

May 3, 2021

VIA ELECTRONIC DELIVERY

Honorable Michelle Phillips  
Secretary  
State of New York Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Re: Case #20-G-0131 - Proceeding on Motion of the Commission in Regard to Gas Planning Procedures

Dear Secretary Phillips:

Please find attached for filing comments by the following members of Renewable Heat Now: Alliance for a Green Economy, New Yorkers for Clean Power, NY-GEO, HeatSmart Tompkins, Fossil Free Tompkins, Sane Energy Project, Frack Action, Network for a Sustainable Tomorrow, Earthjustice, Mothers Out Front, NYPIRG, Climate Solutions Accelerator of the Genesee-Finger Lakes Region, Acadia Center, and Food and Water Action.

Sincerely,

/s/  
Jessica Azulay  
Executive Director  
Alliance for a Green Economy  
Filing on Behalf of the Renewable Heat Now Campaign

Case 20-G-0131  
Proceeding on Motion of the Commission in Regard to Gas Planning Procedures  
COMMENTS BY RENEWABLE HEAT NOW REGARDING THE STAFF WHITE PAPER

**Introduction**

On March 19, 2020, the Public Service Commission (“Commission”) directed the Department of Public Service Staff (“Staff”) to propose a “modernized gas planning process” that would, among other objectives, align utilities with the Climate Leadership and Community Protection Act (“CLCPA”).<sup>1</sup>

Unfortunately, the Staff’s Gas System Planning Process Proposal (“White Paper”) falls short of this directive. It lacks any clear plan to develop emissions objectives for gas utilities and fails to outline how the utilities should plan for the widespread conversion of heating to renewable sources and the contraction and ultimate phase-out of the current utility gas distribution system.

We do recognize that the Staff’s proposal includes some significant improvements to the gas planning process that, if implemented well, will help avoid *some* growth in gas use and gas infrastructure investments. But the climate emergency we face and our ambitious climate law require us to go well beyond slowing gas expansion. We have just 9 years to reduce economy-wide greenhouse gas emissions by 40% from 1990 levels. The current gas utility business model is directly at odds with New York’s climate mandates, and Commission intervention is needed now to restructure utility regulations, incentives, and plans in alignment

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<sup>1</sup> Order Instituting Proceeding, Case 20-G-0131 at 7.

with the CLCPA. Failure to act with urgency to dramatically change business as usual will have major financial, health, safety, and environmental consequences for the residents of New York.

Hundreds of public comments and several detailed recommendations, and reports have already been filed in this proceeding to assist the Commission in developing the gas planning process New York needs. We remind the Commission of [our preliminary recommendations](#) filed on August 7, 2020 and of the [letter, now signed by 199 elected officials](#) representing every level of government and every region of New York. A summary of our recommendations for Commission action to guide a managed, equitable, affordable transition away from fossil fuels is as follows:

1. The Commission must set clear annual emissions reduction goals for utilities to achieve. Without clear goals, an orderly planning process cannot and will not ensue.

2. The Commission must design a gas planning process around the principles of transparency, affordability, environmental justice, public collaboration, a just transition for workers, and accountability.

3. The growth of gas use and gas infrastructure expansions must stop. Utilities are still investing money and charging ratepayers to expand their gas delivery networks in New York. This poses significant stranded asset risk for both utilities and ratepayers.

4. The gas utility system as it stands today is designed and built to deliver methane gas. We must replace that gas with renewable thermal energy sources which will require a different delivery system.

5. The Commission will need to work closely with the Climate Action Council, other agencies, and with the State Legislature to reconcile competing policies and laws and

enable the needed transition.

6. The transition from gas to electrified thermal energy services must be accompanied by comprehensive planning with the electric sector, so that electricity is renewable, affordable, and reliable.

The importance of a bold, visionary gas planning process cannot be overstated. The Commission must clearly outline goals and a planning process to meet those goals that aligns with the CLCPA with respect to both emissions reduction and environmental justice. This process *must* result in a real plan to phase out fossil gas consumption from our buildings.

