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.

ORDER ADOPTING INITIAL UTILITY THERMAL ENERGY NETWORK RULES

Issued and Effective: July 18, 2024

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At a session of the Public Service Commission held in the City of Albany on July 18, 2024

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

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BY THE COMMISSION:

INTRODUCTION

As part of the overall effort to reduce statewide Greenhouse Gas (GHG) emissions pursuant to the Climate Leadership and Community Protection Act (CLCPA), Governor Hochul signed the Utility Thermal Energy Networks and Jobs Act (the Act) on July 4, 2022.[1] The CLCPA requires a 40 percent reduction in statewide GHG emissions from 1990 levels by 2030, an 85 percent reduction in statewide GHG emissions from 1990 levels by 2050, and establishes a statewide net zero GHG emissions goal.[2] In furtherance of these objectives, the Act seeks to reduce the

[1] See Laws of 2022, Chapter 375 (enacted July 5, 2022).

[2] See Environmental Conservation Law §§75-0107 and 75-0103(11).

combustion of fossil fuels in New York's building stock, which is the largest contributor to GHG emissions in New York,[3] and to remove the legal barriers to utility development of thermal energy networks.[4]

Accordingly, the Act adds §66-t to the Public Service Law (PSL), requiring the Public Service Commission (Commission) to commence a proceeding to consider "the appropriate ownership, market and rate structures for thermal energy networks and whether the provision of thermal energy by gas and/or electric utilities is in the public interest."[5] Thus, the Act expands the regulatory scope of this Commission and the New York State Department of Public Service to create and effectively regulate this new Utility Thermal Energy Network (UTEN) service. To do this, the Act requires that the Commission expeditiously promulgate rules and regulations that specifically address fair market access rules, exempt "small-scale" thermal energy networks from Commission regulation, promote the training and transition of utility workers impacted by the Act, and encourage third-party participation and competition.[6]

Recognizing that developing such rules and regulations would require the acquisition of experience in this new

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[3] See NYS DEC 2023 Statewide Greenhouse Gas Emissions Report, found at: https://dec.ny.gov/environmental-protection/climate-change/greenhouse-gas-emissions-report#Report. The building sector accounts for 31 percent of statewide GHG emissions.

[4] PSL §2(29) defines "thermal energy networks" as "all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate a utility-scale distribution infrastructure project that supplies thermal energy."

[5] PSL §66-t(1).

[6] The Act provided for the Commission to adopt these rules and regulations within two years of the Act's adoption, i.e., by July 5, 2024.

regulatory field, the Act also requires the seven largest gas and/or electric corporations (the Utilities) to propose thermal energy network pilot projects for the Commission's consideration.[7] The Act explicitly provides that, in determining whether implementing a pilot project is in the public interest, the Commission must assess "whether the pilot project will develop information useful for the commission's promulgation of regulations governing thermal energy networks," among other things. At the Commission's direction and with its guidance, the Utilities are developing these pilot projects, which is a daunting undertaking. To properly develop pilot projects that will help the Commission, staff of the Department of Public Service (Staff), the Utilities, and stakeholders learn how UTENs can be deployed and utilized to further the public interest will take time. As such, the pilots are expected to go into operation beginning no earlier than 2026. Thus, we do not yet have the benefit of the experience and lessons learned that these pilot projects are intended to provide.

By this Order, the Commission establishes initial rules for utility thermal energy networks, as required by the Act. These rules provide foundational principles to govern the emerging UTEN sector. The Commission recognizes that this is but the first in an anticipated line of actions in developing, and refining rules and regulations for UTENs. We expect that developing and refining such rules will be an ongoing process, as the Commission, Staff, Utilities, and stakeholders learn more about the benefits to be provided by UTENs and the most effective ways to ensure they develop in accordance with the public interest.

[7] PSL §66-t(2).

BACKGROUND

To set in motion the required rulemaking in compliance with the timeline promulgated in the Act, Staff filed the Staff Proposal for Initial Utility Thermal Energy Network Rules (Staff Proposal) on February 20, 2024.[8] The Staff Proposal provides details about the development of rules and regulations for thermal energy networks and offers a recommended regulatory approach.

The Act requires the Commission to adopt rules and regulations that address four specific areas:

> (a) create fair market access rules for utility-owned thermal energy networks to accept thermal energy that aligns with the climate justice and greenhouse gas emissions reductions requirements of the climate leadership and community protection act and that does not increase greenhouse gas emissions or co-pollutants; (b) exempt small-scale thermal energy networks not owned by utilities from commission regulation; (c) promote the training and transition of utility workers impacted by this act; and (d) encourage third party participation and competition where it will maximize benefits to customers.[9]

[8] Case 22-M-0429, Staff Proposal for Initial Utility Thermal Energy Networks Rules (filed February 20, 2024).

[9] PSL §66-t(1).

The Act also requires the Commission to determine if each pilot project proposed by one of the Utilities[10] is in the "public interest." As part of that finding, the Act directs the Commission to ascertain "whether the pilot project will develop information useful for the [C]ommission's promulgation of regulations governing thermal energy networks."[11] Thus, as contemplated by the Act, the pilot projects serve an integral role in providing real-world experience in technical design, safe and reliable operation, ratemaking, customer protection and engagement, performance metrics, labor practices, and more.

Staff and the Utilities are and will continue to gain experience with the development and implementation of UTENs via the ongoing process established in the Commission's Order Providing Guidance on Development of Utility Thermal Energy Networks (Guidance Order).[12] This experience, in combination with lessons learned from the operation of existing district systems in New York State and other jurisdictions, will help to inform the proper regulatory framework in which UTENs at scale should operate under. Per the Guidance Order, each pilot project is to advance through five stages, requiring either

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[10] The Commission identified the "seven largest" utilities as: Consolidated Edison Company of New York, Inc. (Con Edison), Orange and Rockland Utilities, Inc. (O&R), New York State Electric & Gas Corporation (NYSEG), Rochester Gas and Electric Corporation (RG&E), National Grid USA (National Grid, which includes Niagara Mohawk Power Corporation d/b/a National Grid (NMPC), The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY); and KeySpan Gas East Corporation d/b/a National Grid (KEDLI)), Central Hudson Gas & Electric Corporation (Central Hudson), and National Fuel Gas Distribution Company (NFG). Case 22-M-0429, Initiating Order (issued September 15, 2022) (Initiating Order), pp. 6-7.

