

February 27, 2026

**VIA ELECTRONIC MAIL**

Hon. Michelle L. Phillips, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223  
Email: [Secretary@dps.ny.gov](mailto:Secretary@dps.ny.gov)

**RE: Case 20-G-0131; Proceeding on Motion of the Commission in Regard to Gas Planning Procedures; Letter from Alliance for a Green Economy, Earthjustice, Environmental Defense Fund, New Yorkers for Clean Power, and Sierra Club**

Dear Secretary Phillips:

As parties that have all participated extensively in the initial round of triennial gas system long-term plan dockets, Alliance for a Green Economy (AGREE), Earthjustice, Environmental Defense Fund, New Yorkers for Clean Power, and Sierra Club respectfully submit this letter regarding the gas planning process in New York. We understand that DPS Staff intend to propose updates to the current triennial process in advance of the next round of plan proposals, and our groups support this effort as an important near-term action. Given the considerable Staff, utility, and stakeholder time and resources that go into these dockets, we are invested in making the planning process as effective and impactful as possible.

The gas planning process to date has left unresolved a number of important questions including the amount and timing of greenhouse gas emission reductions to be achieved from the gas sector, the role for alternative combustion fuels in a decarbonized gas system, the context for replacement versus repair or relining of pipes as the system transitions, the role for hybrid heating systems and ground- versus air-source heat pumps, criteria for evaluating non-pipe alternatives (NPAs), and the appropriateness of modifying current straight-line depreciation schedules, among others. Attaining greater clarity around these issues from the Commission will be essential to ensure that future gas utility investments are efficient and that the gas system transition does not jeopardize affordability. Moreover, the recently finalized State Energy Plan provides important guidance regarding State priorities and strategies for the gas sector that should inform the next steps in the gas planning docket. We urge the Commission to clarify the venue in which critical planning determinations will be addressed and resolved and the next steps for implementing the recommendations in the State Energy Plan, and we offer some preliminary input based on our shared experience in the dockets.

The State Energy Plan, approved in December 2025, contains a number of important findings that impact gas system planning while also recommending several critical next steps for the planning process. Of particular relevance, the Plan:

- clarifies that “[m]ore widespread deployment of NPAs is needed to enable safe and strategic reductions in gas system investments,”<sup>1</sup> and “[u]tilities must avoid [long-term capital] investments as much as possible through proactive planning for NPAs”<sup>2</sup>;
- finds that it is “appropriate to consider whether utilities’ planning and reliability criteria strike the proper balance between the need for conservatism and the imperative to avoid imposing unnecessary costs on ratepayers,” by ensuring that design day forecasts incorporate the “best and latest available climate science” and most “up-to-date assumptions regarding usage-per-customer”<sup>3</sup>; and
- confirms that “[t]he blending of hydrogen into existing natural gas pipeline infrastructure remains untenable due to safety, integrity, and indoor air quality concerns.”<sup>4</sup>

Regarding near-term steps in gas utility planning, the State Energy Plan:

- directs that, going forward, long-term plans should “identify areas where the gas system will be necessary in the long-term and prioritize investment in those areas over others”<sup>5</sup>; and
- instructs the PSC to advance integrated gas/electric planning, which “could include directing gas and electric utilities to develop standardized, locationally specific, and transparent joint planning practices that enable optimized energy system investments.”<sup>6</sup>

We urge the Commission to ensure that the gas system planning process in New York is consistent with and furthers these objectives of the recently finalized State Energy Plan, while also answering key questions, which, if left unresolved, will hamper the next round of gas system long-term planning. To that end, we offer several recommendations about sequencing and venues that we believe will benefit future gas system planning efforts.

## **Generic Docket Issues**

First, a number of issues highlighted in the State Energy Plan and raised by utilities and stakeholders in the first round of gas system long-term planning dockets are common to all of the

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<sup>1</sup> 2025 State Energy Plan, Vol. II, Natural Gas Ch. at 29.

<sup>2</sup> *Id.* at 32.

<sup>3</sup> *Id.* at 33-34.