**Alignment with CLCPA requires setting emissions objectives that phase out gas; the PSC *must* develop a plan for how to get there**

In the Order establishing this proceeding, the Commission wrote: “The Commission seeks to establish planning and operational practices that best support customer needs and ***emissions objectives*** while minimizing infrastructure investments and ensuring the continuation of reliable, safe, and adequate service to existing customers.”<sup>2</sup> [emphasis added]

The Commission also noted that “planning must be conducted in a manner consistent with the recently enacted Climate Leadership and Community Protection Act (CLCPA).”<sup>3</sup>

The CLCPA provides clear emissions mandates: 40% greenhouse gas reductions from 1990 levels by 2030 and 85% by 2050. While the CLCPA does not provide a sector by sector breakdown for achieving these targets, on-site combustion of fossil fuels (including fossil gas) in

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<sup>2</sup> Order Instituting Proceeding, Case 20-G-0131 at 4.

<sup>3</sup> Order Instituting Proceeding, Case 20-G-0131 at 2.

buildings accounts for 30% of energy-related greenhouse gas emissions in NY.<sup>4</sup> Utility delivered fossil gas will need to decline between today and 2030 and 2050 to meet New York’s climate goals.

The Commission further directed Staff to “issue a proposal for a modernized gas planning process that is **comprehensive**, suited to forward-looking system and policy needs, designed to minimize total lifetime costs, and **inclusive of stakeholders**.”<sup>5</sup> [emphasis added]

An effective planning process must begin with either clear objectives or a clear process to set objectives. Without objectives, a planning process - especially one that is inclusive of stakeholders with different perspectives and interests - can quickly devolve into fighting over what the goals of the process should be. A much more constructive and collaborative process can ensue if the Commission sets the goals and stakeholders can work together to achieve them.

We urge the Commission to set clear annual goals for greenhouse gas reductions (or gas sales reductions) for the utilities as part of this proceeding. In our previous filing, we recommended some annual targets the Commission could set for the utilities. The Commission has a history of setting annual targets for achievement of climate goals. For instance, in the Clean Energy Standard proceeding the Commission has set annual renewable energy purchasing requirements for utilities to achieve in the electric sector for compliance with the mandated 70% renewable energy goals enshrined in the CLCPA. Utilities that do not comply must pay an alternative compliance payment. Similarly, the Commission has set annual targets

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<sup>4</sup> “New York State Greenhouse Gas Fact Sheet,” NYSERDA.

<sup>5</sup> Order Instituting Proceeding, Case 20-G-0131 at 7.

and budgets for utility energy efficiency programs through the New Efficiency New York proceeding.

If the Commission will not set annual mandates for the gas utilities, the Commission could alternatively require each utility to submit an annual “glide path” filing to the Commission to show the timing of reductions the utilities project they would need to achieve to meet the 2030 (40%) and 2050 (85%) CO<sub>2</sub>e reduction goals within their customer base. Metrics should include projected CO<sub>2</sub>e reductions per year, MMBTU reductions in billed annual usage of fossil gas per year, and reductions in the numbers of customers heating with fossil gas in residential, commercial and industrial classes per year. The utility glide path submission should include identification of barriers to achieving the reductions and recommendations for solutions. The Commission and staff would review the submissions, accept and consider comments, amend them as needed, and adopt them on an annual basis.

**The status quo of gas use is not working and *will get worse* absent action by the PSC**

Today we understand that because of methane leaks, the true climate impact, measured in CO<sub>2</sub>e, of burning gas<sup>6</sup> is **double the emissions at the flame tip**. That is to say, every time we burn gas, the impact is as if we burned it twice.