[11] PSL §66-t(2).

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

Staff or Commission approval to move forward. The Guidance Order required each utility to file a Final UTEN Pilot Project Proposal for Staff compliance review by December 15, 2023, including a proposed timeline for development, construction, and operation of the pilot project. On April 9, 2024, Staff filed letters advancing nine of the twelve remaining UTEN pilot projects to Stage 2, the Pilot Project Engineering Design and Customer Protection Plan, while requiring additional information to ensure feasibility for the three remaining proposed projects.[13] According to the Utilities' proposals, most UTEN pilot projects would begin operation no sooner than the third quarter of 2026.

Further activities within the proceeding provide venues for Staff and the Utilities to engage with interested stakeholders to advance knowledge that will support future rules and regulations. For example, Staff held technical conferences on October 11 and November 9, 2023, to identify key terms and develop agreed upon definitions for use within this proceeding. Final terms and definitions, developed from stakeholder commentary at the technical conference and written materials filed in Matter Number 23-02117, were filed to the case on December 1, 2023. The expectation is that these agreed upon terms and definitions will be utilized by Staff, stakeholders, and others in the thermal energy network industry.

Additionally, Staff convened three technical conferences to discuss potential utility thermal energy networks' performance metrics on March 19, April 25, and May 7, 2024. Stakeholders and Staff engaged in substantive discussions to determine what metrics should be recorded for the duration of each pilot project, seeking to provide a robust set of data to

[13] On April 8, 2024, NYSEG filed a letter withdrawing one of its pilot projects.

assess and optimize the operation, customer satisfaction, billing model, and additional performance and equity measures desired in the potential scaling of UTENs statewide. The final set of UTEN Performance Metrics are under development and will be posted to the Case upon completion.

The forthcoming design and operational phases of the UTEN pilot projects will provide critical information about hurdles and successes both foreseen and unexpected to inform effective and comprehensive regulation of UTENs by the Commission, as contemplated by the Act. Thus, in this liminal period, Staff issued a proposal to advance a limited set of initial rules for UTENs that it believed were appropriate for consideration at the time and in recognition of the timeline set forth in the Act.

SUMMARY OF STAFF PROPOSAL

The Staff Proposal offered recommendations for initial rules in the areas outlined in the Act, to be adopted by Commission order. In part, input in these areas was sought to help identify specific questions, data, and analyses that can be developed through the pilot projects to inform the Commission's subsequent efforts to adopt comprehensive rules and regulations.

Creating Fair Market Access

Specifically, the Act requires the Commission to "create fair market access rules for utility-owned thermal energy networks to accept thermal energy that aligns with the climate justice and greenhouse gas emissions reductions requirements of the [CLCPA] and that does not increase greenhouse gas emissions or co-pollutants."[14] While the Act describes the utilities' unique potential to foster an equitable

[14] PSL §66-t(1)(a).

solution to building electrification that takes advantage of economies of scale in the construction and operation of a UTEN, Staff opined this unique potential does not mean that ownership of thermal energy resources supplying thermal energy to the utility distribution network(s) should be exclusive to the utilities.[15] Staff identified that without rules to enable fair market access, thermal energy network development could be limited to accessing only thermal energy resources owned by a utility. This limitation, according to Staff, would restrict the potential universe of thermal energy resources that should be considered as viable options to explore. For example, such a restriction could limit the use of waste heat as a source of thermal energy from any number of non-utility premises/facilities, ranging from data centers to wastewater treatment facilities, hindering access to potentially valuable, cost-effective means of reducing emissions. Accordingly, Staff proposed two high-level fair market access rules. First, Staff proposed that thermal energy resources (e.g., bore fields, waste-heat sources) should not be limited to only those owned and operated by a utility. Second, Staff proposed that the relationship between a thermal energy resource and the utility (UTEN operator) be clearly outlined in a tariff or non-tariff contractual agreement that defines the responsibilities of each party and consequences of non-performance.

[15] Thermal Energy Resource is defined as "An asset or facility that the thermal energy network can use to either extract thermal energy from (source) or reject thermal energy to (sink)." Utility Distribution Network is defined as "A closed loop system of pipes that contains a fluid that transports thermal energy connecting the energy center(s), thermal energy resource(s), service line(s), and energy transfer station(s)". Case 22-M-0429, Utility Thermal Energy Network Terms & Definitions (filed December 1, 2023).

Exempting Small Scale Networks

The Act also requires the Commission to adopt rules that "exempt small-scale thermal energy networks not owned by utilities from commission regulation."[16] Therefore, the Commission must establish a definition for what, apart from ownership by an entity that otherwise qualifies as a utility,[17] makes a network "small-scale." The Staff Proposal reviewed other instances where the PSL allows for partial or complete exemption of certain entities and operations from Commission oversight. This includes the existing application of incidental regulation, lightened regulation, exemption from rate regulation for homeowners' associations operating water plant, exemption from Commission regulation for municipal water systems, and various statutory exemptions from the PSL's definitions of electric corporation, gas corporation, and water-works corporation.[18]

Based upon this review of past Commission practices, and in consideration of the goals of the Act, Staff proposed that a small-scale thermal energy network, not owned by a utility, would qualify for exemption from Commission regulation if it could meet one or more of the following conditions:

(1) Thermal energy is provided in a campus-style environment in which the thermal energy network and the buildings it serves, are on private property, owned by the same entity, and there is no provision of thermal energy to tenants for a fee.

(2) Thermal energy is provided through a thermal energy network owned by an association of homeowners and/or building owners in which the

[16] PSL §66-t(1)(b).

[17] Staff understands "utility" to mean an entity that constitutes an electric corporation, gas corporation, or combination gas and electric corporation as those terms are defined in PSL §2.

[18] See Staff Proposal, p. 7-16.

> sole purpose of the thermal energy network is to provide thermal energy to the homeowners' and/or building owners' properties and who have an interest and voice in the thermal energy network's operation.

