STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

CASE 25-M-0149 – In the Matter of Implementation of the All-Electric Buildings Act.

DEPARTMENT OF PUBLIC SERVICE STAFF WHITE PAPER TO IMPLEMENT THE ALL-ELECTRIC BUILDINGS ACT (PART RR OF CHAPTER 56 THE LAWS OF 2023)

Dated: February 27, 2025

I. INTRODUCTION

A. The All-Electric Buildings Act (Part RR of Chapter 56 of the Laws of 2023)

On, May 3, 2023, in connection with the Fiscal Year 2023-2024 budget process, New York State enacted the All-Electric Buildings Act (Part RR of Chapter 56 of the Laws of 2023), which amended the Energy Law directing extensive changes to the State Uniform Fire Prevention and Building Code (Building Code) and State Energy Conservation Construction Code (Energy Code) prohibiting the installation of fossil-fuel equipment and building systems in certain newly constructed structures, subject to some exemptions. These provisions apply to new buildings seven stories or less, with the exception of commercial or industrial buildings in excess of one hundred thousand square feet in conditioned floor area, effective December 31, 2025; and will apply to all new buildings effective December 31, 2028.[1] Thus, after December 31, 2028, all new buildings, not subject to exceptions, will be subject to these restrictions.

Subdivision 7 of Section 11-104 of the revised Energy Code specifies that the Energy Code is to contain several exemptions, including Subdivision 7(e) related to action to be taken by the Public Service Commission ("Commission"), which provides:

> for exemption of a new building construction project that requires an application for new or expanded electric service, pursuant to subdivision one of section thirty-one of the public service law and/or section twelve of the transportation corporations law, when electric service *cannot be reasonably provided by the grid* as operated by the local electric corporation or municipality pursuant to subdivision one of section sixty-five of the public service law; provided, however, that *the public service commission shall determine reasonableness for purposes of this exemption* (emphasis added).[2]

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[1] The prohibition shall not apply to any building for which a site plan, tentative map, or vision plat has been approved by the local planning board, or for which a building permit has been issued, prior to such dates.

[2] Part RR also contains exemptions for: repairs, alterations, additions, relocations, or changes to existing buildings; the installation of and continued use and maintenance of existing fossil-fuel equipment and building systems (including cooking equipment). Part RR would continue to allow for new fossil fuel connections for: emergency back-up power and standby power systems; manufactured homes; manufacturing facilities; commercial food establishments; laboratories; car washes; laundromats; hospitals and other medical facilities; critical infrastructure such as emergency management facilities, wastewater treatment facilities, and water treatment and pumping facilities; agricultural buildings; fuel cell systems; and crematoria.

If a project meets the requirements for this exemption, it will be allowed to have fossil fuel equipment and building systems such as a space/water heating equipment, refrigeration systems, or cooking appliances consistent with the code. While in many cases this may involve a connection to a natural gas main, provided by one of the State's Commission-regulated natural gas utilities, this may also include the use of delivered fuels over which the Commission exercises no jurisdiction, such as propane, kerosene, or fuel oil, as permitted by the Building Code or Energy Code, as applied in a municipality.

Per the requirements of the All-Electric Buildings Act, the New York State Code Council is in the process of developing comprehensive changes to the Building and Energy Code. The Code Council is a 17-member administrative body with responsibility for maintaining and updating the Energy Code and Building Code.[3] As part of the code adoption process, the Codes & Standards Act of 2022 required that the New York State Energy Research and Development Authority (NYSERDA) promulgate a rule to establish a life cycle cost methodology for changes to the Energy Code and identify societal costs associated with Energy Code updates. The Code Council is required to consider both the life cycle cost methodology and the societal costs when updating the Energy Code. In connection with implementing All-Electric Buildings Act, the Code Council has considered the cost-effectiveness study associated with various code updates and published a Notice of Rule in Development in August 2024, along with other necessary changes to the Energy Code and Building Code. As applied by the Code Council, the All-Electric Buildings Act will apply to applications for building permits that are substantially complete as of December 31, 2025.

The purpose of this White Paper is to propose for public comment, and subsequent Commission consideration, a specific standard to be applied by the State's investor-owned and municipal electric utilities (the Utilities) in determining whether new or expanded electric service can be reasonably provided by the electric system to a fully electrified building subject to the requirements of the Energy Code. If, after application

[3] The Code Council is composed of a mix of heads of government departments, elected officials appointed from cities of various sizes, and individuals representing areas of expertise such as fire service officials, registered architects, engineers, code enforcement, builders, trade unions, and persons with disabilities.

of the standard, the relevant Utility determines that electric service cannot be reasonably supplied then the exemption would apply.

