

New York State Electric & Gas and Rochester Gas and Electric's Annual Report Relative to its Long-Term Gas Plan

Case 23-G-0437



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1. Executive Summary

This Annual Update summarizes New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation’s (RG&E) (collectively the “Companies”) progress in implementing the decarbonization strategies outlined in their Final Long-Term Gas Plan (“Final LTP”) filed on April 26, 2024.².

Over the past year, the Companies have made meaningful progress across the actions outlined in the Final LTP. This progress reflects a shift toward reducing customer demand through energy efficiency and building electrification while continuing to maintain system reliability. Updates to demand forecasting, supply portfolio planning, and gas operations show that the Companies are closely monitoring load patterns to incorporate in the planning process. At the same time, continued leak-prone pipe (“LPP”) replacement and progress on maximum allowable operating pressure (“MAOP”) compliance ensure that safety and operational integrity remain top priorities.

The Companies have also worked diligently on forward-looking initiatives such as utility thermal energy networks (“UTEN”), ongoing evaluation of non-pipeline alternatives (“NPA”), and continue to look for opportunities to increase engagement with commercial and industrial (“C&I”) customers to better understand real world constraints and opportunities for electrification and low-carbon fuel adoption. With technologies such as renewable natural gas (“RNG”) and hydrogen, the Companies have continued to monitor developments, conduct research, and gather market information to support informed decision-making in future filings. These efforts demonstrate a balanced approach that prioritizes near-term, cost-effective solutions while also evaluating long-term opportunities.

Finally, the Companies have integrated equity and customer-focus throughout their planning and program design. Disadvantage communities (“DACs”) remain a priority across weatherization, electrification, and energy efficiency initiatives. Targeted outreach, enhanced incentives, and coordination with statewide partners aim to improve program access and participation. The Companies’ weatherization, building electrification, and other strategic energy efficiency offerings also ensure that customers across different commercial building types have access to electrification options to reduce fossil fuel dependence and prepare for more extensive building electrification efforts.



1.1. Procedural Background

In 2022, the New York State Public Service Commission (“PSC,” or “Commission,”) issued its Order Adopting Gas System Planning Process (“Planning Order”).¹ The Planning Order required New York gas utilities to file long-term plans over a 20-year planning horizon on a three-year cycle with annual updates due on May 31 of the intervening years. As noted above, the Companies filed their Final LTP on April 26, 2024. In January 2025, the PSC issued its Order Regarding Long-Term Natural Gas Plan and Directing Further Actions (“Further Actions Order”) in response to the Companies’ Final LTP filing.² The Companies filed their 2025 Annual Update, including the items required by the Further Actions Order, on May 29, 2025.³

2. Long-Term Plan Progress Report and Program Updates

2.1. Organization of Planning and Implementation

In its Planning Order, the Commission states that the annual report should “describe how the LDC’s planning and implementation efforts are organized and managed.”⁴

The Companies’ Final LTP was the culmination of a combined effort across many subject matter experts and departments throughout the Companies. These groups collaborated throughout the Final LTP development process, which produced the Final LTP implementation actions outlined in Chapter VII of the Final LTP.

The development of this Annual Update is similarly cross-functional and collaborative, involving dozens of employees and departments. The Clean Energy Policy team oversees and coordinates the contributions of subject matter experts to the progress made on the implementation actions and to keep other stakeholders informed. The Companies also continue to collaborate with the Department of Public Service (“DPS”) Staff, the Joint Utilities (“JU”), and other relevant agencies, to gain insights and lessons learned from certain aspects of the other JU plans. As shown in the table below, there are over fifteen groups across the Companies working together to accomplish these goals, led by the Clean Energy Policy group.

¹ 20-G-0131, *Order Adopting Gas System Planning Process, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures* (May 12, 2022) (Gas Planning Order).

² 23-G-0437, *Final Gas Long-Term Plan*, In the Matter of a Review of the Long-Term Gas System Plan of New York State Electric & Gas and Rochester Gas and Electric (April 26, 2024).

³ 23-G-0437, *New York State Electric & Gas and Rochester Gas and Electric’s Annual Report Relative to Its Long-Term Plan*, In the Matter of a Review of the Long-Term Gas System Plan of New York State Electric & Gas and Rochester Gas and Electric (May 29, 2025).

⁴ Case 20-G-0131, *Gas Planning Order*, P. 21.



Table 1: Groups Collaborating on the Final LTP Across the Companies

Groups Collaborating on Final LTP and Annual Update	
1.	Billing and Risk Management
2.	Clean Energy Policy
3.	Conservation and Load Management
4.	Customer Communications
5.	Customer Service
6.	Gas Engineering
7.	Gas Operations
8.	Gas Pricing and Analysis
9.	Gas Supply
10.	Gas System Planning
11.	Integrated System Planning
12.	Municipal, Business, and Community Relations
13.	Planning Intelligence and Strategy (UTEN Pilots)
14.	NYSEG/RG&E President's Office
15.	Regulatory
16.	Sales and Load Forecasting
17.	Supplier Relations

As discussed above, the Companies' Final LTP, LTP Annual Update, and all progress made in the last year has been the result of coordination of many people across several departments communicating, collaborating, and working to make progress together.

2.2. Progress on Final LTP

Background

In the 2021 Gas System Planning Process Proposal ("Planning Proposal"), Staff stated that the LTP annual reports must include, "An explanation of the LDC's progress on its most recent long-term gas system plan..."⁵ Chapter VI, Section A of the Final LTP presents the Companies' proposed implementation actions, which include activities that are designed to develop capabilities and progress the implementation actions included in the Final LTP. As noted in the Final LTP, the ultimate timing and execution of many of these actions depend upon several factors, including the success and timelines of obtaining necessary regulatory approvals.

⁵ Case 20-G-0131, *Proceeding on Motion of the Commission in Regard to Gas Planning Procedures*, Staff Gas System Planning Process Proposal (February 12, 2021), (Planning Proposal), P. 11.



Progress Update

The Companies' implementation actions included designing programs, proposing cost recovery approaches, and obtaining regulatory approvals for weatherization and hybrid heating electrification programs with the goal of implementing programs in 2027. The Companies also intended to study the impact of various levels of incentives on customer adoption rates, better understand the unique characteristics of low-to-moderate income ("LMI") and disadvantaged communities, and consider the relationship between the Companies' gas customer-focused energy efficiency programs and NYSERDA's programs. In addition, the Companies intended to conduct outreach to educate customers on the benefits of weatherization and electrification, as well as collect data about program participation, project scope, project costs, project gas usage reductions, incentives provided, DAC participation, etc. and use this data to inform future LTP filings. The Companies also proposed providing updates of the Companies' residential demand response pilot and lessons learned.

The six decarbonization actions underpinning the implementation actions in the Final Gas LTP included: Weatherization, Electrification, Industrial Customer Programs, Utility Thermal Energy Networks, Renewable Natural Gas, and Hydrogen.

Below, the Companies discuss progress on each of the decarbonization actions outlined in the Final LTP as well as an update on Non-Pipe Alternatives.

Weatherization

Weatherization is a core decarbonization and customer affordability strategy in the Companies' LTP and 2026-2030 Energy Efficiency and Building Electrification ("EE/BE") Implementation Plan.⁶ Weatherization focuses on reducing energy demand, lowering customer bills, and preparing buildings for future electrification. The Companies are transitioning toward statewide, jointly developed Regional Weatherization Programs that will become the primary weatherization offerings beginning in 2027. In terms of funding, weatherization will receive no less than 25 percent of electric energy efficiency funds and 50 percent of gas energy efficiency funds. Existing programs prioritize insulation and air-sealing measures to improve building envelopes and address barriers to participation through contract engagement and targeted outreach. Weatherization efforts are closely aligned with equity goals, including strategies for DACs and coordination with NYSERDA programs to ensure seamless customer pathways and maximized participation.