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<sup>6</sup> Brady Seals, “Indoor Air Pollution: the Link between Climate and Health,” RMI, May 5, 2020. <https://rmi.org/indoor-air-pollution-the-link-between-climate-and-health>  
Howarth, Robert W. "A bridge to nowhere: methane emissions and the greenhouse gas footprint of natural gas," Energy Science & Engineering, May 15, 2014, <https://onlinelibrary.wiley.com/doi/full/10.1002/ese3.35>

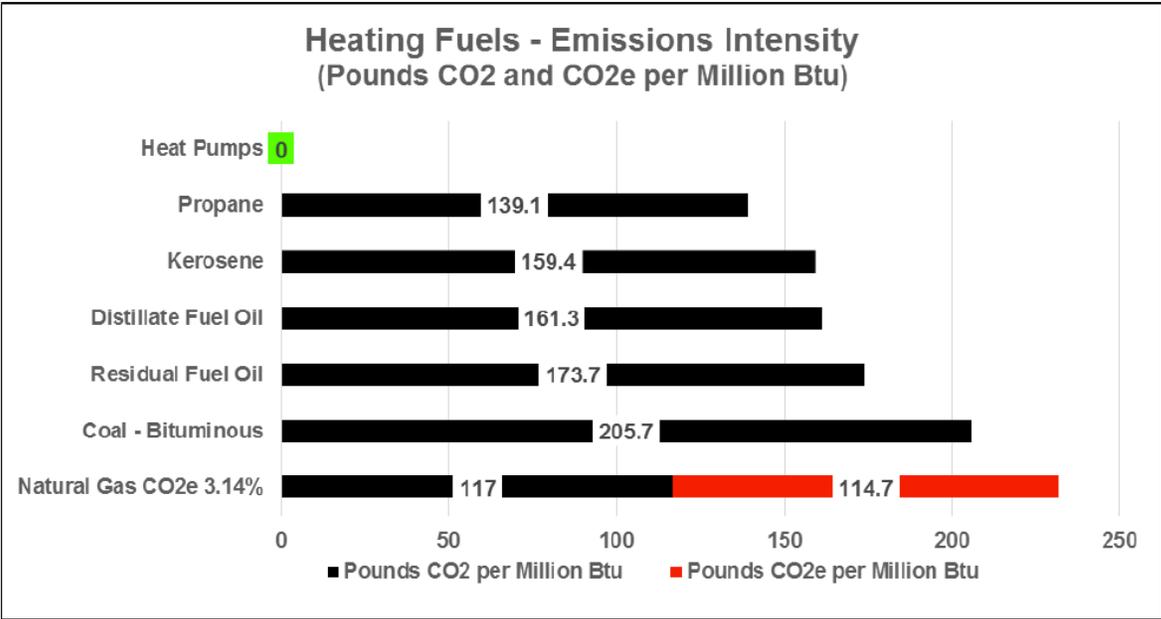


Figure 1: Emissions Intensity of Heating Fuels in the New York at the Building Level (Source: Expert testimony by Jerry Acton, 2020, National Grid Upstate rate case.<sup>7</sup>)

Additionally, homes that convert from oil to gas for heating, often “de-electrify” other services, such as hot water, cooking, and clothes drying, by converting those appliances from electric versions to those that burn gas on-site. This exacerbates the greenhouse gas impact of oil-to-gas conversions.

<sup>7</sup> Acton, Jerry “Direct Testimony by Jerry Acton in National Grid upstate rate case (#20-G-0381). Filed November 27, 2020. <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5BF0C637-7036-4406-AE2F-24B5684762F3}>