B. Commission's Role in Supporting Energy Efficiency and Building Electrification

The buildings sector is the largest source of greenhouse gases in New York State.[4] Accordingly, one of the primary purposes of the Climate Leadership and Community Protection Act (CLCPA) was, through the Scoping Plan process, to identify and provide recommendations regarding "[m]easures to achieve reductions in energy use in existing residential or commercial buildings, including the beneficial electrification of water and space heating in buildings, establishing appliance efficiency standards, strengthening building energy codes, requiring annual building energy benchmarking, disclosing energy efficiency in home sales, and expanding the ability of state facilities to utilize performance contracting."[5] The Scoping Plan identified that "energy efficiency and managed electrification in buildings will be critical to meet New York State's GHG emissions limits under the" CLCPA.[6] The Scoping Plan envisioned that in order to support the level of adoption of non-fossil fueled systems necessary to achieve the goals of the CLCPA, State codes would have to be updated to, among other things, "require new construction to be highly efficient, zero-emission, and resilient to the effects of climate change."[7] The Scoping Plan specifically identified the importance of adopting these code changes in the context of new construction in order to eliminate the installation of fossil-fuel equipment in new construction.[8]

Prior to enactment of the CLCPA, the Commission had undertaken significant actions to encourage energy efficiency and building electrification.[9] To that end, the Commission has adopted a number of policies aimed at supporting energy efficiency and building electrification.

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4 The building sector represents 31% of New York's total greenhouse gas (GHG) emissions, exceeding the transportation sector (representing 26% of total GHG emissions) and the electricity sector (representing 16% of total GHG emissions). 2023 Statewide GHG Emissions Report, DEC (https://dec.ny.gov/sites/default/files/2023-12/summaryreportnysghgemissionsreport2023.pdf).

5 Environmental Conservation Law (ECL) § 75-0103(13)(g).

6 Scoping Plan, p. 176 (https://climate.ny.gov/resources/scoping-plan/).

7 Id., pp. 180, 184.

8 Id., pp. 186-187.

9 The Commission has supported statewide energy efficiency programs since the inception of the System Benefits Charge in 1998.

The Commission, through programs administered by the State's investor-owned utilities, the Long Island Power Authority, and NYSERDA, has directed the use of ratepayer funds to support the adoption of new and efficient GHG-reducing equipment and promote education of New Yorkers about the steps that they can take to reduce GHG emissions.[10] One example of these programs is the NY State Clean Heat Program, launched in 2020, providing incentives for the installation of heat pumps to support the transition from legacy fossil-fuel heating systems to heat pump technologies to provide the building's heating and cooling needs.

In addition to supporting consumer adoption of energy efficiency and building electrification, the Commission has issued guidance on the development of and initial rules for Utility Thermal Energy Network Pilot Projects in compliance with the Utility Thermal Energy Network and Jobs Act.[11] To encourage efforts to adopt efficient electrical appliances by consumers and new technologies, the Commission also has initiated proceedings to address the infrastructure needs necessary to support the electrification of passenger and fleet vehicles[12] and the need for the State's major investor-owned utilities to develop proactive plans for evaluating and allocating the costs of infrastructure projects needed to address growing demand for energy in light of electric vehicle (EV) adoption and building electrification (the Proactive Planning Proceeding).[13]

The Commission's role implementing the All-Electric Buildings Act is yet another way that it will further the State's goal of building electrification. As noted, the All-Electric Buildings Act employs a graduated prohibition on fossil fuel equipment in new buildings that

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[10] See Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative, Ordering Adopting Accelerated Energy Efficiency Target (issued December 13, 2018); Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, Order Authorizing the Clean Energy Fund Framework (issued January 21, 2016).

[11] Case 22-M-0429, Proceeding on Motion of the Commission to Implement the Requirements of the Utility Thermal Energy Networks and Jobs Act, Order Providing Guidance on Development of Utility Thermal Energy Network Pilot Projects (issued September 14, 2023); and Order Adopting Initial Utility Thermal Energy Network Rules (issued July 18, 2024).

