

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 22-M-0429 - Proceeding on Motion of the Commission to
Implement the Requirements of the Utility
Thermal Energy Network and Jobs Act.

NOTICE SOLICITING COMMENTS REGARDING FINAL UTEN PILOT PROJECT
ENGINEERING DESIGN AND CUSTOMER PROTECTION PLANS

(Issued December 24, 2025)

PLEASE TAKE NOTICE that interested stakeholders are invited to submit comments by **March 9, 2026**, on the following Final Utility Thermal Energy Network (UTEN) Pilot Project Engineering Design and Customer Protection Plans (Stage 2 Filings):

- The Engineering Design for the Ithaca Pilot Project, filed by New York State Electric & Gas Corporation (NYSEG) on November 7, 2025.¹
- The Troy Pilot Project, filed by Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) on December 18, 2025.

In its Order Providing Guidance on Development of Utility Thermal Energy Network Pilot Projects (Guidance Order),² the Public Service Commission (Commission) adopted a process that requires each pilot project to advance through five distinct stages, proceeding from one stage to the next only after Department of Public Service (Department) staff or the Commission, as appropriate, is satisfied that the utility has

¹ Comments were sought on NYSEG's Customer Protection Plan for the Ithaca Pilot Project, submitted by NYSEG on July 9, 2025. See Case 22-M-0429, Notice Soliciting Comments Regarding Final UTEN Pilot Project Engineering Design and Customer Protection Plans (issued September 5, 2025).

² Case 22-M-0429, Order Providing Guidance on Development of Utility Thermal Energy Networks (issued September 14, 2023).

complied with the requirements for each stage, as detailed in the Guidance Order. The Commission required that the utilities' Stage 2 Filings include decision-quality information for the Commission to assess the merits of the pilot project(s) and the Guidance Order states that the Commission will review the Stage 2 Filings and determine whether it is in the public interest to authorize the Utilities' proposed pilot projects to proceed to Stage 3.

Comments provided in response to this Notice should reference "Case 22-M-0429" and be organized in the manner outlined in Attachment 1 to this Notice.³ Comments should be submitted electronically by going to www.dps.ny.gov, clicking on "File Search" (located under the heading "Commission Files"), entering "22-M-0429" in the "Search by Case Number" field, and then clicking on the "Post Comments" box located at the top of the page. Those unable to file electronically may mail their comments to the Hon. Michelle L. Phillips, Secretary, New York State Public Service Commission, Three Empire Plaza, Albany, New York 12223-1350; however, electronic filing of comments is strongly encouraged.

All comments submitted in accordance with this Notice will be posted on the Department's website. However, comments received after the March 9, 2026 deadline may not be considered by the Commission.

Questions should be directed to Laurie Kokkinides at Laurie.Kokkinides@dps.ny.gov or by telephone at (518)486-1610.

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

³ Attachments 1 and 2 to this Notice were prepared by Department staff. Attachment 2 list the criteria the Commission will use to determine whether it is in the public interest to allow a pilot project to proceed to the next stage.

Specific Questions and Organization of Comments
on UTEN Stage 2 Filings

Interested stakeholders should organize their comments by the topical areas listed below. Stakeholders may comment on all or a subset of the identified topical areas or questions. Stakeholders are not limited to solely responding to the questions listed below. Stakeholders are encouraged to provide comments on the pilot projects collectively, individually, and in relation to each other.

- I. Pilot Design
 - a. To what extent does the Filing demonstrate a technically feasible design for the provision of thermal energy in compliance with the Utility Thermal Energy Network and Jobs Act (UTENJA)?
 - b. To what extent does the Filing demonstrate a credible business model for the operation of the UTEN?