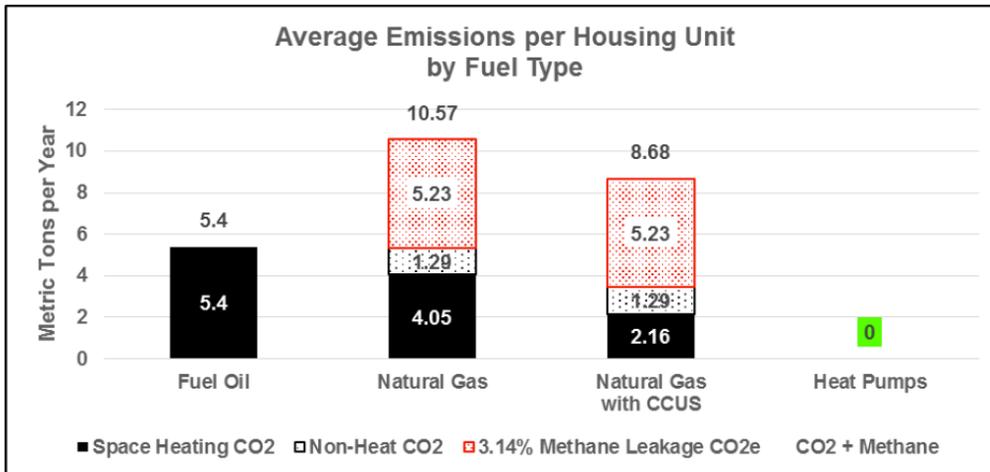


Figure 2: Average Combustion Heating Emissions per Housing Unit NY (Source: Expert testimony by Jerry Acton, 2020, National Grid Upstate rate case.<sup>8</sup>

Gas therefore is not, as many would have us believe, a bridge fuel to a renewable energy future, but rather an accelerant to a planet already on fire.

For the first time in New York, the CLCPA acknowledged these impacts by requiring methane leaks and global warming potential to be accounted for on a 20-year timescale. By this metric, methane leaking from the gas system is 84-87 times more potent of a greenhouse gas than carbon dioxide.<sup>9</sup> Aligning utility gas planning with the CLCPA thus requires halting the expansion of gas today and planning for the responsible decapitalization and dismantling of the bulk of the gas system in the near future.

Beyond the climate impact of fossil gas combustion and methane leaks, gas poses significant threats to health, safety, and property. The Aliso Canyon gas storage leak and the Merrimack Valley gas explosions as well as many other, smaller explosions demonstrate what

<sup>8</sup> Acton, Jerry "Direct Testimony by Jerry Acton in National Grid upstate rate case (#20-G-0381). Filed November 27, 2020. <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5BF0C637-7036-4406-AE2F-24B5684762F3}>

<sup>9</sup> "Understanding Global Warming Potentials," EPA, September 9, 2020. <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials#Learn%20why>

can happen when something goes wrong. Data compiled by FrackTracker from the Pipeline and Hazardous Materials Safety Administration shows pipeline incidents occurring on average 1.7 times per day.<sup>10</sup>

The risks and harms of gas are significant even when the gas system is operating optimally. Cooking and heating with gas poses significant risk to indoor air quality and health.<sup>11</sup> The health impact of burning gas in our buildings cannot be ignored. Recent research reveals that gas stoves in particular pose a health hazard in homes, especially if unventilated.<sup>12</sup> Children in homes with gas stoves are 24-42% more likely to develop asthma, and homes with gas stoves can have nitrogen dioxide concentrations 50-400% higher than those with electric stoves. The research also demonstrates that lower-income populations and communities of color may be disproportionately impacted by the indoor air pollution from gas combustion.

Any long term gas planning proceeding must examine and implement strategies to protect and benefit low income and environmental justice communities. By definition, environmental justice communities (or disadvantaged communities as they are termed in the CLCPA) are already disproportionately burdened by the negative impacts of our energy systems. Yet these communities receive fewer benefits, such as access to affordable renewable energy and workforce development.

No gas planning process without environmental justice at its core can be considered to be aligned with the CLCPA, which requires disproportionate impacts on environmental justice

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<sup>10</sup> Kelso, Matt, BA “Pipelines Continue to Catch Fire and Explode” FrackTracker, February 1, 2020. <https://www.fracktracker.org/2020/02/pipelines-continue-to-catch-fire-and-explode/>

<sup>11</sup> Brady Seals, “Indoor Air Pollution: the Link between Climate and Health,” RMI, May 5, 2020. <https://rmi.org/indoor-air-pollution-the-link-between-climate-and-health>

<sup>12</sup> Brady Seals, “Indoor Air Pollution: the Link between Climate and Health.”

communities to be avoided and allocates a minimum of 35% of “the overall benefits of spending on clean energy and energy efficiency programs” to disadvantaged communities<sup>13</sup>.