⁶ For approval of the 5-year EE/BE plan see, 18-M-0084, Order Authorizing Non-Low-to-Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030, In the Matter of a Comprehensive Energy Efficiency Initiative (May 15, 2025). For the final implementation plan see, 25-M-0248, NYSEG and RG&E Non-LMI Implementation Plan, In the Matter of the 2026-2030 Non-Low-to-Moderate-Income Energy Efficiency and Building Electrification Portfolios (February 27, 2026). For the implementation plan approval 22, 25-M-0248, NYSEG-RGE Non-LMI Implementation Plan Approval Letter, In the Matter of the 2026-2030 Non-Low-to-Moderate-Income Energy Efficiency and Building Electrification Portfolios (March 24, 2026).



Electrification, DACs, and Demand Response

Electrification is a central pillar of the Companies' decarbonization strategy, with programs aligned to the statewide Clean Heat framework. These programs support the adoption of air-source and ground-source heat pumps with tailored incentives and implementation pathways to reflect differing customer needs. DACs are a priority across all electrification and energy efficiency initiatives with targeted outreach, enhanced incentives, geotargeting, and coordination with Clean Energy Hubs to improve access and participation. Demand response initiatives complement electrification by managing peak demand, improving system efficiency, and reducing infrastructure needs. The Further Actions Order required the Companies to file a residential demand response program proposal. The Companies filed their initial Gas Residential Demand Response Proposal on July 14, 2025, and a revised proposal on September 30, 2025.⁷

Large Commercial and Industrial Customer Initiatives

Large commercial and industrial customer initiatives are centered on tailored engagement, data-driven planning, and targeted program offerings. The Companies have conducted targeted outreach focused on increasing awareness and responsiveness among C&I customers by promoting the Companies' electrification, energy efficiency, and building electrification incentives. At the same time, the Companies have focused on identifying key barriers such as cost and infrastructure readiness. These efforts are strengthened by a growing portfolio of C&I-focused EE/BE programs including customer rebates and process equipment upgrades. Insights from customer engagement are being used to inform future program design to ensure solutions balance reliability, affordability, and emissions reductions for large C&I customers.

Utility Thermal Energy Networks

In the Final LTP, the Companies proposed to continue working through the design and regulatory approval stages for their proposed UTEN pilot projects. Since the filing of the Companies' first Annual Update in 2025, NYSEG's proposed UTEN project in Ithaca has progressed while RG&E withdrew its initial proposal. The initial Rochester Pilot was withdrawn for several reasons including infrastructure risks, technical barriers to fossil fuel replacement, lack of a viable anchor participant, and an unsuccessful alternative thermal source evaluation.⁸ RG&E proposed an alternative Rochester UTEN pilot on December 22, 2025. The new pilot design includes a four-pipe heating & cooling system, a reduced footprint, cuts in building count and infrastructure complexity, and a reduction in customer-side HVAC upgrades. RGE filed a letter of intent ("LOI") on May 15, 2026, exploring the new scope and detailing the

⁷ Case 23-G-0437, NYSEG-RGE Gas Residential Demand Response Proposal (July 14, 2025) and (September 30, 2025).

⁸ Case 22-M-0429, Proceeding on Motion of the Commission to Implement the Requirements of the Utility Thermal Energy Networks and Jobs Act ("UTENJA Proceeding"), Rochester Gas and Electric Corporation's Rochester Utility Thermal Network Pilot Project Proposal Withdrawal Filing (July 9, 2025).



revised project design.⁹ RGE plans to file the full Stage 1 proposal by November 20, 2026. Stage 1 will validate technical feasibility, costs, and partnerships, as well as provide a refined Stage 2 cost estimate and funding needs.

NYSEG filed its initial Stage 2 Proposal for the Ithaca project on July 9, 2025.¹⁰ The proposal advanced an aquifer-based, open-loop geothermal district heating and cool system in a designated disadvantaged community. The pilot would connect approximately 63 customers in 36 buildings using ground water drawn from and returned to a local aquifer via supply and discharge wells. The system would serve primarily residential customers but also includes commercial customers. The project is notable for its open-loop aquifer design, which could reduce the number of wells required, improve efficiency, and offer better scalability. At the same time, the open-loop aquifer-based system requires additional environmental permitting, monitoring, and increases operational complexity.

NYSEG's supplemental filing on November 7, 2025, provided additional details on the Stage 2 proposal.¹¹ The filing included a detailed 25-year lifecycle analysis comparing the UTEN pilot with business-as-usual natural gas service, individual ground-source heat pumps, and air-source heat pumps. While the pilot reflects the full utility-side investment needed to test a utility-scale thermal network under real-world operating conditions, the analysis shows meaningful customer and system benefits, including lower customer-side capital costs than individual ground-source or air-source heat pump alternatives, 35% lower annual customer-side energy use, and 42% lower peak customer-side electric demand compared to air-source heat pumps. The filing also indicates that UTEN economics may improve as systems scale, particularly where higher thermal load density and expanded customer networks allow infrastructure costs to be spread across more participants.

More detailed project updates can be found in the Companies' UTEN Pilot Projects Progress and Expenditure Reports, filed monthly in Case No. 22-M-0429.

Renewable Natural Gas and Hydrogen

In the Final LTP, the Companies included implementation actions related to RNG) and hydrogen. Specifically, the Companies proposed actions associated with an RNG procurement program and a related cost-recovery approach, as well as efforts to collect data on RNG availability, scope, costs, and overall potential. The Companies continue to work with any interested RNG developers and to gather information regarding ongoing and planned RNG production. Currently, seven facilities are producing RNG within NYSEG's service territory while no facilities are producing RNG in RG&E's service territory. In 2025, RG&E engaged in preliminary discussion with an RNG developer regarding a potential landfill RNG application,

⁹ 22-M-0429, RGE Intent to File Stage 1 UTEN Pilot Project Proposal, Proceeding on Motion of the Commission to Implement the Requirements of the Utility Thermal Energy Network and Jobs Act (May 15, 2026).

¹⁰ Case 22-M-0429, UTENJA Proceeding, New York State Electric and Gas Corporation's Ithaca Utility Thermal Energy Network Pilot Stage 2: Pilot Project Engineering Design and Customer Protection Plan. (July 9, 2025).

¹¹ Case 22-M-0429, UTENJA Proceeding, New York State Electric and Gas Corporation's Ithaca Utility Thermal Energy Network Pilot Stage 2 Supplementary Filing: Pilot Project Engineering Design and Customer Protection Plan. (July 9, 2025).



however, the project did not proceed due to project scope complexities and potential permitting challenges.

In addition, the Companies proposed to track and, where possible, sponsor research conducted by others to better understand the role that hydrogen blending may play in reducing emissions in a safe and reliable manner. The Companies continue to review emerging hydrogen research, monitor potential technological developments, and track changes to regulations that could impact the industry. The Companies filed their *Three-Year Natural Gas Research and Development Report* on April 1, 2025. This report details the Companies' approach to gas research and development. The Report also includes a list of completed collaborative and internal projects, significant on-going projects, and the benefits and successes of projects undertaken. Projects related to RNG include a study regarding the impact of trace constituents in RNG on natural gas grids and consumer appliances. Projects related to hydrogen include the Hydrogen Natural Gas Living Lab. The lab, run by NYSEARCH, is the research organization within the Northeast Gas Association, and aims to validate the feasibility of blending and injecting hydrogen (up to 20 percent by volume or more) into existing natural gas infrastructure by simulating system operations.¹²

Non-Pipeline Alternatives

In the Final LTP, the Companies identified several ongoing implementation actions including continuing to screen all main-related capital projects, such as leak prone-pipe projects, for the applicability of NPAs; continuing to identify and evaluate potential viable NPA opportunities; continuing to assess the gas distribution system for vulnerable locations; and continuing to invest in gas system safety, including replacement of LPPs and services. There have been no changes to the Companies' NPA screening and Suitability Criteria or to their LPP replacement programs or methodology since the Final Gas LTP.