Staff explained that it does not recommend an exemption for municipally owned thermal energy networks at this time. Although municipal water districts are not regulated by the Commission, they must comply with other state regulations related to water safety and quality. According to Staff, such companion regulations do not yet exist for the provision of thermal energy. Therefore, since a municipal-owned thermal energy network would be providing critical services such as space heating, Staff explained that it would be premature to exempt such thermal energy networks from any form of regulation.

Promotion of Training & Transitioning of Utility Workers

As discussed in the Staff Proposal, the Act states "[a]ny thermal energy network ... shall demonstrate that the gas or electric corporation has entered into a labor peace agreement with a bona fide labor organization of jurisdiction" to ensure continued employment opportunities for union laborers.[19] Accordingly, the 2023 Guidance Order directs the Utilities to indicate the status of the labor agreements required to implement any of the approved pilot project proposals in their Final UTEN Pilot Project Engineering Design and Customer Protection Plan filings.

The Act additionally amends the Labor Law, adding section 224-d(8) to require thermal energy network contractors and subcontractors to use apprenticeship agreements. As the New York State Department of Labor is tasked with providing lists of employees affected by gas downsizing for potential thermal

[19] See PSL §66-t(4).

energy network employment by the Utilities,[20] and has the relevant expertise concerning matters of labor law, the Staff Proposal recommended that future labor rules and regulations beyond the tracking and reporting requirements in the Guidance Order, to the extent that they are necessary, be developed by the Department of Labor.

Encourage Third Party Participation & Competition

As mentioned above, the Act requires the Commission to adopt rules that "encourage third party participation and competition where it will maximize benefits to customers". Based on the legislative findings section of the Act, Staff explained its belief that benefits relate to affordability and accessibility. Particularly informative, Section 2(2) of the Act states "the decarbonation of buildings must be pursued in a manner that is affordable [and] accessible..." and Section 2(12)(b) of the Act seeks "to direct and authorize the Public Service Commission to develop a regulatory structure for utility thermal energy networks that scales affordable and accessible building electrification...."

Interpreting the term "customers" to refer to both the customers who receive thermal energy from a UTEN, and the utility customers who will experience bill impacts related to UTEN pilot project costs, Staff proposed that competitive bidding is a potential avenue to ensure that costs are competitive, to the benefit of either type of "customers." In alignment with past Commission orders, the use of competition is instructive for establishing a framework to control costs associated with UTENs, and therefore the Staff Proposal recommended that utilities demonstrate the use of competitive bidding for UTEN infrastructure projects.

[20] Id.

Additional Areas to be Addressed by Comprehensive Regulation

The Staff Proposal clarified that while it was directly responsive to the requirements of the Act in recommending initial rules addressing the four areas expressly proscribed, a comprehensive suite of rules and regulations will ultimately be required to enable deployment of UTENs at scale. Inviting stakeholder input, Staff noted that UTEN pilot projects will be an informative testing ground, providing valuable data and experience in topical areas including, but not limited to, customer billing and protections, metering requirements, safety regulations, designation of operational roles and specification of related responsibilities, and operational standards.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking regarding initial rules and regulations for Utility Thermal Energy Networks, the Staff Proposal, was published in the State Register on March 6, 2024 [SAPA No. 22-M-0429SP11]. The time for submission of comments pursuant to this notice expired on May 6, 2024.

Written comments were received from the AFL-CIO and New York State Building and Construction Trades Council (filing jointly), the International Brotherhood of Electrical Workers (IBEW), the City of New York (NYC), the City of Albany Clean Energy Intern, the Joint Utilities,[21] the Rochester District Heating Cooperative, Inc. (RDH), the New York Geothermal Energy Organization, Inc., SHARC Energy Systems, Inc., HIGHMARK Building Efficiency, Rise Light & Power, LLC, Sane Energy

[21] The Joint Utilities include Central Hudson, Con Edison, NMPC, NYSEG, O&R, and RG&E.

Project, the Building Decarbonization Coalition,[22] and the President's Coop & Condo Council (PCCC). Appendix A to this Order provides a summary of all comments received. In addition, comments are addressed in relevant sections below.

LEGAL AUTHORITY

PSL §66-t(1) requires the Commission to adopt rules and regulations that address four specific areas: (a) create fair market access rules for utility-owned thermal energy networks to accept thermal energy that aligns with the climate justice and greenhouse gas emissions reductions requirements of the climate leadership and community protection act and that does not increase greenhouse gas emissions or co-pollutants; (b) exempt small-scale thermal energy networks not owned by utilities from commission regulation; (c) promote the training and transition of utility workers impacted by this act; and (d) encourage third party participation and competition where it will maximize benefits to customers.[23]

DISCUSSION

In the view of the Staff Proposal, stakeholder input, and as contemplated by the Act, the experience of developing, constructing, and operating diverse UTEN pilot projects tailored to various communities and regions across the State is expected to yield knowledge and experience that will help to inform the development of effective rules and regulations. Additionally,

[22] The Building Decarbonization Coalition filing includes joint comments from the Alliance for a Green Economy, Building Decarbonization Coalition, New York League of Conservation Voters, and WE ACT for Environmental Justice and will henceforth be referred to as the Joint Environmental Commenters.

[23] PSL §66-t(1).

further research to learn from the operation of existing district energy systems serving customers in New York and throughout the world, as well as exploration of broad policy approaches that could aid in the development of a robust thermal energy market in New York, should also inform the Commission's deliberations. Accordingly, prudence dictates that we postpone implementing longer-term regulatory structures for UTENs until we have sufficient knowledge and experience from the UTEN pilot projects, existing district energy systems, and other relevant research. Staff is directed to explore these additional reference areas and, to the extent appropriate, propose further rules and regulations for UTENs for comment and Commission consideration in advance of the completion of UTEN pilot projects.