[12] Case 18-E-0138, Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure, Order Instituting Proceeding (issued April 24, 2018); Case 23-E-0070, Medium- and Heavy- Duty Electric Vehicle Charging Infrastructure, Order Instituting Proceeding and Soliciting Comments (issued April 20, 2023).

[13] Case 24-E-0364, In the Matter of Proactive Planning for Upgraded Grid Infrastructure, Order Establishing Proactive Planning Proceeding (issued August 15, 2024).

becomes applicable after December 31, 2025, to non-commercial and non-industrial buildings with fewer than seven stories and industrial buildings with more than 100,000 square feet of conditioned floor area.[14] As relevant here, Subdivision 7(e) provides a limited exemption to the prohibition on gas connections that aligns with the Commission's existing statutory mission of ensuring safe and reliable electric service at just and reasonable rates. The judicious application of Subdivision 7(e) to new construction will allow for the identification of areas that require upgrades to existing energy infrastructure and to determine how those upgrades must be constructed.

C. Applications for Electric Service

The Public Service Law (PSL) and the Transportation Corporation Law (TCL) contain provisions requiring electric corporations to provide service to applicants within their service territories. Specifically, for residential applications for service, PSL §31.4 specifies:

> [i]n the case of any application for service to a building which is not supplied with electricity or gas, a utility corporation or municipality shall be obligated to provide service to such a building, provided however, that the commission may require applicants for service to buildings located in excess of one hundred feet from gas or electric transmission lines to pay or agree in writing to pay material and installation costs relating to the applicant's proportion of the pipe, conduit, duct or wire, or other facilities to be installed.

Similarly, TCL §12 applies to applications for service by any building within 100 feet of electric lines and specifies:

> upon written application of the owner or occupant of any building within one hundred feet of any main of a gas corporation or gas and electric corporation, or a line of an electric corporation or gas and electric corporation, appropriate to the service requested, and payment by him of all money due from him to the corporation, it shall supply gas or electricity as may be required for lighting such building…

The Department of Public Service regulations contain provisions implementing the PSL and TCL. Electric utilities are required to render the service requested in accordance with the provisions of 16 NYCRR Parts 98, 99, and 100. As relevant here, Part 98.2 specifies the obligations of electric corporations to provide service and for applicants to obtain such service. Parts 98, 99, and 100 are effectuated through electric utility tariffs. For residential applications, in areas where overhead service is permitted, electric utilities are required to provide electric

[14] Energy Law Section 11-104(6)(b).

service, including bearing the material and installation costs for up to 500 feet of overhead distribution line and up to 100 feet of service line or up to 300 feet of overhead distribution line and up to 100 feet of service line for single-phase and three-phase service.

Generally, when an applicant seeks to obtain electric service, they, or a representative such as a contractor, engineer, or architect, would complete an application through the utility's online portal or over the phone with a utility representative. Some utilities advise potential applicants to contact them prior to applying to provide a preliminary review of the electric system capacity in the area of the building project. Once an application has been submitted, the utility will assign a representative(s) that will act as the applicant's point of contact, will review the application, and perform an analysis to determine if the electric system has the capacity for the planned building project. This analysis may include site visits by the utility representative to determine the scope of the work necessary to provide service. If the electric system does not have the capacity, then the utility will determine the electric system upgrades necessary to provide service to the building project. The applicant may be required to pay for a portion, or the entirety of the costs, for the electric system upgrades. If the applicant proceeds with the building project and agrees to pay their portion of the cost for the necessary electric system upgrades, then construction of the utility infrastructure can begin. Once the building project is completed, the utility infrastructure work is completed, and the project passes any final verifications or inspections, the utility will install the meter and start providing electric service.

II. DISCUSSION

This White Paper starts by examining the principles that Staff of the Department of Public Service (Staff) believes the Commission should apply in establishing the standard of reasonableness under Energy Code §11-104(7)(e). First, the Commission should interpret Subdivision7(e) narrowly. This narrow interpretation is supported by the plain text of Subdivision 7(e), which the Commission is required to implement.[15] This narrow reading is also supported by the statutory principle that an exception to a general rule is intended to be read

[15] Avella v. City of New York, 29 N.Y.3d 425, 434, 80 N.E.3d 982 (2017) ("The text of a statute is the "clearest indicator" of such legislative intent and courts should construe unambiguous language to give effect to its plain meaning.") (internal citations omitted).