The Companies continue to meet their internal metrics, replacing 24 miles of LPP per year, and continue to review each potential LPP replacement for NPA applicability. Attachment 1 provides a summary of all LPP projects screened for NPA suitability, including all projects planned for 2026 that were screened in 2025, as well as all previously screened LPP segments for project years 2022–2025. It includes key project details such as OPCO, pipe length, number of customers, NPA viability, and current status. One LPP NPA was completed in 2025, in which a single customer located in a DAC was fully electrified, resulting in the retirement of 303 feet of LPP. On January 30, 2026, the Companies filed the first annual NYSEG RG&E LPP Whole Home Electrification Implementation Plan, which provides additional detail on the LPP NPA

¹² 98-G-1304, *NYSEG Three-Year Plan: Natural Gas Research and Development Report, January 2025 through December 2027*, In the Matter of the Reporting Requirements Applicable to the Gas Industry's Research, Development and Demonstration Programs, filed in C 28538 (April 1, 2025) and *RG&E Three-Year Plan: Natural Gas Research and Development Report, January 2025 through December 2027*, In the Matter of the Reporting Requirements Applicable to the Gas Industry's Research, Development and Demonstration Programs, filed in C 28538 (April 1, 2025). For more information on the Hydrogen Natural Gas Living Lab see, NYSEARCH, "Hydrogen-Natural Gas Living Lab," Tech Brief (December 2022), https://www.nysearch.org/tech-brief_12_12-2022.php.



program, including projects under review and completed projects, as well as implementation timing, costs, outreach, and reporting.¹³

In addition to the Companies LPP activities described above, and following the Strategic Decommissioning Technical Conferences in 2025, two LPP projects were identified for proactive customer outreach.¹⁴ The goal of identifying these optimal segments is to initiate customer outreach and education well ahead of the LPP project's planned installation before 2030. This early engagement aims to influence customer behavior and improve the likelihood of successful NPA implementation, ultimately supporting the decommissioning of targeted gas main segments. Initial outreach was conducted in early 2026 and outreach communications will continue throughout the coming years.

The Lansing NPA Portfolio consists of five projects, with two having been completed in April 2024. Two additional projects, Lansing NPA Residential Heat Pump and Lansing NPA Marketing and Outreach program are ongoing. The contract for the fifth project, Lansing Community Ground Source Heat Pump Project, was executed in December 2025 and customer outreach is scheduled to begin in 2026. On January 30, 2026, the NYSEG Lansing Non-Pipes Alternatives Implementation Plan was filed, which provides additional detail on the NPA program and the Lansing NPA portfolio, including project scope, implementation timelines, costs, outreach, and reporting.¹⁵

In October 2025, NYSEG and RG&E each released an NPA Request for Proposal (“RFP”), to find alternative solutions to proposed Semi-Permanent Liquefied Natural Gas (“LNG”) Taps in the RG&E Pavilion and NYSEG Goshen territories. Proposals were received in January 2026, final decisions are pending and a petition is expected to be filed in the third quarter of 2026.

Three capital projects have progressed through NPA screening and are anticipated to advance to RFP issuance in 2026 and 2027. Four additional projects have also been screened and remain in the queue for subsequent consideration.

The Companies continue to evaluate the gas distribution system for vulnerable locations and monitor developments associated with identified areas, however, there have been no new vulnerable locations identified since the Final LTP was filed. The Companies also continue to periodically update their hydraulic models and reassess any potential vulnerable locations. The Companies also submit NPA Quarterly Reports. These reports include project costs and expenditures, project activities, anticipated in-service dates, project cost and incentive recoveries, and operational savings and other benefits.¹⁶

¹³ NYSEG RGE LPP Whole Home Electrification Implementation Plan, January 30, 2026, p. 3-23.

¹⁴ NYSEG RGE Technical Conference Summary Report, May 29, 2025, p. 12.

¹⁵ NYSEG Lansing Non-Pipes Alternatives Implementation Plan, January 30, 2026, p. 6-16.

¹⁶ NYSEG-RGE NPA 2025 Q4 Report, February 9, 2026.



3. System Planning Update

3.1. Supply Portfolio Update

Background

In its Planning Proposal, Staff stated that annual updates must “detail the LDC’s plans for implementing all necessary processes, policies, resources, and changes in standards impacting gas operations and supply.”¹⁷

Details of the Companies’ Final LTP gas supply portfolio were presented in Chapter II, Section G and Chapter III, Section B of the Final LTP. As discussed in the Final LTP, the Companies maintain a portfolio of gas supply, transportation, storage, and peaking assets necessary to reliably serve customers, even on the coldest days of the year.

The Companies’ strategy for potential restructuring of their firm capacity portfolio over time is presented in Chapter II, Section G of the Final LTP. The Companies state that “NYSEG and RG&E will begin decreasing their firm capacity portfolio when meaningful reductions in demand have been observed within distinct locations for prolonged periods. Contract restructuring decisions will also have to consider the timing in which relevant existing contracts are set to expire or enter re-negotiation. Contract restructuring for both utilities will depend not only on the location where demand is reduced, but also on the timing of contracts’ renewal dates within that location. To the extent possible, the Companies will adopt the following strategy in restructuring firm contract:

1. Quantify observed reductions in customer demand within one of NYSEG and RG&E’s pooling areas or citygates.
2. Confirm such reductions in demand have occurred for a prolonged period such that demand is not expected to increase, to ensure that capacity is not turned back prematurely so the Companies can continue to provide safe and adequate service.
3. Once prolonged, material reductions occur within an area, review the contracts serving that area to identify options to restructure contracted capacity. This step will depend on contract renewal dates and negotiations with pipelines. If multiple contracts supplying an area are approaching their end of term, the Companies will evaluate each contract based on factors such as flexibility, target reduction volume, access to storage, and price.”¹⁸

This strategy allows the Companies the ability to maintain a safe and reliable source of energy to serve customers, which remains a top priority.

¹⁷ *Planning Proposal, P. II.*

¹⁸ *NYSEG and RG&E Final Gas Long-Term Plan, p 28-29.*



In the Further Actions Order, the Commissions ordered the Companies to file a report on contract restructuring and decontracting. The Companies filed that report on May 22, 2025.¹⁹ In response to a formal request by Staff to clarify additional information not included in the Companies' May 22, 2025, filing, the Companies filed an additional report on capacity release counterparties and revenue from 2020-2025 on October 25, 2025.²⁰

Below, the Companies detail updates to their gas supply since the filing of their Final LTP.

Supply Portfolio Update

The Companies continue to build their supply portfolio as they have in the past, planning for enough supply to meet forecasted design day demand to ensure the supply portfolio can reliably meet customer needs. In its most recent Winter Supply Plan filed on July 15, 2025, the Companies updated their design day forecasting methodology, which is described in response to Data Request 4, to reflect wind adjusted heating degree days ("HDDWs").²¹ The updated methodology has not required a change to the Companies' portfolio assets. This planning enables the Companies to analyze and determine the need for transportation and storage assets to meet system reliability requirements, including certain assets to support retail access load migration.