However, as we await this additional opportunity to learn, and in recognition of the requirements of the Act, this Order addresses the four specific areas required under PSL §66-t(1). More specifically, the Commission adopts the recommended approaches identified in the Staff Proposal, with modifications, to create fair market access rules, promote the training and transition of utility workers, and encourage third party participation and competition where it will maximize benefits to customers, as required by the Act. Further, the Commission adopts a rule defining and exempting "small-scale" systems from Commission regulation, that modifies the Staff Proposal, as detailed further below. Given the nascent developmental stage of UTENs in New York State, the Commission notes that the additional experience we expect to gain with UTENs may result in a need to revise the rules we adopt in this Order. Additionally, we choose not to create additional regulations at this time to avoid stifling innovation and participation from entities who could both benefit and contribute to UTENs.

Creating Fair Market Access

With respect to the Act's requirement to "create fair market access rules for utility-owned thermal energy networks to accept thermal energy that aligns with the climate justice and greenhouse gas emissions reductions requirements of the [CLCPA] and that does not increase greenhouse gas emissions or co-pollutants," the Commission agrees with the high-level approach articulated in the Staff Proposal.

The Joint Environmental Commenters offer the addition of the phrase "regulated investor-owned" to clarify the exact nature of a utility that should not be the sole owner of thermal energy resources to the exclusion of third parties. The Commission understands the intent of adding this language, to prevent consolidation of thermal energy resources under the ownership solely of the existing privately owned electric and gas corporations in the State, however we decline to adopt this language for two reasons. First, doing so would preclude third-party thermal resources from serving publicly owned thermal energy networks. Second, the PSL provides that a private entity that owns and operates "electric plant" or "gas plant", which includes a thermal energy network, is (or would become) an electric or gas corporation subject to Commission regulation, absent exemption as "small-scale."

The Joint Environmental Commenters discuss the potential implementation of an "Open Access Common Carrier System" that deigns to promote competition, efficiency, and innovation by ensuring fair and non-discriminatory access to relevant UTEN infrastructure and recommend the Commission require this model. Based on the comments provided, the Commission understands one primary objective of such a model is to create a market dynamic that not only allows for, but promotes, the development of third-party owned thermal resources

that would feed into the UTEN's distribution system thereby creating a market for thermal energy and preventing monopolistic behavior that could result from a vertically integrated utility model. While the Commission agrees this objective has merit, it is premature for the Commission to impose an "Open Access Common-Carrier System" model at this time without further exploration as to how such a regulatory model would function, especially due to the unique balancing requirements to efficiently operate a UTEN. Accordingly, the Commission anticipates that Staff will further explore such a model for future Commission consideration. This exploration should include, but not be limited to, the specific objectives that it intends to achieve; applicability or special considerations related to UTENs; possible drawbacks to such a model; and whether these objectives could be better met through other means.

Addressing the proposed requirement that the relationship between the thermal energy resource and the utility (UTEN operator) be specified in a tariff or non-tariff contractual agreement, the Joint Utilities comment that they desire flexibility to allow for non-tariff contractual agreements that can offer similar standards and provisions for customer protections. The Commission agrees with the Joint Utilities. The Staff Proposal intended only to require that the responsibilities of each party and the consequences of non-performance be clearly defined – whether in a tariff or in a non-tariff agreement. We adopt that requirement, without specifying a particular form at present. The Commission anticipates that more detailed criteria for tariff/non-tariff agreements may be devised based upon business models developed and tested for pilot project operation.

New York City urges the Commission to address fair market rules beyond access for third-party thermal resources. Specifically, New York City asks the Commission to adopt eligibility standards to encourage private developers to develop, construct, own, and operate thermal systems. New York City suggests that eligibility for private developers would enhance non-utility TEN participation. However, such an entity could *become* a utility once it is supplying thermal energy to a customer. The PSL provides that a private entity that owns and operates "electric plant" or "gas plant", which includes a thermal energy network, would be an electric or gas corporation, and thus a utility.[24] Thus, absent exemption as "small-scale", discussed further below, an entity not otherwise a utility, that owns and operates a TEN serving multiple customers across property lines would generally be considered a utility. With regard to New York City's specific request that we set UTEN eligibility requirements, the Commission finds it is premature in advance of developing a more robust understanding about UTEN development, operation, potential business models, necessary customer protections, and more from the pilot projects.

Accordingly, the Commission adopts fair access rules as follows: 1) thermal energy resources (e.g., bore fields, waste-heat sources) may be owned and operated by entities other than the utility operating the UTEN, and 2) the relationship between a thermal energy resource and the utility operating the UTEN must be clearly outlined in a tariff or non-tariff contractual agreement that defines the responsibilities of each party and the consequences of non-performance. Again, in

[24] PSL §2(13), defining "electric corporation" as any entity "owning, operating or managing any electric plant or thermal energy network,"; PSL §2(11) provides a similar definition of "gas corporation," thus capturing owners/operators of TENs within the Commission's regulatory oversight.

advance of additional knowledge derived from the development, implementation, and operation of the myriad UTEN pilot projects, the Commission offers these general rules to establish a baseline understanding that encourages fair market access for critical elements of UTENs.

Additionally, the Staff Proposal laid out a number of principles related to thermal energy resources. The Joint Environmental Commenters provided refinement or additions to these principles which included requirements for interoperability, public input into the determination of cost-effectiveness, and requiring a system-wide view, including behind-the-meter resources, when calculating emissions reductions. The Commission incorporates some of the Joint Environmental Commenters' suggestions into these initial guidelines and, given the nascent status of the thermal energy resource market, we encourage Staff and stakeholders to consider further refinements as this proceeding progresses. Thus, the Commission provides the following principles as guidelines for the incorporation of third-party thermal resources into UTENs:

- Thermal energy resources should be reliable and cost-effective relative to available alternatives.
- Thermal energy resource providers should receive no compensation for injecting thermal energy into a network that exceeds system needs and creates system imbalance. An ideal system would include fair compensation established in real-time, be based on live operations, and include mechanisms to enable load shifting and thermal energy storage across various time frames.
- Waste or excess heat resources that emit greenhouse gasses should not be compensated in a way that incentivizes increasing emissions rather than reducing overall emissions.