narrowly so as to avoid frustrating the intent of the original rule.[16] In addition to a narrow reading of Subdivision 7(e) being supported by the canons of statutory construction governing how the Commission reads its text in isolation, a narrow reading is also supported by the Commission's obligation to interpret laws in light of the statutory intent which motivated their enactment.[17] Here, prohibitions on the installation of fossil-fuel fired equipment and building systems in new construction were among the legislative and policy changes recommended in the Scoping Plan developed to implement the CLCPA.[18] The intent of the Legislature and the Executive in formulating the All-Electric Buildings Act was itself in response to the recommendations of the Scoping Plan, which developed concrete policy recommendations to address the "severity of climate change," in light of the CLCPA.[19] Ultimately, the All-Electric Buildings Act must be read in the same light as other policies addressing climate change in line with the CLCPA.

Staff believes that an equally important principle is that the reasonableness standard should be defined in a manner that it is easily understood and applied. This is so because of the process by which electric service is provided to a new building. As discussed above, the State's electric utilities already frequently evaluate how to connect new customers to the electric system, including how to sequence and schedule utility upgrades to physical infrastructure to ensure that all new customers are able to connect to the electric system.

Finally, and relatedly, any reasonableness standard would have to be able to be implemented quickly. In light of the All-Electric Buildings Act's fast-approaching December

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[16] People v. Wallace, 31 N.Y.3d 503, 507 (2018) (holding that when construing provisions of a law that have exceptions, the exception should be read narrowly to preserve the objective of the general rule); People v. Rivera, 25 N.Y.3d 256, 263, 33 N.E.3d 465 (2015) (affording statutory exceptions to the physician-patient privilege a narrowing construction).

[17] Nostrom v. A.W. Chesterton Co., 15 N.Y.3d 502, 507 (2010) ("legislative intent is the great and controlling principle") (internal citations and alterations omitted).

[18] Scoping Plan, pp. 189-190 ("These zero-emission standards across a range of equipment types should apply starting in the years noted below. 2025: The State should review and consider modifications to existing statutory provisions that relate to utilities providing new gas service to existing buildings as part of a comprehensive plan to end investments in new gas infrastructure in coordination with municipalities.")

[19] Danskammer Energy, LLC v. New York State Dep't of Env't Conservation, 76 Misc. 3d 196, 229, 173 N.Y.S.3d 134, 160 (N.Y. Sup. Ct. 2022) (CLCPA enacted to address the "severity of current climate change and the threat of additional and more severe change") (Citing Chapter 106 of the Laws of 2019; i.e., the CLCPA).

31, 2025 effective date, following a comment period, the Commission would have to adopt or modify the standard set forth in this proposal to allow the local distribution utilities to implement it within this year. To help the local utilities meet this fast-approaching deadline, Staff strongly encourages the utilities to provide draft tariff language that they believe would be necessary to implement the exception set forth in this proposal or alternatives that they propose in initial comments.

A. Proposed Reasonableness Standard

With these general principles in mind, Staff considered two potential approaches regarding an appropriate reasonableness standard. First, Staff considered an approach that uses the cost of the electric system upgrades necessary to support the electrification as the metric for determining reasonableness. As basic background, new buildings come in many types and with varying electric load profiles. PSL §31(4) and TCL §12, as implemented by the Commission's regulations, provide certain limited facilities at no cost to an applicant for electric service, while costs for additional facilities necessary beyond that are generally borne by the applicant.[20] In the context of the application for electric service, the relevant utility determines, among other things, whether the electric system infrastructure that provides electricity to the new building must be upgraded in some fashion to accommodate the new load. Generally, the Commission expects cost recovery to follow cost causation and the principle that the beneficiaries of new infrastructure investments should pay for them.[21]

Under an approach that considers the *cost* of electric system upgrades, the relevant utility would make a comparison of the electric system upgrades under two scenarios: (1) one that calculates the electric system upgrades, if any, necessary to provide electricity to a building that would be fully electrified; i.e., one that contains electric heat pumps and otherwise uses no fossil fuels ("Full Electrification" scenario); and (2) one that calculates electric system upgrades necessary to electrify the same building but allows for non-electric appliances ("Electric/Fossil Fuel" scenario). Under this approach, the Commission would have to derive some type of monetary or percentage threshold above which the cost of electric system upgrades associated with the Full Electrification scenario becomes unreasonable in comparison to the cost of electric

[20] Public Service Law Section 31(4).