Affordability must also be a primary goal of the Commission. Millions of New Yorkers are already unable to afford their gas bills and make difficult decisions every day around whether to heat, eat, pay rent, or obtain other essential needs such as medicine. We need a gas planning process that will recognize the injustice of forcing families to live in such unsafe and unjust conditions.

In our comments submitted to the docket August 10, 2020, we outlined a number of principles upon which a gas planning process must be based. We are disappointed to see that the principles of affordability and environmental justice were not addressed by the White Paper, even though these principles are at the core of New York’s climate law.

#### **The staff proposal fails to outline a process for utility alignment with CLCPA**

The Staff Gas System Planning Process Proposal does not present “a proposal for a modernized gas planning process...suited to forward-looking system and policy needs.”<sup>14</sup> Any proposal aligned with the Commission’s directive requires a clear articulation of how we will decarbonize heating, hot water, and cooking along with the rest of the economy. While the CLCPA does not mandate sector-specific emissions reductions, in order to achieve the

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<sup>13</sup> Climate Leadership and Community Protection Act at 16.  
<https://legislation.nysenate.gov/pdf/bills/2019/S6599>

<sup>14</sup> Order Instituting Proceeding, Case 20-G-0131 at 7.

necessary economy-wide reductions, we must dramatically reduce emissions across *all* sectors—including from buildings that currently use fossil gas on site for many basic needs.

Failure to develop a clear and timely plan to move away from fossil gas use and the infrastructure that delivers that gas has serious consequences; as more customers electrify, the costs of maintaining the gas delivery system will be spread across fewer and fewer customers, creating an affordability crisis and potentially a utility death spiral.

In order to avoid this outcome, the Commission must plan in two ways: first, to “stop digging the hole” and ensure the gas system does not continue to expand, and second, to plan for a just transition away from gas utilities and distribution systems as they are today.

The Staff has argued that it would be premature or inappropriate for the Commission to set gas reduction targets without waiting for the Climate Action Council to issue its plans, as required by the CLCPA. We disagree. It is irresponsible for the Commission to wait years for the Climate Action Council when the 2030 and 2050 greenhouse gas reduction mandates are already written in the law. Continuing to allow business as usual jeopardizes the state’s ability to comply with that law and harms customers by forcing them to make imprudent investments in a gas system that clearly must be phased out by 2050.

The Climate Action Council will not change the law, and nothing stops the Commission from requiring utilities to re-align preliminary targets with Climate Action Council emissions reduction targets once they are established. The Commission has exercised far greater authority to restructure utility regulations in the past with a much less direction from the legislature. For example, in the 1990s, the Commission deregulated the energy market in New

York, dramatically altering the electricity market landscape for decades to come, with no legislative mandate. Similarly, in 2014, the Commission undertook the Reforming the Energy Vision process to advance at Utility 2.0 model for distributed generation and transform market signals to utilities, customers, and third parties; again this was done without legislative direction. In 2016, the Commission enacted the Clean Energy Standard, placing requirements on utilities to purchase renewable energy credits (RECs) and so-called Zero Emissions Credits (ZECs). The latter -- which will cost approximately \$7.6 billion to electricity customers to bail out unprofitable nuclear plants -- was enacted by the Commission under its own declared authority, not via direction from a law passed by the legislature.

While we might not agree with some of the above-mentioned policies, we refer to them as a reminder that when the Commission feels the political will to act, it has no qualms about exercising its broad authority to enact dramatic policy changes that transform the energy system.

Further, the CLCPA states:

§ 7. Climate change actions by state agencies.