The Companies plan to follow the methodology stated in the Final LTP and summarized above in their approach to contract restructuring. The Companies have begun to consider decreasing their firm capacity portfolio by making a small reduction to firm transport capacity within one of their major pipeline contracts. Future decontracting decisions will be made when meaningful reductions in demand have been observed within distinct locations for prolonged periods. However, the Companies have not seen meaningful reductions and in fact have seen consistent new load requests across their systems. Due to these observations, the contract restructuring concepts are mostly theoretical for a majority of the Companies' portfolio. The Companies will review supply contracts for expiration dates and cost, among other factors, and will restructure their portfolio using the most cost-effective approach while also considering other important factors. The Companies will monitor the demand/supply balance of its portfolio annually, will continue to execute available capacity release transactions to reduce costs for customers, and will continue to evaluate all portfolio opportunities.

Potential portfolio opportunities that the Companies are evaluating include RNG and hydrogen injections into the gas system. RNG is currently injected into NYSEG's distribution system from seven production facilities. RG&E continues to have no interconnected RNG facilities. As discussed above, the Companies continue to evaluate potential gas supply portfolio opportunities to ensure compliance with all necessary processes and policies, but to date

¹⁹ 23-G-0437, *In the Matter of a Review of the Long-Term Gas System Plan of New York State Electric & Gas and Rochester Gas and Electric Corporation* ("Review of the LTP"), Long-Term Gas Plan Updates (May 22, 2025).

²⁰ 23-G-0437, *Review of the LTP, NYSEG-RGE GAS LTP Capacity Release Counterparties and Revenues 2020-2025* (October 20, 2025).

²¹ 25-M-0183, *Report on the New York State Electric & Gas Supply Readiness for 2025-2026, 2025-2026 Winter Supply Plan*. (July 15, 2025).



there have been no material changes to the Companies' standards related to gas operations or supply.

3.2. Gas Demand Forecast Update

Background

In its Planning Proposal, Staff stated that LDCs should provide an updated gas demand forecast, including any changed circumstances that materially impact gas system planning" in the annual report to the Final LTP.²²

Details associated with the Companies' Final LTP Reference Case demand forecast were presented in Chapter III, Sections A and B, as well as Appendix E, Section I in the Companies' Final LTP. The Companies' Final LTP Reference Case natural gas demand forecast was based on trends in historical customer count and usage and did not reflect the potential impacts of future decarbonization efforts that have not yet been planned or implemented. The Final LTP Reference Case represented the Companies' baseline, business-as-usual expectations over the 20 years.

Customer counts and annual demand were forecasted for four segments (residential, commercial, industrial, and municipal) for NYSEG and RG&E separately and summed to produce totals for each company. The Final LTP Reference Case forecast assumed that any growth in residential and commercial customer counts ends in 2026 and any growth in municipal and industrial customer counts ends in 2029 due to the passage of the New York State All-Electric Building Act in May 2023 regarding the prohibition of fossil fuels in new buildings. Enforcement of the Act is on hold due to ongoing industry litigation, and its implementation remains paused pending an appeals court ruling. This Update maintains the same assumptions used in the Companies' Final LTP Reference Case. The Companies plan to revisit and update these assumptions in their next comprehensive Long-Term Plan filing in 2028.²³

Separate Final LTP Reference Case design day demand forecasts were developed for seven pooling areas for NYSEG and one for RG&E. The design day demand forecast for the first year was based on the relationship between historical daily sendout, daily weather, and assumed design day weather conditions. Forecasted design day demand growth is based on the annual demand forecast.

Below, the Companies present the updated demand forecasts and compare the updated demand forecasts with those filed in the Final LTP.

²² *Planning Proposal*, Pg. 12.

²³ NY S. 562-A/A. 920-A. (2023) All-Electric Buildings Act. *New York State Senate and Assembly*. <https://www.nysenate.gov/legislation/bills/2023/A920/amendment/A>

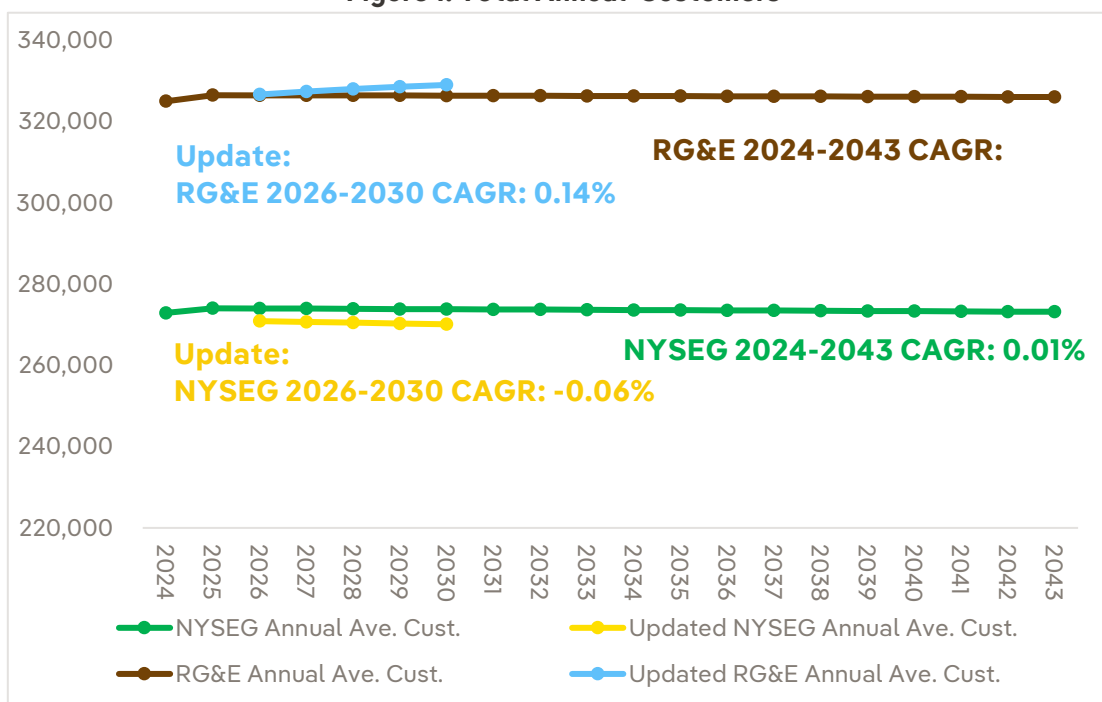


Demand Forecast Update

NYSEG and RG&E update the customer count, annual demand, and design day forecasts annually in preparation for the Companies' annual Winter Supply Plan. These annual updates involve incorporating current information regarding customer counts, usage, weather, and economic data.

The Companies filed their most recent forecast in the 2026 Winter Supply Plan on July 15, 2025.²⁴ The graphs below compare the Final LTP Reference Case customer count, annual demand, and peak design day demand forecasts with the corresponding forecast from the most recent Winter Supply Plan. Figures 1-3 compare total annual customers, total Dth, and design day forecasts from the Final LTP Reference Case design day forecast with the design day forecast from the most recent Winter Supply Plan. The Companies assumed the same design day weather, which differs by pooling area, for the Final LTP, but updated their design day weather in the most recent Winter Supply Plan to reflect wind adjusted heating degree days. As shown in Figures 1-3, the updated annual customer counts, Dth, and design day demand are comparable to the Final LTP Reference Case.

Figure 1: Total Annual Customers



²⁴ 25-M-0183, NYSEG & RG&E 2025-2026 Winter Supply Plan, Report on the New York State Electric and Gas and Rochester Gas and Electric Supply Readiness for 2025-2026 (July 15, 2025).