[21] Case 17-M-0178, Petition of Orange & Rockland Utilities, Inc. for Authorization of A Program Advancement Proposal., Order Granting Petition in Part (issued November 16, 2017), p. 23.

system upgrades associated with the Electric/Fossil Fuel scenario. This process is further complicated because often times utilities' capital planning addresses system capacity and reliability concerns and the timing of such investments often overlaps with new service requests. This complication would require a further step to determine applicable cost recovery and cost causation.

Ultimately, this White Paper recommends not to proceed with this approach, although stakeholders should provide comments on the approach in case the Commission decides to adopt it. With that said, Staff has two reasons for recommending against adopting this approach. First, and most importantly, while the cost of connecting to utilities is certainly a factor with respect to a residential or commercial/industrial developer's decision to proceed with a project, it is far from the only cost a developer would consider. There are innumerable other costs that go into completing a residential or commercial/industrial development, including costs associated with land acquisition or lease, design and engineering, obtaining required government-issued permits, construction materials, labor and financing. Staff believes that a rational developer would consider the full costs of the development – not just the electric system upgrade costs – in determining whether the incremental costs associated with fully electrifying the development are unreasonable. However, neither the Commission nor the utilities are in a position to properly evaluate what is reasonable in terms of the incremental full development cost increase associated with an entirely electrified development. Using only the possible increases in interconnection costs to determine whether an exception pursuant to Subdivision 7(e) is reasonable, either in dollars or as a percentage of overall project costs, would require insight into the mechanics of commercial development unavailable to the Commission and would not appropriately capture the potential changes in development and management costs associated with implementation of the All-Electric Building Act.

Second, Staff was guided in this White Paper by what it believes to be the statutory intent of Subdivision 7(e); to require the construction of buildings to be all electric subject to a narrow exception given the ability of the electric system to safely and reliably provide such service, not merely the willingness of commercial or residential developers to pay for the upgrades necessary for that electrification.[22] In other words, while the construction of new electric infrastructure

[22] People v. Wallace, 31 N.Y.3d 503, 507 (2018); Shaw v. N.Y.S Dep't of Educ., 24 A.D.3d 1086, 1088 (3rd Dep't 2005); ("Exemptions to a statute's general rule should be narrowly

able to serve the increased loads of all-electric buildings and that cost itself does not form the basis of an exception from the policy of encouraging electrification as set forth in the Scoping Plan and enacted in the All Electric Buildings Act. This view is bolstered by other aspects of the All-Electric Buildings Act, such as the text of Subdivision 7(c), which states that in evaluating the requirement to limit, to the fullest extent feasible, the use of fossil fuel equipment and building systems in manufacturing or industrial processes "[f]inancial considerations shall not be sufficient basis to determine physical or technical infeasibility"

This White Paper, instead, proposes a reasonableness standard based on the *additional* time it would take a utility to construct the necessary electric system upgrades to serve an all-electric building. Specifically, Staff considered a timeframe between 12 and 24 months to be a threshold for this standard but seeks public comments from interested parties on an appropriate timeframe. In this White Paper, Staff proposes that a finding of unreasonableness would apply if, in the estimation of the utility, the timeframe associated with the completion of electric system upgrades necessary to serve a building under the Full Electrification scenario would take more than eighteen months longer than the timeframe associated with the completion of electric system upgrades necessary to serve the same building but under the Electric/Fossil Fuel scenario. Thus, upon a finding of unreasonableness, the exception of Subdivision 7(e) would apply, and the builder/developer could go forward with planning to construct a structure that includes fossil fuel equipment and building systems. The proposed 18-month threshold is based on Staff's experience with utility construction timeframes and provides a middle ground between the various electric system upgrades that may be needed for different types (i.e., residential, industrial, commercial) and sizes of buildings. Further, Staff proposes both that the utilities would develop a timeframe requiring the timely submission of applications for electrification to allow for sufficient time to evaluate any particular project and that an electrification project that proposes electric resistance space heating and electric resistance hot water potable systems as primary heating systems would not be eligible to apply for the exception pursuant to Subdivision 7(e). These limitations would help provide utilities with sufficient time to provide any estimates as well as incentivizing the use of more efficient electric equipment.

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construed, erring in favor of the general provision rather than the exception."); N.Y.S Ass'n of Ctys. v. Axelrod, 213 A.D.2d 18, 24 (3rd Dep't 1995) ("when a statute includes exceptions. . ., it is the general rule that those exceptions mentioned exclude those not mentioned").

