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John B. Rhodes, Chair

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PSC Launches Proceeding to Improve Transparency of Natural Gas Planning and Investments in New York

Proceeding Envisions Fundamental Shift in Way Gas Utilities Do Business in New York

ALBANY — The New York State Public Service Commission (Commission) today commenced a proceeding to ensure more useful and comprehensive planning for natural gas usage and investments in New York State.

“Recent events have shown that we need smarter, more comprehensive and more transparent planning by utilities for gas infrastructure and clean energy alternatives,” **said Commission Chair John B. Rhodes.** “It is essential for protecting New Yorkers and ensuring they have the infrastructure they need and minimizing what they don’t; it’s critical to ensuring reliability, keeping costs down, and advancing State policies.”

Several major issues will be studied in the proceeding, including:

- **Examining Constraints:** Constraints may be caused by a shortage of pipeline supply capacity, by inadequacy of distribution infrastructure to deliver available pipeline supply, or a combination of these and other factors. These constraints may also vary dramatically among neighboring localities based on existing pipeline configurations. Each utility must now report its analysis of supply and demand balance — current and projected — for each municipality within its territory, including any projects to address imbalance that are planned or underway.
- **Gas Planning:** Recent developments have challenged conventional approaches to gas system planning. These developments include instances of supply/demand imbalance, the emergence of viable, less traditional and increasingly cleaner alternative solutions for demand and supply, uncertainty associated with major gas infrastructure decisions, and the CLCPA’s establishment of state policy directions. This proceeding calls for a comprehensive proposal to modernize gas planning processes suited to forward-looking system and policy needs, designed to minimize total lifetime costs, and inclusive of stakeholders.
- **Non-Pipe Solutions:** Non-pipe solutions such as energy efficiency, electrification, clean demand response, and temporary supply can reduce or eliminate the need for gas infrastructure and investments. These solutions should be integral to planning needs, both in the context of specific avoidable projects, and system-wide to reduce overall demand and need for infrastructure investment. Non-pipe solutions should be built into the gas utility planning process, using criteria which include reliability, practicality, environmental impact,

avoided need for infrastructure investments, cost allocations over the appropriate time frame, emissions, and local community impacts.

- **Gas Moratoria Standards:** Existing utility tariffs have differing provisions regarding how a utility declares a moratorium on new customer additions. This proceeding will explore best practices and opportunities for enhancements to these processes, propose standards and practices for identification of potential gas supply constraints and the data necessary to justify a moratorium, and set forth clear steps that must be taken thereafter, including better notification procedures to the Commission and stakeholders.
- **Demand-Side Resources:** The Commission notes that demand side resources, such as energy efficiency and electrification, are currently authorized or under consideration in separate Commission proceedings. However, findings in this proceeding could aid in optimizing the deployment of the resources authorized by the Commission to meet planning needs and minimize infrastructure investment.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 20-G-0131 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.