-ratepayers-billions/

4. Long term gas-planning proceeding

Returning to the topic of wasteful gas-system investments, the Commission issued a Gas Planning Order[6] on May 12, 2022 to establish, in Commission's own words, "*a modernized gas planning process that is comprehensive, suited to forward-looking system and policy needs, designed to minimize total lifetime costs, and inclusive of stakeholders.*" The Gas Planning Order also states that "*this Order establishes a foundational process through which the Commission can act to ensure that the LDCs reduce GHG emissions in accord with the CLCPA.*"

However, in reality, this process is fraught with political interference and this docket has essentially become a place where gas utilities go with their expensive climate-destroying aspirations of more and more gas and get them rubber-stamped as actual plans. The Commission is authorized by the CLCPA to make decisions to reduce emissions, but so far, the Commission has cited the obligation to serve gas as its reason for inaction.

This gas planning proceeding is also the one in which National Grid revised its final plan at the last minute to include the NESE pipeline. The Commission acted unusually fast to approve the plan with a rushed order prepared by DPS staff to justify the pipeline. Reading the order makes it abundantly clear that the justifications were crafted to desperately support the goal of building the pipeline; not that a specific set of needs helped the commission reach a conclusion that an additional expensive supply pipeline was necessary.

This calls into question as to how independent the PSC's decisions actually are. Please note that while the Commissioners are independent, the Department of Public Service reports to the Governor.

[6] Order Adopting Gas System Planning Process; https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={130B05B5-00B4-44CE-BBDF-B206A4528EE1}

5. Conclusion

Despite the current federal administration's hostility towards clean energy, the state can make very meaningful progress towards meeting the CLCPA's targets. And with the right policies, it can do so affordably while accruing the health and economic benefits from a transition to a clean energy economy. The PSC has a key role in this, and the legislature has a role in reforming the PSC and in passing legislation to align our public service law and the climate law.