There are several reasons in support of this *time-based* recommendation of reasonableness. First, both the Commission and the State's regulated utilities have decades of experience in evaluating when and where new types of electrical plant are necessary, in light of the long history of electric utility rate regulation and the Commission's oversight of the expansion of the State's electric system. Indeed, a prominent component of electric utility rate proceedings is whether to approve capital plans proposed by electric utilities related to new and expanded infrastructure, such as substations and power lines of various voltage levels. Through the rate case and electric service application process, Staff is confident that the utilities have expertise to undertake the time-based comparison recommended here in the timeframe available to implement the All-Electric Buildings Act. Additionally, as noted above, a new development can only be electrified through a long-standing application process under which utility engineers determine whether and how upgrades are needed to the electric system to accommodate the projected load associated with the proposed development. Staff recognizes that a utility's decisions about upgrades to accommodate any particular new load may also need to consider additional new customers in that same area seeking electrical service, and the possibility that a larger upgrade may be more cost-effective to serve all customers. Staff invites comments on how the Utilities should consider treating multiple requests for service in the same area and how the proposed exemption should be applied or modified if a longer timeframe is needed to accommodate upgrades serving multiple new service requests.

Finally, a reasonableness standard based on whether a proposed new development can receive safe and adequate electric service in a timely manner accurately captures the statutory intent motivating the implementation of Section 7(e), which was specifically drafted only to exempt projects when electric service cannot be reasonably provided by the electric system as operated.

B. Timing of Commission Action

There is an important timing element associated with the exemption provided under Subdivision 7(e) that needs to first be addressed. The general prohibition against the installation of fossil-fuel equipment and building systems under the All-Electric Buildings Act becomes effective with respect to certain buildings *after December 31, 2025.* Again, this White Paper is focused on proposing a standard for the utilities to apply that would allow for installation of fossil fuel equipment in buildings under a limited exemption provided under Section (e) of the Energy Code – meaning that utilities must be in a position to apply the exemption by January 1,

2026, when Part RR becomes effective. To effectuate the exemption under Section 7(e), the Commission would thus need to formally adopt a standard for the utilities to apply under Section 7(e) in time for the utilities to then modify their relevant tariffs and associated applications for electric service.

C. Recommendations and Implementation

This White Paper recommends that, following receipt of comments from interested stakeholders, the Commission adopt or modify the proposed reasonableness standard and establish how the proposed reasonableness standard will be implemented in the service areas of its utilities. As part of this proceeding, the Utilities should be required to take the following actions, as described below.

First, they should be required to submit a filing detailing how, upon presentation of either a request for service from a new customer, or a request for an analysis of the necessary upgrades to serve a project from a potential customer, the Utilities would provide an estimate for the period of time to construct any necessary electric system upgrades necessary to serve that applicant. Provided that the application is timely, if the time required to construct the necessary upgrades for an all-electric building exceeds that which would be necessary to serve a building using both electric and fossil fuel equipment, the utility should develop a process to provide that information to an applicant in order to qualify for an exemption pursuant to Subdivision 7(e). If the period of time required to construct these necessary utility infrastructure upgrades is greater than eighteen months longer than the period of time necessary to construct the necessary utility infrastructure upgrades for a building that uses both electric and fossil fuel equipment, that project/development will be exempted from the All-Electric Buildings Act pursuant to Subdivision 7(e). In connection with this process, the Utilities should be directed to provide draft tariff language that they believe would be necessary to implement the exemption set forth in this proposal or alternatives that they propose in initial comments.

Second, the Utilities should be required to submit a filing detailing how geographic areas in which a customer or potential customer has received an exemption pursuant to Subdivision 7(e) will be evaluated for inclusion in the Proactive Planning initiatives developed in Case 24-E-0364.

Third, the Utilities should be required to provide quarterly reporting on the implementation of Subdivision 7(e) in their service territories. Such reports shall include, but not be limited to, the total number of new service requests; where utility infrastructure upgrades are

necessary in order to serve a new customer, information about the nature of those utility infrastructure upgrades; the number of service requests requiring a greater than eighteen-month period of time to construct the necessary utility infrastructure upgrades for an all-electric building and therefore granted an exemption pursuant to Subdivision 7(e); for those exemptions, statistics on the time period estimated for the necessary upgrades for which the determination was made; and how areas where exemptions were granted were evaluated for inclusion in the Proactive Planning initiatives developed in Case 24-E-0364 or another proceeding where additional investments can be made to serve load growth.