1. All state agencies shall assess and implement strategies to reduce their greenhouse gas emissions.

In considering and issuing permits, licenses, and other administrative approvals and decisions, including but not limited to the execution of grants, loans, and contracts, all state agencies, offices, authorities, and divisions *shall consider whether such decisions are inconsistent with or will interfere with the attainment of the statewide greenhouse gas emissions limits established in article 75 of the environmental conservation law*. Where such decisions are deemed to be inconsistent with or will interfere with the attainment of the statewide greenhouse gas emissions limits, each agency, office, authority, or division shall provide a detailed statement of justification as to why such

limits/criteria may not be met, and identify alternatives or green-house gas mitigation measures to be required where such project is located.

This provision makes clear that agencies are expected to align their actions with the overall greenhouse gas reduction goals set forth in the new law.

The Commission has the authority and the obligation to require all utility companies under its jurisdiction to undertake a transition away from gas consumption and to ensure the transition occurs in a way that is equitable and affordable for customers while maintaining public safety and the reliability of essential heating service.

### **Stop digging**

A plan that moves New York State away from fossil gas consumption must first cease “digging the hole” by ending the expansion and unnecessary replacement of gas infrastructure. Utilities continue to forecast gas demand increases and to use those forecasts to justify expanding the gas system. Utilities and regulators also continue to pursue leak prone pipe replacement -- a major driver of gas rate increases -- without re-evaluating whether those investments are still prudent in the context of the CLCPA.

The Staff White Paper includes some proposals to address continued expansion of gas infrastructure by requiring utilities to consider alternatives, improving benefit cost analyses, and requiring more transparent planning over longer time horizons.

While the staff proposal on non-pipes alternatives (NPAs) is a step in the right direction, requiring a single “no infrastructure” option in utilities’ gas system resource plans is wholly inadequate to addressing the need to minimize further investment in a system that will be neither used nor useful in three decades if we are to meet our climate goals. Framing non-pipes

solutions to gas system planning as “alternative” merely continues the current practice of treating gas infrastructure as the default and assuming ongoing increasing gas demand; realistically, the emissions reductions mandated by the CLCPA require non-pipes solutions to become the norm for gas system planning. As every new investment into gas infrastructure must be evaluated in light of a shortened useful lifespan, the Commission should work with utilities to execute on every possible opportunity to avoid further expenditure on pipelines while ensuring safety and reliability, whether through energy efficiency or deliberate, segmented retirement and electrification.

The Climate Action Council’s Energy Efficiency and Housing Panel is already considering all-electric requirements and bans on gas appliances in the next 5, 10, and 15 years.<sup>15</sup> These proposals indicate that usage of the gas system *will* decline as New York moves toward the CLCPA targets, and that urgent action by the Commission is needed to plan for these impacts. Continuing to invest in gas infrastructure -- the costs of which are spread over expected lifetimes of 50+ years -- not only locks in emissions for decades to come, but also places undue pressure on future gas customers, who will be left “holding the bag” to pay for the costs of the entire system.

The Commission should go further than what Staff proposes when it comes to avoiding new infrastructure investments. For instance, the Commission must take on depreciation issues in a much more comprehensive and direct way. The White Paper recommends including a scenario that “assumes that the full value of any new gas assets will be depreciated by 2050” in

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<sup>15</sup> Presentation of the Energy Efficiency and Housing: Public Engagement Session at 13, February 4, 2021.

<https://climate.ny.gov/-/media/CLCPA/Files/2021-02-04-EEH-Public-Engagement-Session.pdf>

consideration of Non-Pipe Alternatives and “gas infrastructure solutions”. The Commission needs to be far more aggressive in requiring CLCPA compatible depreciation terms where new gas infrastructure is being considered and in grappling with and exploring how to address stranded assets (based on principles of affordability, environmental justice, and emissions reductions) when it comes to the current gas infrastructure.