Figure 2: Total Annual Dth

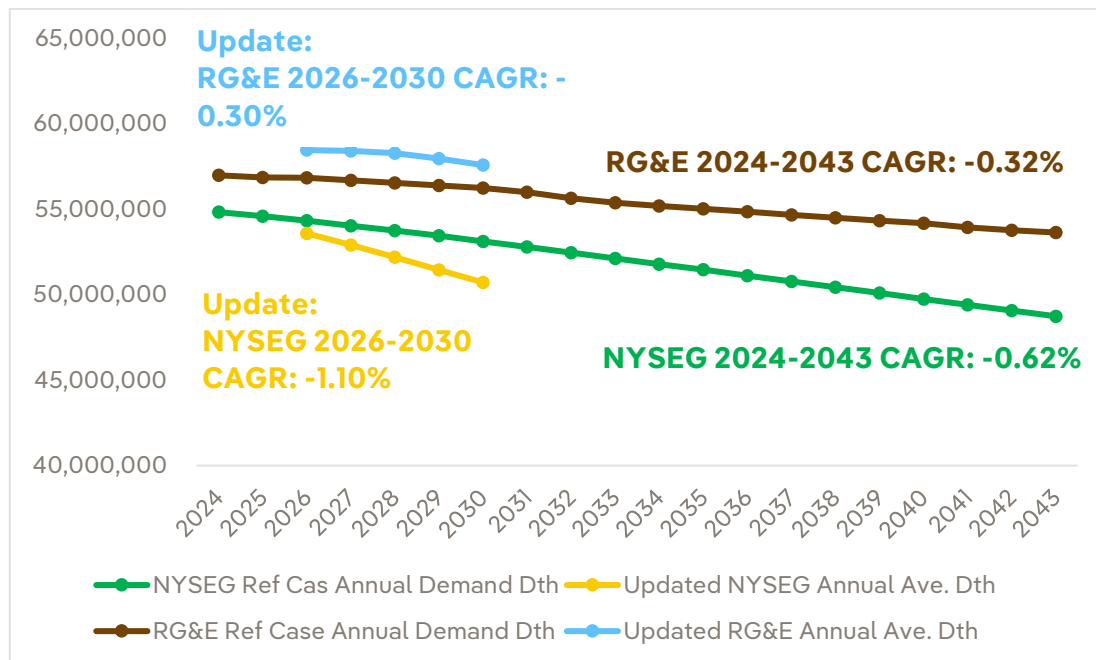
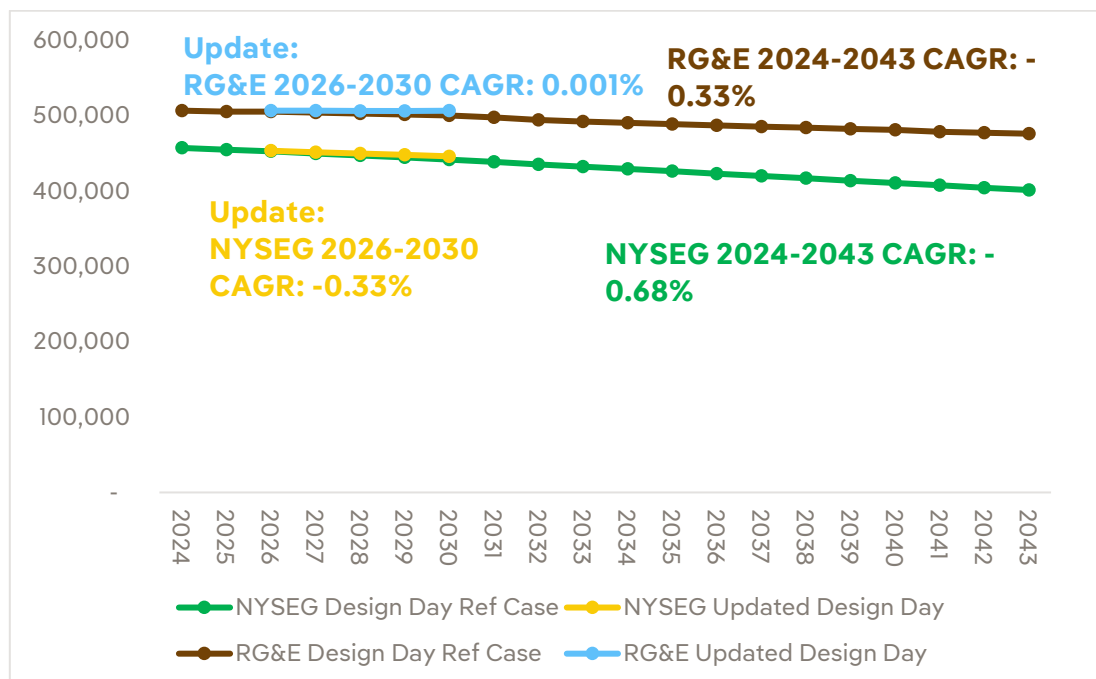


Figure 3: Total Design Day Demand





As discussed above, the Companies' updated demand forecast from the most recent Winter Supply Plan incorporates updated information and is compared with the demand forecast from the Final LTP. There have been no major changes to the demand forecast that would materially impact gas system planning.

3.3. Gas Operations Update

Maximum Allowable Operating Pressure

Background

Commenters on the Companies' Final LTP looked for insight into the Companies' compliance plans associated with a 2020 Pipeline and Hazardous Materials Safety Administration ("PHMSA") rule. PHMSA required all gas transmission pipeline segments without traceable, verifiable, and complete records be reconfirmed by 2035. In their reply comments, the Companies acknowledged the importance of developing a compliance plan, determining which reconfirmation approach is most suitable, technically feasible, and cost effective, and determining costs associated with reconfirmation. The Companies noted they are on track to meet the reconfirmation requirement, but it would be premature to provide detailed compliance plans. The Further Actions Order requires the Companies to include a status update on the reconfirmation of MAOP in all Future Annual Updates and LTPs until all impacted segments are reconfirmed.²⁵

Below, the Companies provide an update on their progress toward compliance.

Status Update on Reconfirmation of Maximum Allowable Operating Pressure

The Companies have compiled the information in Table 2 on pipe segments without MAOP records.

Table 2: MAOP Confirmation

1285 ft	Footage of transmission segments with incomplete test records
642.5 ft	Minimum footage required for 50% cut dead by 07/03/2028
642.5 ft	Additional footage required for 100% cut dead by 07/02/2035
711 ft	Footage cut dead as of 12/10/2025
0 ft (target met)	Remaining footage to cut dead to meet 50% target by 07/03/2028
574 ft	Remaining footage to cut dead to meet 100% target by 07/02/2035

²⁵ Further Actions Order, P. 48



The MAOP reconfirmation regulations outline six methods of remediation: a pressure test, pressure reduction, engineering critical assessment, pipe replacement, pressure reduction for pipeline segments with small potential impact radius, and alternative technology. For MAOP Re-Confirmation, the Companies have identified that pipe replacement is the preferred method and will provide further details in future rate cases.

Vulnerable Locations

The Companies provided a discussion of vulnerable locations and MAOP in Chapter 2, Section H-1 of their Final LTP. The Companies outlined their definition and approach to distribution-related vulnerable locations, which are defined as areas operating at greater than 50% of capacity. These areas have limited ability to serve new customers, and present increased risk around reliability to existing customers. The Companies pursue three approaches to address them: development of NPA solutions, development of traditional pipeline solutions, and monitoring.

The Companies continue to evaluate the gas distribution system for vulnerable locations and monitor developments associated with identified areas. The Final LTP identified four vulnerable locations in NYSEG's territory and two in RG&E's service territory.²⁶ Since the Final LTP was filed, there have been no new vulnerable locations identified. The Companies continue to periodically update their hydraulic models and reassess any vulnerable locations.