<sup>4</sup> 2025 State Energy Plan, Vol. I, Summary for Policymakers at 61-62; *see also* Vol. II, Natural Gas Ch. at 38.

<sup>5</sup> 2025 State Energy Plan, Vol. II, Natural Gas Ch. at 27.

<sup>6</sup> *Id.* at 29.

State's gas local distribution companies. For cross-cutting issues that would benefit from a common resolution across all of the gas utilities, we suggest that the generic gas planning docket (20-G-0131) would be the logical venue to consider these issues. The Commission had proposed to address several key cross-cutting issues in Docket 20-G-0131 in its 2022 order, but those remain unresolved.<sup>7</sup> It will benefit the next round of individual utility gas system long-term plan dockets if some of these issues can be addressed and ideally resolved in advance of or close in time with the filing of those plans. In particular, we suggest common issues that would benefit from generic docket treatment include:

- (a) a shared approach to NPAs and information gathering for NPA planning, including geospatial pipeline mapping;
- (b) the approach to modernizing design day HDD calculations, including how far should utilities look back historically and how to incorporate the effects of climate change;
- (c) a conceptual approach to depreciation schedules in light of anticipated declines in system throughput;
- (d) a shared conceptual approach to pipe replacement versus repair or relining;
- (e) a framework around the role for alternative combustion fuels consistent with the State Energy Plan and Scoping Plan; and
- (f) a common understanding of how equity considerations should inform utilities' plans and planning.

We also think it would make sense to use the generic docket to get more clarity around greenhouse gas emissions reduction targets, as confusion around what emissions level gas utilities are planning toward has made it challenging to date to evaluate utility long-term plans. The generic docket is likely also an appropriate venue to initiate the gas-electric planning coordination called for in the State Energy Plan and to develop protocols and identify next steps so that planning can advance.

### **Individual Utility Plan Issues**

Second, for the individual utility gas-planning dockets, we suggest that it makes sense to focus on issues that are truly utility-specific. In addition to ensuring near term safe and reliable service and protecting customers from excessive costs, this would include effectuating the State Energy Plan's directive to identify which portions of the gas system should be prioritized for downsizing. These determinations should be made actionable by both using the results to inform rate case filings and establishing actual processes for beginning to implement the downsizing of portions of the system that are not needed for the long-term. Also, to the extent there are utility-

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<sup>7</sup> See *Proceeding on Motion of the Commission in Regard to Gas Planning Procedures*, Case 20-G-0131, Order Adopting Gas System Planning Process at 65-67 (May 12, 2022) (directing utilities to submit proposed NPA criteria and cost recovery procedures, reports on the cost of extending service, and depreciation studies to Docket 20-G-0131).

specific considerations around air- versus ground-source heat pumps, hybrid systems, and low-carbon fuels, we think it makes sense to address and resolve these in the individual utility gas system long-term plan dockets.

Finally, we recommend that utility rate cases remain the appropriate venue for the Commission to review and approve specific investment determinations. As noted above, it is crucial that determinations made in individual gas system long-term plan dockets regarding the future of different portions of the gas system inform rate case proposals and are used to inform where and how utilities are continuing to spend on system upkeep and upgrades. However, the gas system long-term plan dockets lack the procedural safeguards necessary to authorize specific utility investments.

Our groups look forward to engaging in future planning efforts and urge the Commission to update the gas system planning process in a manner that implements the recommendations of the State Energy Plan, is calibrated to lead to resolution of the issues identified above, and ensures that the individual gas utility long-term planning dockets produce outcomes that meaningfully inform future rate case filings.

Thank you for your consideration.

Respectfully submitted:

Josh Berman, Senior Attorney, Environmental Law Program, Sierra Club

Jessica Azulay, Executive Director, Alliance for a Green Economy

Hillary Aidun, Senior Attorney, Earthjustice

Erin Murphy, Senior Attorney & Director, Clean Air & Energy, Environmental Defense Fund

Anshul Gupta, Policy & Research Director, New Yorkers for Clean Power