Further, the 100-foot rule (from PSL §31), as currently written, understood, and practiced, is in direct tension with the need to stop further expansion of gas infrastructure.<sup>16</sup>

We recommend the Commission take 3 steps in relation to this gas expansion subsidy:

- 1) Per NY-GEO’s testimony of April 30, 2020, immediately set up a process for the utilities to report the costs to ratepayers of the 100-foot rule in an accessible format. Knowing the actual costs of this subsidy will be important in considering how to successfully address its negative climate impacts.
- 2) Through this proceeding, revise the regulations that have expanded the 100-foot rule beyond the minimal provisions of the law, including regulations that allow for 200 feet of free infrastructure, and allow combining footage to increase the number of customers eligible through a given expansion. The regulations also allow individual new gas customers to recover (from other ratepayers) some or all of the money they expend for infrastructure extensions beyond their free 100 or 200 feet. Finally, there are myriad costs to extending gas service under PSL §31.4, including the costs of main line, service line, service connections, appurtenant facilities, permits, risers, landscaping/grade

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<sup>16</sup> Justin Gundlach and Elizabeth Stein, “Harmonizing States’ Energy Utility Regulation Frameworks and Climate Laws: A Case Study of New York,” *Energy Law Journal* 41 (November 15, 2020): 211–60.

finishing, meters, regulators, negative salvage value, labor, all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of the installation, and any other cost to the corporation to provide the service. We recommend the Commission examine how these costs are currently being paid for under the 100-foot rule and limit those being footed by ratepayers to the minimum required by PSL §31.4.

- 3) While it is the role of the Legislature to directly modify or repeal the 100-foot rule, the Commission can change its own regulations to become more aligned with the CLCPA. Further, the Commission should identify the ways in which the PSL requires updating in light of CLCPA mandates and indicate to the Legislature which modifications are needed.

### **Plan for orderly, affordable, and just transformation of the gas system**

Gas system planning also requires a process to manage the contraction of the system in a way that is equitable and maintains service reliability and public safety. As technologically feasible electric replacements for gas appliances currently exist and become more attractive (from cost, health, and climate perspectives) over time, more and more customers will decide to leave the gas system or reduce their gas use by converting individual appliances.

Faced with the inevitability of at a minimum declining throughput and potentially a cascade of customer abandonment as system costs are spread over fewer and fewer ratepayers, the Commission and gas utilities must develop a comprehensive long-term plan to manage the contraction of the gas system. This plan can proceed along one of two pathways: transition or transformation.

A managed transition of the gas system maintains system safety and reliability as the system contracts, while transitioning the gas workforce and avoiding the inequitable stranding of customers on an unaffordable gas system. For dual-fuel utilities, a managed transition may be particularly important in managing the addition of new heating loads on their electric systems.

Transformation of the gas utility business model could re-imagine gas utilities as thermal utilities that provide heat-as-a-service and draw on companies' existing expertise in pipe infrastructure to operate ground-source heat pump loops serving multiple buildings.

## Pathways for Gas Utilities in a Carbon-Free Future



As illustrated in the image above from RMI, failure to establish and follow some combination of these two pathways leaves utilities on the path to a utility death spiral.<sup>17</sup> RMI's report, "Regulatory Solutions for Building Decarbonization," discusses these pathways and policy recommendations in further detail.<sup>18</sup> A utility death spiral has significant economic consequences for customers, gas utilities, and the utility workforce, and further jeopardizes safety and reliability of the gas system as throughput declines.

Individual New York utility companies have already taken steps in this direction. In NYSEG and RG&E's recent rate case settlement, the companies committed to planning for a zero-net increase in gas consumption by incentivizing heat pump adoption and increasing the use of non-pipes solutions to "help reduce natural gas consumption over time in alignment with state goals."<sup>19</sup> These individual utility commitments highlight the need for a more centralized, comprehensive plan for transitioning the state away from gas.

The California PUC also recently began a process to align gas system planning with emissions reduction targets. Based on an understanding that California's climate laws will cause gas demand to fall, the CPUC is, among other issues, weighing the need for regulatory changes

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<sup>17</sup> "California's Gas System in Transition: Equitable, Affordable, Decarbonized and Smaller," Gridworks, 2019. [https://gridworks.org/wp-content/uploads/2019/09/CA\\_Gas\\_System\\_in\\_Transition.pdf](https://gridworks.org/wp-content/uploads/2019/09/CA_Gas_System_in_Transition.pdf).