Leak Prone Pipe

The Companies have made no changes to their Leak Prone Pipe replacement programs or methodology since the Final LTP. The Companies have been achieving their internal metrics and replacing 24 miles of LPP per year and continue to review every potential LPP replacement for NPA applicability. See Attachment 1 for a report on all LPP projects screened for NPA projects in 2026. One LPP NPA was completed in 2025, in which a single customer located in a DAC was fully electrified, resulting in the retirement of 303 feet of LPP.

²⁶ 20-G-0437, *Review of the LTP, Final Gas Long-Term Plan* (April 24, 2024), Pg. 30.



4. Engagement with Large Commercial and Industrial Customers

4.1. Background

The Companies identified working with industrial customers to better understand how RNG and/or hydrogen could be incorporated into their energy planning as an action item in their Final LTP. The Companies discussed low-carbon fuels including RNG and hydrogen in Chapters 5 and 6 of their Final LTP.²⁷ The Companies identified uncertainties around RNG and hydrogen including the need for evolving regulatory requirements around cost recovery, policies and programs to mitigate upfront costs, and technological advancements to improve viability, scalability, and costs.²⁸ The Further Actions Order required the Companies to “meet with large commercial and industrial customers focusing on renewable natural gas and hydrogen with those customers and to file a report summarizing the result of those discussions...in every Annual Update Until their next long-term plan filing.”²⁹

In response to the Further Actions Order, the Companies conducted a targeted survey of 138 large C&I customers and received 63 responses representing a broad range of industries and locations. The survey results found most respondents had emissions-reductions goals and had business processes using equipment considered hard to electrify such as large boilers and high-temperature processes. Survey respondents also identified an interest in low-carbon fuels with key barriers being cost, supply availability, infrastructure readiness, and uncertainty around performance and scalability. Building on the survey, the Companies hosted a virtual education conference in April 2025 to provide information to large C&I customers on the Gas LTP, RNG, and hydrogen. The full summary of this engagement can be found in the Companies’ first Annual Update filed on May 31, 2025.³⁰

Since filing the first Annual Update on May 31, 2025, the Companies have had limited engagement with C&I customers who expressed interest in RNG and hydrogen. The Companies, however, have maintained ongoing engagement with C&I customers through their EE/BE programs. These activities provide continuing opportunities to discuss energy needs,

²⁷ Final Long-Term Plan, Pg. 65

²⁸ Final Long-Term Plan, Pg. 115.

²⁹ Further Actions Order, Pg. 76-79

³⁰ 20-G-0437, New York State Electric & Gas and Rochester Gas and Electric’s Annual Update Relative to Its Long-Term Plan (May 29, 2025).



electrification pathways, and emerging low-carbon fuel considerations. Section 4.2 provides additional details on these discussions.

Further, the Companies consider the 2025 survey and conference to represent the initial phase of engagement required by the Further Actions Order. Following this initial outreach, the Companies are prioritizing internal coordination to develop more targeted engagement.³¹ Accordingly, the Companies plan to have direct discussions with C&I customers to explore not only RNG and hydrogen, but also other decarbonization pathways including EE/BE prior to the next Annual Update. Section 4.3 provides more details on this planning effort.

4.2. Energy Efficiency and Building Electrification Engagement with Commercial and Industrial Customers

In 2025, the Companies' EE/BE teams engaged with C&I customers through a combination of targeted communications, vendor-led outreach, and contract networks. The Companies conducted targeted outreach via e-mail, webinars, and follow-up efforts based on engagement analytics. Recent efforts have focused on increasing awareness and responsiveness among C&I customers by promoting the Companies' electrification, energy efficiency, and building electrification incentives.

Vendors and contractors play a central role in customer engagement by managing projects from initial outreach through implementation. The Companies' programs relied on an approved contract network. The Companies maintained flexibility in onboarding new contractors if a customer already identified a trusted partner. For more complex offerings, such as energy management and retro-commissioning, the Companies are more hands-on. The Companies conduct site visits, walkthroughs, and technical assessments.

Program design and customer engagement are evolving under the Non-Low-to-Moderate Income Energy Efficiency Building Electrification Portfolios for 2026-2030 Order issued on May 15, 2025.³² ("Non-LMI EE/BE Order"). Beginning in 2026, funding for non-residential and market rate multifamily building electrification were separated from the earlier Clean Heat framework. This shift allows greater focus on C&I customers, including those with hard to electrify equipment and processes. Recently, increased inbound calls and more direct customer contacts have occurred as customers seek support beyond phased out offerings such as traditional lighting. Table 3 below summarizes the offerings to C&I customers.

³¹ See, 23-e-0375, *Post Hearing Brief of Alliance for a Green Economy and People United for Sustainable Housing Buffalo, Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulation of New York State Electric & Gas Corporation for Gas Service (April 2, 2026)*, Pg. 48.

³² Order Authorizing Non-Low- to Moderate Income Energy Efficiency and Building Electrification Portfolios for 2026-2030, May 15, 2025.



Table 3: Offerings to C&I Customers³³

Program Name	Description	Objectives
C&I Rebate Program	Incentives to install process equipment, HVAC, building shell, and HVAC control equipment, as well as replace existing, less efficient equipment.	• Obtain cost-effective energy savings. • Improve C&I bottom line. • Integrate sustainability into business and facility operations
Retrocommissioning	Improve operations and maintenance of existing buildings.	• Develop goals and requirements based on business sustainability goals. • Conduct field inspections to assess performance and identify areas for improvement. • Identify Operations and Maintenance (O&M) related adjustments and interventions
Energy Management Partnership (EMP)* <i>*Electric customers</i>	Deliver energy savings by helping C&I customers adopt a system of organizational practices that integrate energy management into business practices.	• Obtain customer commitment of 12-months. • Facility walkthrough to identify energy-saving opportunities. • Conduct workshops related to EMP practices
Commercial Instant Discount (CID)* <i>Electric customers</i>	Expand reach of C&I programs to customers who do not typically participate in downstream rebate programs or cannot wait for post-installation rebates	• Lighting and appliance discounts distributed to customers at time of purchase through approved distributor network

Portfolio Performance

In 2025, NYSEG's C&I gas portfolio underperformed against planned targets due to project timing rather than a lack of demand. RG&E's C&I gas portfolio significantly outperformed its

³³ 18-M-0084, NYSEG and RG&E System Energy Efficiency Plan: 2025 SEEP Report, In the Matter of a Comprehensive Energy Efficiency Initiative (March 30, 2026).



2025 targets. Tables 4 and 5 summarize the total spend, MMBtu of gross gas savings, and program highlights for NYSEG and RG&E's C&I gas portfolio performance.³⁴

Table 4: NYSEG C&I Portfolio Performance³⁵

Planned spend	Actual spend	MMBtu Planned Savings	MMBtu actual savings
\$793,030	\$418,828	27,758	12,318

Table 5: RG&E C&I Portfolio Performance

Planned spend	Actual spend	MMBtu Planned Savings	MMBtu actual savings
\$479,573	\$1,215,295	21,374	49,926

The C&I portfolio performance in 2025 reflects strong customer uptake of gas measures and a deliberate shift toward strategic gas measures in alignment with the Commission's direction. The Companies also emphasized extensive trade-ally outreach and transition planning to prepare customers and contractors for the new strategic measures framework.