Exempting Small-Scale TENs

As noted above, the Act directs the Commission to promulgate a rule to "exempt small-scale thermal energy networks not owned by utilities from commission regulation." The Act's division of TENs into two classes, one of which is exempt from regulation and one which is not, arguably constrains the Commission's ability to tailor more nuanced regulatory treatment of diverse types of TENs. Although the Act obligates us to define "small-scale" thermal energy networks at this time, there is still much to learn about thermal energy networks that will inform the full breadth of rules and regulations that may be appropriate and will determine whether certain entities and networks will be subject to Commission oversight and to what extent. Thus, it is imperative that we not grant exemption from Commission regulation without due consideration. Additionally, the Commission is mindful that innovation in thermal energy networks, whether run by an existing utility or otherwise, will help to inform future regulations. Accordingly, we exempt "small-scale" systems from our oversight, in accordance with the Act, to enable and not to stifle that innovation.

As described above, the Staff Proposal recommended considering a TEN "small-scale" and exempt from Commission regulation if it is not owned by a utility and it either operates on private property owned by a single entity and does not provide thermal energy to tenants for a fee; or if the TEN is owned by an association of homeowners and/or building owners providing thermal energy to members who have an interest and voice in the TEN's operation. We note that this proposal does not tie the exemption to a particular size of a system, but to other characteristics. We concur with relying on characteristics in addition to system size, as size alone is certain to be both under- and over-inclusive with respect to the

systems intended by the act for regulation or exemption therefrom.

Several commenters addressed the proposed criteria for exempting small-scale TENs. New York City opposes exempting systems owned by homeowners' associations, and points to the many municipal water systems in existence today to urge the Commission to exempt municipal-owned thermal energy networks. The Joint Utilities oppose exempting TENs owned by a homeowners' association or a building owners' association from Commission regulation, stating that the proposal is too vague and could prevent the Commission from providing protections related to safe, adequate, and reliable service for tenants should their landlord decide to enter an association of other building owners to develop a thermal energy network. The Joint Utilities urge delay in implementing "small-scale" regulatory exemptions until the substantive lessons are learned from the pilots in operation.

Additionally, PCCC states that some existing co-op and condominium campuses include TENs that are 80 or more years old, indicating long-standing institutional knowledge that is valuable and should not be dismissed. PCCC believes that co-op/condominium-based TENs could serve as community anchor systems and expand successfully into surrounding neighborhoods. To preserve their existing regulatory exemption, PCCC wants the Commission to implement a lightened regulatory regime for these co-op and condominium owned and operated TENs. In that same vein, RDH asks that the Commission also exempt a TEN owned and/or operated by a non-profit cooperative corporation. RDH states that, as a steam system, its status as a cooperative corporation exempts it from the definition of a "steam

corporation."[25] RDH explains that, as it looks to transition its system in ways that may fall under the PSL's definition of a thermal energy network, it wants to ensure that it can maintain its exemption from Commission regulation.

In adopting rules exempting small-scale TENs from regulation, the Commission declines to adopt the Staff Proposal to categorically exempt TENs owned and operated by homeowners' associations or associations of building owners, at this time. The commenters are correct that, more needs to be learned about the operation of TENs by homeowners' associations or an association of building owners before granting a broad regulatory exemption. That we decline to generally exempt TENs operated by such entities at this time does not affect the existing systems identified by PCCC as those systems meet other criteria to be considered small-scale and exempt from Commission regulation, as described below.[26]

The Commission also declines to categorically exempt municipal-owned TENs from regulation at this time. The Commission appreciates the desire of NYC for such an exemption. Further, we observe that TENs operating in several other jurisdictions, including wide-scale adoption in European countries, predominantly follow a municipal model. While we recognize that PSL §89-l generally exempts municipal-owned water systems from Commission jurisdiction, at the same time, the PSL subjects municipal-owned electric and gas utilities to

[25] PSL §2(22) exempts steam "made or produced and distributed solely for the use of its members by a non-profit cooperative corporation organized under the cooperative corporations law" from the definition of steam corporations subject to Commission jurisdiction.

[26] The systems described by PCCC could be considered campus-style systems operating on private property and they existed prior to the effective date of the Act.

Commission jurisdiction.[27] We find that a categorical exemption of municipal-owned TENs is premature given the nascent state of TENs regulation in New York.

With regard to RDH's proposal to exempt a TEN owned and/or operated by a cooperative corporation from Commission regulation, the Commission opines that such an arrangement could be a promising model for developing TENs. However, we note that RDH appears to be expressly authorized to operate without Commission oversight by the Cooperative Corporation Law. Section 3(i) of that statute provides "[e]xcept as otherwise expressly provided in this chapter, no cooperative corporation shall do any business for which a corporation may be formed under [the Transportation Corporations Law]." Providing steam service, as RDH does, and operating a TEN are businesses for which a corporation may be formed under the Transportation Corporations Law.[28] Based on the particular characteristics of RDH, Cooperative Corporations Law §77(2) provides for RDH's organization as a cooperative corporation to provide district heating and/or cooling service solely for the use of its members. The Cooperative Corporations Law does not provide an analogous statewide authorization for entities formed as cooperative corporations to operate TENs. Therefore, a general exemption from Commission regulation for TENs owned and/or operated by a cooperative corporation is not warranted at this time. However, we note that RDH, to the extent it would

[27] See, e.g., PSL §65(1).

[28] Transportation Corporations Law §2 provides that transportation corporations shall be, among other things, gas corporations electric corporations, gas and electric corporations, or district steam corporations. Rochester provides steam service as do district steam corporations. Additionally, Transportation Corporations Law §11 authorizes gas, electric, and gas and electric corporations to operate TENs.

otherwise be subject to Commission regulation as a TEN, meets another of the criteria for exemption from Commission regulation, discussed below, as it existed prior to the Act's effective date.

Additionally, the Commission recognizes that, like RDH and the systems identified by PCCC, communities and institutions across the state have been operating district energy systems for many decades prior to the Act. These systems encompass varying types that function under differing design, operation, and technical characteristics. Some, such as the district heating system operated by the Jamestown Board of Public Utilities, provide essential utility services to residential and commercial customers, under existing rate schedules and consumer protections, without Commission regulation. We encourage Staff to explore the business models, consumer protections, and operating characteristics of these various systems to further inform the development of regulations that may be brought before us in the future.