<sup>18</sup> Sherri Billimoria, Mike Hennen, *Regulatory Solutions for Building Decarbonization: Tools for Commissions and Other Government Agencies*, RMI, 2020, <https://rmi.org/insight/regulatory-solutions-for-building-decarbonization/>

<sup>19</sup> "NYSEG and RG&E File Rate Case Settlement with NY Public Service Commission," RG&E, June 22, 2020. [https://www.rge.com/wps/portal/rge/networks/footer/ourcompany!/ut/p/z0/hZBBT8MwDIV\\_C4cdI6eloHGcggkE6oBbyaXKljcYUqdLvI3-ewIXOIF88ZPf-RkMNCDYXsib4Ui21D0i7keLqtue9e0end7s97oZ92266fdQ62bCu7B\\_GF4rL4IlderazoOZrbwq4jFCH4\\_JxWm2vIwxCqZ\\_OM03h94OB7MB4ylLfgjOyaP1afiBrfTvnd3AeM4rXZcpcnoVcmokQKqZAWVsxIVRpGAE7KoM5WKvKj5uA\\_kyiWdyBVbnCbKufwE5nezvwr-4hMu3jSk/](https://www.rge.com/wps/portal/rge/networks/footer/ourcompany!/ut/p/z0/hZBBT8MwDIV_C4cdI6eloHGcggkE6oBbyaXKljcYUqdLvI3-ewIXOIF88ZPf-RkMNCDYXsib4Ui21D0i7keLqtue9e0end7s97oZ92266fdQ62bCu7B_GF4rL4IlderazoOZrbwq4jFCH4_JxWm2vIwxCqZ_OM03h94OB7MB4ylLfgjOyaP1afiBrfTvnd3AeM4rXZcpcnoVcmokQKqZAWVsxIVRpGAE7KoM5WKvKj5uA_kyiWdyBVbnCbKufwE5nezvwr-4hMu3jSk/)

“to ensure that gas transmission costs are allocated fairly and that stranded costs are mitigated.”<sup>20</sup> Like New York, California does not yet have sector-specific emissions limits for the gas distribution system, but the CPUC is taking bold action on gas system planning reform in anticipation of a significant decline in gas demand.

### **Conclusion**

The Staff’s gas planning proposal misses the mark. While containing some important improvements to the current gas planning process, it falls far short of what the Commission requested in its March 2020. More importantly, the proposal, if adopted without significant improvement, will set New York up for failure to reach the emissions mandates enshrined in the CLCPA.

New Yorkers are demanding climate action and a plan to get off gas. This is indicated not just by the hundreds of individual comments submitted in this proceeding and filings by over 100 organizations and almost 200 elected officials, but by tens of thousands of comments in other Commission proceedings. Nevertheless, Staff ignored these comments, and submitted a proposal that is not compliant with the CLCPA.

The Commission should either require Staff to supplement the White Paper with further proposals or the Commission itself make the necessary policy improvements directly in its next order.

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<sup>20</sup> Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning, Rulemaking 20-01-007, CPUC, January 17, 2020, at 17.

Most importantly, the Commission must ensure utilities have clear, annual emissions (or gas sales) reduction targets to plan around, and the Commission must ensure that the planning process includes environmental justice impacts and benefits, as is required by the CLCPA.

Setting clear goals and timelines for the transition is a prerequisite to the multi-stakeholder collaborative planning process Staff proposes in its White Paper. The Commission and the utilities should also invest in facilitators and tools to enable the collaborative planning. Absent a collaborative process structured around clearly defined goals and principles, the Commission will fall short of its duty to regulate in the public interest *and* fail to align utilities with the CLCPA.

We appreciate the opportunity to comment on these critical issues.

Respectfully submitted,

/s/

Jessica Azulay

Executive Director

Alliance for a Green Economy

Filing on Behalf of the Renewable Heat Now Campaign

May 3, 2021