4.3. Commercial and Industrial Customer Engagement Plans for 2026

In 2026, the Companies are continuing to pursue engagement with large C&I customers through more direct and collaborative interactions. The Companies are drawing from the 2025 survey to identify large C&I customers with decarbonization goals and an interest in learning more about electrification options. By the end of the year 2026, the Companies will engage in one-on-one and small-group meetings to better understand the granular energy needs and operational constraints of the customers identified. The Companies will collaborate across internal groups to design meetings to gain an understanding of customer operations, energy needs, facility constraints, and greenhouse gas emissions-reduction goals. Overall, these discussions will be used to inform how efficiency, electrification, and low-carbon fuels can be developed as potential pathways to decarbonization for large C&I customers.

The Companies will also focus on deepening its market understanding of renewable natural gas. Engagement efforts will include targeted internal education on how RNG can be used in hard-to-electrify applications. This will also include developing a clearer understanding about the characteristics, limitations, and potential role of RNG in the Companies' service territories. In parallel, the Companies will continue to assess local RNG market conditions. Collectively, these efforts are intended to strengthen the relationships with large C&I customers to ensure

³⁴ 18-M-0084, *NYSEG and RG&E System Energy Efficiency Plan: 2025 SEEP Report*, In the Matter of a Comprehensive Energy Efficiency Initiative (March 30, 2026).

³⁵ For Tables 4 and 5 see, 18-M-0084, *NYSEG and RG&E System Energy Efficiency Plan: 2025 SEEP Report*, In the Matter of a Comprehensive Energy Efficiency Initiative (March 30, 2026).



that future gas system planning reflects real-world operational needs and decarbonization opportunities.

5. Implementation of Energy Efficiency

In the Non-LMI EE/BE Order, the Commission identified the need to shift energy efficiency programs and incentives toward weatherization and electrification. The Companies filed their Updated Implementation Plan for Non-Low-to Moderate Income EE/BE 2026-2030 on February 27, 2026.³⁶ The Companies worked closely with Staff to refine their portfolio and add additional details on budget, savings estimates, and program design. The EE/BE Implementation Plan is structured around three focus areas: Weatherization, Building Electrification, and Other Energy Efficiency. Table 6 summarizes funding totals for NYSEG and RG&E across the three focus areas.

Table 7: Funding Totals³⁷

Category	NYSEG Electric	NYSEG Gas	RG&E Electric	RG&E Gas
Weatherization	\$74.35M	\$10.66M	\$31.19M	\$12.69M
Building Electrification	\$133.83M	N/A	\$53.92M	N/A
Other EE	\$59.48M	\$8.74M	\$22.73M	\$9.22M
Total	\$267.65M	\$19.40M	\$107.84M	\$21.90M

5.1. Regional Weatherization

Regional weatherization is a major component of the Companies' EE/BE Implementation Plan. No less than 25 percent of electric funds and 50 percent of gas funds are allocated to these initiatives. The statewide Regional Weatherization Program is being developed jointly by all New York utilities and will be the primary weatherization program beginning in 2027. Until the

³⁶ 24-M-0248, *New York State Electric & Gas and Rochester Gas and Electric's Updated Implementation Plan: Non-Low-To Moderate Income EE/BE, 2026 through 2030*, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios (February 27, 2026).

³⁷ 24-M-0248, *Updated Implementation Plan, Non-Low-to Moderate Income EE/BE Through 2030*, In the Matter of the 2026-2030 Non-Low-to-Moderate Income Energy Efficiency and Building Electrification Portfolios (February 27, 2026).



launch of that program, the Companies are continuing their existing weatherization program. The Companies recognize that future updates to this plan may not align entirely with the regional filing but commit to adjusting this plan when those inconsistencies occur.

The interim operation of the Home Insulation and Air Sealing Program (“HIASP”) focuses on preparing homes for electrification by offering rebates for insulation and air sealing. The program leverages an aggregator model to grow contract participation, simplify administration, and increase program participation. All HIASP measures are strategic weatherization measures. The program will help identify effective outreach practices, including targeted contract engagement, DAC-focused strategies, and enhanced QA/QC procedures. The Companies’ existing weatherization program will be phased out throughout 2027 to ensure a transition to the Upstate Regional Weatherization Program.

The Upstate New York Regional Residential Weatherization Implementation Plan, filed jointly with other NY utilities on March 4, 2026, outlines the jointly administered offerings to small residential customers in the Companies’ service territories.³⁸ Table 7 presents the budget and total MMBtu savings expected through the regional weatherization program for NYSEG and RG&E gas,

Table 7: Regional Weatherization Budgets and Energy Savings, 2027-2030³⁹

OPCO	Budget	LMMBtu-e savings
NYSEG	\$9,746,991	679,365
RG&E	\$11,510,671	802,294
Total	\$21,257,662	1,481,659

The customer’s journey through the new offers will begin with outreach from trusted contractors who will contact interested customers to gather basic information and determine eligibility. Once enrolled, the contractor will conduct an energy assessment to evaluate building insulation, performance, and envelopes. The customer will be presented with the scope and total cost to select their preferred offerings. After installation, incentives will be disbursed to customers.

5.2. Building Electrification

The Companies are reorienting their building electrification efforts to reflect the new statewide New York State Clean Heat Program, which will shift to a focus on market rate 1–4-unit residential customers only in 2026.⁴⁰ Funding for the program is capped at 50 percent of total

³⁸ 24-M-0248, Upstate New York Regional Residential Weatherization Program Implementation Plan, Version 4, Jointly Filed, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios.(March 4, 2026).

³⁹ See 25-M-0248, Upstate New York Regional Residential Weatherization Program Implementation Plan, Version 4, In the Matter of the 2026-2030 Non-Low-to-Moderate-Income Energy Efficiency and Building Electrification Portfolios (March 4, 2026).

⁴⁰ 24-M-0248, New York State Clean Heat: Heat Pump Program Manual, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios (March 5, 2026).



electric funding. As a result of the shift in the Clean Heat Program to 1–4-unit residential buildings, the Companies created new utility-specific building electrification offerings for commercial, industrial, and multifamily customers. Coordination with NYSERDA and joint-utility partners is central to program alignment, particularly shared technical knowledge, contractor training, and ensuring continuity with existing Clean Heat participating contractor networks. The weatherization measures described above are not required for participation in the Clean Heat Program. The 2025 Non-LMI EE/BE Order, however, directed the utilities to offer a differentiated incentive tier for buildings that meet a minimum weatherization standard. That tier will be introduced in September 2026.

Incentives in the program are limited to 70 percent of project costs. Projects in DACs are eligible for incentives up to 85 percent of the project costs. Incentives are provided as either an instant discount prior to installation through a participating contractor, or a post-installation check mailed to the customer through the Companies' implementation contractor. Eligible buildings are residential 1–4-unit dwellings. The participating resident must be the owner of the unit or be in control of the unit through a rental agreement. NYSEG and RG&E offer incentives for several categories of space heating and cooling including full residential heating load cold climate air source heat pumps ("ccASHP"), full residential heating ccASHP with integrated controls, and full residential heating ground source heat pumps. The Companies also offer water heating options.

Larger customers, such as multifamily and commercial buildings, will receive incentives for heat pumps and building electrification through targeted programs in the Companies' portfolios, particularly the Non-Residential and Market Rate Multifamily Building Electrification Program. There are three pathways within the new offerings: C&I, Small Business, and Market Rate Multifamily. The programs for C&I customers are discussed in more detail in Section 4 of this filing. Each pathway uses tailored incentives and leverages or optimizes contractor networks and other strategic energy efficiency programs to generate referrals, bundle offerings, and streamline customer engagement. The technology includes air-source and ground-source heat pumps, heat-pump water heaters, and heat/energy recovery systems. The EE/BE Implementation Plan also outlines the Companies' DAC strategies, QA/QC processes, and a transition plan for existing Clean-Heat custom-project pipelines.