In order to best glean information from these existing district energy systems in a transparent manner, the Commission directs Staff to hold at least one technical conference. Such technical conference shall engage stakeholders, utilities, and other interested parties in an exploration of these existing systems to improve Staff's, utilities', and interested stakeholders' knowledge of the ways in which these systems currently operate, to effectively serve their customer bases. This knowledge can inform future deliberations as we consider the appropriate regulatory model to ensure the provision of safe and reliable utility thermal energy service at just and reasonable rates.

In advance of that technical conference, and to ensure that relevant participants and issues are encompassed fully, we

ask that the owners or operators of existing district energy systems that provide thermal energy to customers in some manner submit a letter to the Secretary in this case identifying the facility and briefly describing its owner, operator, and key characteristics (see Appendix B for a template that can be used for this purpose). Such information will help Staff to be aware of the full population of district energy systems in the State and to understand where, how, and for whom they operate. The Commission directs Staff to compile this information and supplement it with further research on existing district energy systems in the State and make such information publicly available. Such knowledge of the myriad operational, ownership, and oversight structures that undergird the successful provision of thermal energy service via these systems today will be instructive as we further deliberate on the characteristics of TENs that could be exempted from Commission regulation and the appropriate regulatory framework for UTENs to allow for the expansion of thermal energy networks at scale.

While we take time to learn about these existing district heating systems, we note that, in adding specific definitions of "thermal energy" and "thermal energy network," to the PSL,[29] the Act did not address them. Additionally, such entities have operated without Commission regulation heretofore. To the extent that these systems do meet the definition of

[29] PSL §2(28) defines "thermal energy" as "piped non-combustible fluids used for transferring heat into and out of buildings for the purpose of eliminating any resultant on-site greenhouse gas emissions of all types of heating and cooling processes, including, but not limited to, comfort heating and cooling, domestic hot water, and refrigeration." PSL §2(29) defines "thermal energy network" as all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate a utility-scale distribution infrastructure project that supplies thermal energy."

"thermal energy network," it is appropriate to avoid unduly burdening their operations by imposing a nascent TEN regulatory framework. Accordingly, the Commission exempts from regulation as "small-scale" TENs, systems, such as but not limited to RDH, that were in operation prior to July 5, 2022, the effective date the Act.

Finally, as previously noted, the Commission seeks to encourage, rather than stifle, innovation in the development of TENs. We recognize that TENs with unique design, location, ownership, and operational characteristics could be developed in the future. Such systems may warrant exemption from Commission regulation. Accordingly, the Commission also provides an avenue for the developer of a TEN to demonstrate that the Commission should exempt it from regulation as a small-scale TEN. A developer of a TEN that would not otherwise be exempt from Commission regulation may petition the Commission for such an exemption on an individual project basis.[30] To qualify for an exemption through this process, the petitioner, or the entity intending to own or operate a TEN, if different, must not otherwise meet the definition of an electric corporation or gas corporation as those terms are defined in PSL §2(11) and (13). Further, the petitioner must demonstrate that the proposed TEN will implement adequate consumer protections and ensure the provision of safe, adequate, and reliable service at just and reasonable rates without the need for Commission regulation. As this process will require consideration of the proposed TEN's specific characteristics a petitioner must show that it has

[30] Although the Commission declines to grant them categorical exemptions from regulation, municipalities and homeowners' associations may seek exemption for specific proposed TENs under this process.

substantially completed the design of the system and intends to develop it, rather than present a merely hypothetical scenario.

To summarize, at this early stage in the development of TEN regulation, the Commission establishes limited exemptions from regulation for small-scale TENs. As with any rule, the Commission may revise these exemptions at a future date with appropriate reason and explanation. A TEN is exempt from Commission regulation if it is not owned by an entity that otherwise meets the definition of a gas, electric, or combination gas and electric corporation and it meets any of the following criteria:

> (1) Thermal energy is provided in a campus-style environment in which the thermal energy network and the buildings it serves, are on private property, owned by the same entity, and there is no provision of thermal energy to tenants for a fee;
>
> (2) Thermal energy is provided by a system that otherwise meets the definition of a TEN but was in operation prior to July 5, 2022; or
>
> (3) Thermal energy is provided by a TEN for which the Commission has granted an exemption on a project-specific basis.

Promotion of Training & Transitioning of Utility Workers

The Commission notes that the Department of Labor has promulgated guidance related to the prevailing wage requirements for the construction of renewable energy projects, expressly including thermal energy networks.[31] As stated in the Staff Proposal, the Commission directs the Utilities to indicate the status of the labor agreements required to implement any of the approved pilot project proposals in their forthcoming Final UTEN

[31] See https://dol.ny.gov/system/files/documents/2023/02/enforcement-guidance-renewable-energy-prevailing-wage-requirements-224-d.pdf

Pilot Project Engineering Design and Customer Protection Plan filings. The Commission also encourages stakeholders, including the Utilities, to align their approaches to workforce development and training, and directs each Utility to describe how it plans to support local workforce development, and work with the relevant unions to develop necessary metrics on jobs that will be created by each project, consistent with the Act.

Encourage Third Party Participation & Competition

With regard to the Staff-proposed competitive bidding rule, the Joint Utilities indicate concern that implementing such a rule for the procurement of UTEN services and materials is premature. NY-GEO states that individual municipalities should have the possibility of issuing franchise agreements to new entities for access to rights of way, rather than rely solely on the franchises previously granted to existing electric and gas utilities.

With regard to the proposed competitive bidding rule, requiring that a utility seek and consider bids before awarding a contract to a vendor can help to ensure the utility thoroughly considers its options to the benefit of ratepayers. Accordingly, the Commission adopts the Staff Proposal's recommendation that utilities demonstrate the use of competitive bidding for UTEN infrastructure projects. At this nascent stage in developing UTEN regulation, it is not necessary to opine on NY-GEO's comment regarding future municipal franchises for thermal energy networks.