- II. Customer Protection Plan, including Customer Engagement and the Customer Agreement
 - a. How effective is the Customer Protection Plan in outlining the rights and responsibilities of the participant and the utility, during and after the five-year pilot term?
 - b. Describe which aspects of the Customer Protection Plan, if any, represent a 'best practice' and should be replicated.
 - c. How effectively does the Customer Protection Plan describe the strategy the utility has used or will use to educate and engage with participants to discuss the pilot project details? Include in your assessment whether the Customer Protection Plan articulates a plan to keep participants sufficiently informed as the pilot project progresses toward and through construction and into operation.

III. Rate Structure¹

- a. Provide an assessment of the utility's proposed rate structure during the five-year pilot period and the proposed rate structure for the post-pilot period.
- b. What are the relative strengths and weaknesses of the proposed rate structures?
- c. Are there alternative rate structures that should be considered? What modification(s), if any, would you suggest?

IV. Cost Recovery Approach²

- a. Provide an assessment of the utility's proposed cost recovery approach for the costs associated with the pilot project.
- b. Is one proposed approach for cost recovery preferable to other proposed approaches? If so, explain why this approach is preferable.
- c. Are there alternative cost recovery approaches that should be considered?

V. Data Collection, Performance Metrics & Reporting

- a. To what extent does the Filing sufficiently address the necessary data collection, performance metrics, and reporting approach to ensure transparency and facilitate learning from the pilot project?
- b. To what extent does the approach for data collection, performance metrics, and reporting balance the level of information being collected with the administrative or system related costs associated with requiring the various metrics?

VI. Equitable Electrification

- a. To what extent does the Filing sufficiently address and explain the Life Cycle Cost Analysis results in

¹ Rate structure in this context refers to the Company's proposed approach for charging customers connected to the UTEN for the provision of thermal energy.

² This refers to costs recovered outside of proposed rates charged to UTEN Customers, which are discussed above in Section III - Rate Structure.

terms of the UTEN's potential to provide a viable alternative to individual building electrification?

- b. Identify any additional information the Commission should consider in its assessment of whether the pilot projects facilitate a more equitable and affordable form of electrification versus individual electrification.

VII. Labor and Workforce Development

- a. Provide an assessment of the Filing's approach to labor agreements and workforce development as it relates to UTENJA.

VIII. Pilot Project Impacts

- a. Relative to the other proposed pilot projects, to what extent does the project offer:
 - i. Unique learning opportunities;
 - ii. Diversity of technical system design and configurations, business models, and pricing structures;
 - iii. Transferability and Scalability, meaning whether the results and insights gained from the pilot project can be scaled up or adapted to other scenarios. This includes assessing not only if it is possible, but also how easily it can be done; and
 - iv. Greenhouse gas emission reductions?

IX. Pilot Project Risks and Uncertainties

- a. How significant are the identified risks and uncertainties of the project?
- b. To what extent does the Filing articulate a reasonable plan to mitigate and manage the identified risks?

X. Additional comments on the Stage 2 Filings

Provide other comments not covered in the sections above regarding the pilot projects collectively, individually, or in relation to each other.

ATTACHMENT 2

The Commission will consider, without limitation, the following factors identified in PSL §66-t(2): (1) whether the project will "develop information useful for the commission's promulgation of regulations governing thermal energy networks"; (2) whether the project "furthers the climate justice and/or emissions reduction mandates of the CLCPA"; (3) whether the project "advances financial and technical approaches to equitable and affordable building electrification"; and (4) whether the project "creates benefits to customers and society at large, including but not limited to public health benefits in areas with disproportionate environmental or public health burdens, job retention/creation, reliability, and increased affordability of renewable thermal energy."

Additionally, the Guidance Order identified criteria the Commission will assess in determining whether it is in the public interest to authorize a pilot project to proceed to Stage 3. Specifically, the Commission will assess whether the pilot projects will:

- 1) test diverse UTEN technical system designs and configurations;
- 2) test diverse business models;
- 3) test diverse pricing structures;
- 4) provide unique lessons and knowledge;
- 5) balance the financial impacts to ratepayers for early pilot projects with the expected learnings that will result from them.