5.3. Other Energy Efficiency

Other strategic energy efficiency offerings cover C&I rebates, small business offerings, retro commissioning ("RCx"), strategic energy management ("EMP"), commercial instant discounts ("CID"), and market-rate multifamily programs. These programs provide non-weatherization, non-Clean-Heat strategies for expanding electrification and energy savings. Measures include HVAC controls, refrigeration optimization, motor and driver efficiency, energy recovery systems, and system-level upgrades. These measures support electrification readiness as well as reduce fossil fuel use and improve overall building efficiency by optimizing existing systems and reducing overall energy demand before electrification is complete. Measures like HVAC



controls and RCx improve system performance and load flexibility, which makes buildings better suited for heat pumps and other equipment.

Commercial and Industrial Energy Efficiency measures, such as motor and drive efficiency, energy recovery, and system-level upgrades, reduce peak loads and operating costs, which can offset future load growth. Together, these strategies lower barriers to electrification while also delivering immediate energy savings. The proportion of strategic measures offered is nearly 100 percent, reflecting the portfolio's shift away from measures the Commission determined to be non-strategic such as lighting.

These programs also address systemic challenges in market transformation including split incentives in multifamily housing, limited contractor capacity, low awareness of emerging technologies, and geographic gaps in contract availability. Small businesses and C&I customers increasingly favor bundled incentives to support retrofits and complementary measures. RCx and EMP support operational and behavioral savings, which help customers shift toward whole-building planning and long-term electrification strategies. The CID program uses distributor channels to accelerate adoption of strategic measures while controlling incentive duplication.

6. Quantification of Benefits to Disadvantage Communities

6.1. Background

In compliance with 2019 Climate Leadership and Community Protection Act ("CLCPA") and the Commission's Planning Order, the Companies have committed to assessing how programs and policies impact DACs. The Companies integrated considerations around DACs throughout their Final LTP. Chapter 2 provided an overview of DACs and LMI customers in the Companies' service territories. The Companies acknowledged that metrics are central to accountability, but noted challenges associated with the quantification of benefits, particularly because Staff, DPS, and the Joint Utilities continue to collaborate on identifying the relevant data and metrics to report on DACs.

The Further Actions Order directed the Companies to report on the on-going efforts in the CLCPA and EE/BE dockets to determine how benefits to DACs will be quantified in their Annual Updates to the Final LTP. The Further Action Order also required that the Annual



Updates identify programs and investments that benefit DACs including an explanation of how those programs and investments are beneficial to DACs.⁴¹

The Companies currently provide several data-driven reports to track goals against achievements around DACs. The Companies submit quarterly progress reports toward meeting DACs targets in their Clean Energy Dashboards. The Companies also provide annual performance reporting in the System Energy Efficiency Plan. The Companies filed their most recent updates on April 9, 2026.⁴²

6.2. EE/BE Implementation Plan 2026-2030

DACs are a priority across all program areas in the Companies' EE/BE Implementation Plan. All New York utilities are required to expand participation, improve access, and tailor offerings to communities that have historically faced higher energy burdens or barriers to accessing clean-energy programs. Throughout the EE/BE Implementation Plan, the Companies emphasize DAC-focused outreach strategies such as geotargeting buildings or businesses in DAC census tracts, coordinating with NYSERDA's Clean Energy Hubs, and partnering with local organizations. These strategies will allow the Companies to ensure equitable access to weatherization, electrification, and energy efficiency programs. Many programs offer enhanced incentives for DACs, additional engineering support, and proactive identification of eligible customers. The C&I and Small Business initiatives, for example, propose bonuses for DAC-located Houses of Worship, restaurants, and small businesses. The Multifamily and Building Electrification initiatives use DAC mapping to prioritize outreach, identify project sites, and offer tailored rebates.

The EE/BE Implementation Plan also acknowledges that many DAC households overlap with low-to-moderate income populations and may, therefore, be better served by NYSERDA's LMI programs. To avoid inefficiencies, the Companies note that some DAC customers may be referred to LMI pathways such as Empower+. At the same time, the Companies commit to refining DAC strategies. Across programs, DAC considerations also shape contractor recruitment, community outreach events, and ongoing customer referrals through Clean Energy Hubs. Overall, the EE/BE Implementation Plan underscores that advancing DAC participation is an explicit goal for the Companies and has been integrated at all levels from program design and incentive structures to outreach and cross-agency coordination.

Most recently, the Companies filed their annual data concerning DACs on April 9, 2026.⁴³ This information is filed quarterly to ensure consistency and to incorporate updates to 2025

⁴¹ Further Actions Order, P. 76

⁴² 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, 2026-04-08 NYSEG-RGE Disadvantaged Community – Workpaper (18-M-0084, 23-02017) (April 9, 2026).

⁴³ 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, 2026-04-08 NYSEG-RGE Disadvantaged Community – Workpaper (18-M-0084, 23-02017) (April 9, 2026).



activity. Tables 8, 9, and 10 summarize the incentives paid in 2025 to DACs as a percentage of total spend, MMBTU savings and Clean Heat MMBTU savings.

Table 8: Incentives to DACs as a Percentage of Total Spend⁴⁴

OPCO	Total Incentives	Total Incentives (DACs)	Percentage Spend to DACs
NYSEG Gas	\$4,537,309	\$1,649,220	36%
RG&E Gas	\$4,138,250	\$2,259,585	55%
Total	\$8,675,559	\$3,908,805	45%

Table 9: MMBTU Savings to DACs as a Percent of Total MMBTU Savings

OPCO	Total Savings (MMBTU)	Savings to DACs (MMBTU)	Percent Savings to DACs
NYSEG Gas	1,237,532	259,541	21%
RG&E Gas	586,963	242,955	41%
Total	1,824,495	502,496	28%

Table 10: Clean Heat MMBTU Savings to DACs as a Percent of Total MMBTU Savings

OPCO	Total Savings (MMBTU)	Savings to DACs (MMBTU)	Percent Savings to DACs
NYSEG Gas	152,622	23,292	15%
RG&E Gas	43,956	19,683	45%
Total	196,578	42,975	22%

7. Conclusion

This Annual Update demonstrates the Companies' continued progress in implementing the actions outlined in their Final LTP while also responding to evolving policy directives, market conditions, and customer needs. Looking ahead, the Companies remain committed to iterative planning and reporting as these factors continue to evolve. The Companies anticipate on-going collaboration with Staff and other New York stakeholders to advance emissions reductions while providing a safe, affordable, and reliable energy future for all customers.

⁴⁴ For tables see, 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative, 2026-04-08 NYSEG-RGE Disadvantaged Community – Workpaper (18-M-0084, 23-02017) (April 9, 2026).*



Key milestones achieved over the past year include the continued advancement of UTENs, the development of the 2026-2030 Energy Efficiency and Building Electrification Implementation Plan, and the filing and refinement of the Company's residential demand response proposal. The Companies also progressed NPAs and LPP replacement, while maintaining consistent progress on MAOP reconfirmation. Expanded engagement with C&I customers, and the continued monitoring of RNG and hydrogen opportunities, have also strengthened the Companies' understanding of customer needs and emerging decarbonization pathways.

In addition, the Companies have continued to advance the foundational capabilities necessary to support long-term gas system planning. This includes strengthening internal planning processes, enhancing cross-functional coordination, and improving data collection and analytics to better inform decision-making. These efforts position the Companies to effectively evaluate and respond to an evolving energy landscape.

Collectively, the actions described in this Annual Update reflect the Companies' comprehensive, agile strategy that works to align policy objectives, customer needs, operational safety, and reliability as the Companies support the State's emissions reductions goals.