CLCPA Compliance

The CLCPA, enacted in 2019, is ambitious climate legislation with a commitment to reduce GHG emissions and achieve net-zero emissions, increase renewable energy usage, and ensure climate justice. CLCPA §7(2) requires that all State

agencies, including the Commission, take into consideration whether certain final agency actions are inconsistent with or will interfere with the attainment of the statewide GHG emission limits established by the Department of Environmental Conservation (DEC) under Environmental Conservation Law (ECL) Article 75. Thus, final Commission decisions in proceedings such as the instant matter are subject to the evaluation required under CLCPA §7(2). CLCPA §7(2) further states that, if a decision is deemed to be inconsistent with, or interferes with, the attainment of the statewide GHG emissions limits, the deciding agency, office, authority, or division must provide a detailed statement of justification as to why such limits may not be met and identify alternatives or GHG mitigation measures to be required. CLCPA §7(3) provides that, in considering and issuing permits, licenses, and other administrative approvals and decisions, the Commission shall not disproportionately burden disadvantaged communities.[32] CLCPA §7(3) also requires that all state agencies prioritize reductions in greenhouse gas emissions and co-pollutants in disadvantaged communities.

This order advances the regulatory framework for Utility Thermal Energy Networks, which can generally be expected to reduce GHG emissions from buildings across the State. As such, this Order is consistent with and will support, rather than interfere with the attainment of the CLCPA's GHG emissions limits. Additionally, this action does not render a decision on any specific pending UTEN pilot project, and we do not anticipate it to have any adverse effects to any community, including disadvantaged communities. Accordingly, we find that

[32] The areas designated as disadvantaged communities by the Climate Justice Working Group can be identified in an interactive map available at: https://www.nyserda.ny.gov/ny/Disadvantaged-Communities.

authorization of these initial UTEN rules will not result in a disproportionate burden on any disadvantaged communities.

CONCLUSION

As required by the Act, this Order adopts initial rules addressing fair market access rules for utility-owned thermal energy networks; exempting small-scale thermal energy networks not owned by utilities from commission regulation; promoting the training and transition of utility workers impacted by this act; and encouraging third party participation and competition. As noted throughout this Order, this is but the first in an anticipated line of actions in developing and refining rules and regulations for UTENs. We expect that developing and refining such rules will be an ongoing process, as the Commission, the Staff, utilities, and stakeholders learn more about the benefits to be provided by UTENs and the most effective ways to ensure that UTENs develop in accordance with the public interest.

The Commission orders:

1. The initial rules for utility thermal energy networks that address fair market access, exempt "small-scale" thermal energy networks from Commission regulation, promote the training and transition of utility workers, and encourage third-party participation and competition, as described in the body of this Order, are adopted.

2. Department of Public Service Staff shall compile information describing the owner, operator, and key characteristics of existing district energy systems, and supplement it with further research on existing district energy systems in New York State and make such information publicly available.

3. Department of Public Service Staff shall convene at least one technical conference within 180 days of the date of this Order to explore existing thermal energy network systems in New York State including, but not limited to, understanding how these systems currently operate and effectively serve their customer bases, for the purpose of improving knowledge and informing potential future regulations.

4. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any requests for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

5. This proceeding is continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

SUMMARY OF COMMENTS

The City of New York (NYC)

NYC supports allowing private developers to participate in the development and operation of thermal energy networks. NYC recommends that the Commission establish eligibility standards for private developers based on experience in installing heating, cooling, or plumbing systems with larger-scale projects. This eligibility proposal includes requiring proof of creditworthiness and the ability to finance the costs of development, operation, and continuing maintenance of a thermal system. NYC provides an example of a plumbing company that has completed water system extensions and plumbed large commercial buildings or factories as a developer that would likely be qualified under this proposal.

NYC also states that the Commission applies lightened regulation to competitive entities with customers that are not captive and have multiple utility service options available. NYC suggests that this regulatory model would be applicable to thermal energy network customers that have the choice between a thermal energy network or individual home electrification. Additionally, NYC asserts that the Commission should not exempt systems owned by a homeowners' association or similar entity, to avoid leaving no recourse for an association member if the system is not maintained or if the operator seeks to impose exorbitant or unjust charges.

NYC supports a Commission regulatory exemption for municipally owned thermal energy networks, pointing to the myriad water systems currently owned and operated by municipalities across New York State. Arguing that municipal systems are undergirded by the jurisdiction's ability to raise or borrow the funds needed to maintain, expand, and repair the

systems, NYC believes that experience with water system management will be applicable to municipally owned TENs.

Finally, NYC urges the adoption of customer billing and service protections for TENs customers, including the adaption of the Home Energy Fair Practices Act (HEFPA) and the Uniform Business Practices (UBP) regulations, rules, and requirements to thermal energy service. To establish minimum safety standards for TENs, NYC suggests that existing rules and regulations for steam systems can serve as a framework, given the similarities between the provision of steam and thermal energy networks.

City of Albany Clean Energy Intern

Noting that she provides comments only in her professional capacity, and not as an authorized agent of the City of Albany, the City of Albany Clean Energy Intern supports the exemption of municipally owned TEN systems from Commission rate regulation. The Albany Clean Energy Intern suggests municipally owned TENs can operate based on a similar rate setting standard as that for municipally owned water and sewer systems, referring to the Albany Water Board's clear public goal to set "rates based on the costs associated with operating, maintaining, and making necessary improvements to our water and sewer systems." The comment also suggests defining "small-scale" TENs based on the geographic area served, such as using municipal boundaries or zip codes.

AFL-CIO, Building Trades, & IBEW

The AFL-CIO, Building Trades, & IBEW labor unions comment that the Act intentionally separated the labor standards into two separate sections of law (§224-d Labor Law and §66-t Public Service Law (PSL) in order to differentiate between construction/installation and operations/maintenance requirements. They point to Department of Labor (DOL) guidance

on thermal energy networks from 2023, concerning prevailing wage requirements. Additionally, they comment that the utilities should be encouraged to work with the unions to develop necessary metrics on jobs that will be created by each project, with respect to operational and maintenance labor addressed by PSL §66-t.

Joint Utilities

The Joint Utilities comment that the Commission should first adopt rules that lay out fundamental principles and initial guardrails for UTEN ownership and operation, as well as initial uniform business practices necessary for customer protections. Additionally, they request regulatory flexibility to enable incorporation of lessons learned from the pilot projects as the operation of the projects is ongoing. The Joint Utilities also request that, following the promulgation of initial rules, subsequent regulations should use the lessons learned from the pilots and include, but not be limited to, clarification that all owners and operators of thermal energy resources, whether utility or third party, will be held to the same standards of performance, reliability and safety.

Regarding "fair market access," the Joint Utilities urged that UTEN operators must be empowered to consider and act upon additional TEN characteristics, including: cost effectiveness, timeline, availability and reliability, UTEN system need, permitting and land use requirements, risks, thermal energy resource provider qualifications, location, and community impacts. They seek sufficient regulatory flexibility to allow for non-tariff contractual agreements that can offer similar standards and provisions for customer protection.

The Joint Utilities express opposition to "small-scale" system regulatory exemptions for TENs owned and operated by homeowners' or building owners' associations, asserting that

the proposal is too vague and could prevent the Commission from providing protections related to safe, adequate, and reliable service for tenants should their landlord decide to enter an association of other building owners to develop a thermal energy network. In their comments, the Joint Utilities propose delaying the adoption of additional exemptions from Commission regulation for small-scale thermal energy networks until the State has substantive lessons learned from the pilots in operation.

While expressing support for the competitive bidding of UTEN development work, the Joint Utilities state that in their opinion it is premature to establish such a rule.

Finally, the Joint Utilities expect the operation of pilot projects to assist in developing the regulatory framework in, but not limited to, the following areas: safety regulations, operational roles and responsibilities, transfer of ownership, rates, customer billing and protections, metering requirements, operational standards, and permitting.

Rochester District Heating Cooperative, Inc. (RDH)

RDH offers an amendment to the small-scale system exemptions, as offered in the Staff Proposal, to include scenarios where a TEN is owned and/or operated by a non-profit cooperative corporation. RDH's comments indicate that it plans to decarbonize its steam-based district heating system by converting it to clean energy thermal resources, and thus seek to ensure that RDH can continue to operate under the same exemption from Commission regulation as currently applies to it under Public Service Law §2(22)(c).

New York Geothermal Energy Organization, Inc. (NY-GEO)

A key issue for NY-GEO is that the definition of "networks" includes more than a "district concept" where the thermal resource is shared via a single conduit (i.e., pipe).

With this comment, NY-GEO appears to be referencing the "Utility Thermal Energy Network" definition developed through discussion at several technical conferences and filed to the case on December 1, 2023. Thus, NY-GEO understands network as meaning individual boreholes for each building in a neighborhood, community, geographically designed system, etc., should also be considered a network if owned by a utility, thermal network business, campus etc. With regard to non-utility owned thermal resources, NY-GEO supports the use of a tariff or non-tariff contractual agreement to define the responsibilities and consequences for each party, as long as entrepreneurs and third-party ownership models are able to compete for TENs business. Additionally, NY-GEO suggests that an effective, comprehensive UTEN policy also needs to address for profit, non-utility businesses that may own and operate TENs.

NY-GEO supports the Staff Proposal for small-scale thermal energy network exemptions, and notes that small-scale networks will limit customer choice of thermal energy provider, thus careful regulations to protect customers from excessive charges will be required in this potential monopoly situation. NY-GEO also supports future Commission consideration of allowing municipal grants of future rights of way/franchises for third party TENs systems, pending further stakeholder discussions. Finally, with respect to labor provisions, NY-GEO notes the unavailability of unionized labor in rural areas of the state, highlighting the need for regulatory flexibility, pursuant to comprehensive stakeholder input.

SHARC Energy Systems, Inc. (SHARC)

SHARC proposes that every UTEN pilot project under consideration by the Commission must explore the use of Wastewater Energy Transfer as a possible energy source that can

bring clean energy benefits to all communities, particularly those that meet the NYS criteria of Disadvantaged Communities.

HIGHMARK Building Efficiency (Highmark)

Highmark comments that it has helped multiple buildings in NYC employ Wastewater Energy Transfer technology as part of NYSERDA's Empire Building Challenge. Highmark urges that the Commission establish Wastewater Energy Transfer as a key component of the UTEN pilot projects.

Rise Light & Power, LLC (Rise)

Rise comments that, as the owners of the Ravenswood generating station, they are currently undertaking a feasibility study to repurpose the Hudson River water withdrawal permit/ infrastructure to create a district energy network. Accordingly, Rise supports the Staff Proposal's approach to fair market access, especially the use of non-tariff contractual agreements to govern the relationship between the TEN operator and the owner of a thermal energy resource, as it looks to repurpose its existing infrastructure and water withdrawal permit to provide non-utility owned thermal resources to a utility under a fair market access regime in an area with high demand and a need for infrastructure improvements. Rise also supports the prioritization of the transition and training of utilities' labor workforces.

Sane Energy Project (Sane Energy)

Sane Energy supports the development of non-utility TENs, which could be owned by municipalities, co-ops, and/or non-profit or private entities. Ensuring that customers have reliable service and are protected from price manipulation is a key regulatory issue, according to Sane Energy. Additionally, Sane Energy promotes the adaptation of the community solar program model for co-op and non-profit ownership of TENs or community choice aggregation for municipally owned TENs.

Joint Environmental Commenters

The Joint Environmental Commenters agree with the regulatory principles espoused in the Staff Proposal, but offer several modifications to the principles for creating fair market access. These included noting distinctions between operating parameters based on the type of TEN and ensuring interoperability for that a reasonable variety of thermal energy resources can connect to a given TEN; providing fair compensation to thermal energy resources in real time based on operational needs, to allow for load shifting and thermal energy storage; and encouraging systemwide analysis of waste heat resources to ensure reliance on such resources results in emission reductions. Additionally, they support the adoption of an Open Access Common Carrier regulatory framework to govern UTEN infrastructure, ensuring fair third-party access. According to the Joint Environmental Commenters, an Open Access Common Carrier framework would include: non-discriminatory access, tariff regulation, regulatory oversight, capacity allocation, interconnection and interoperability standards, and market monitoring and enforcement. Finally, the Joint Environmental Commenters assert that the Commission should limit its regulatory scope over small-scale TENs to ensuring safe and reliable operation, and statewide interoperability and interconnection parameters.

Presidents Co-op & Condo Council (PCCC)

Additionally, on June 25, 2024, PCCC submitted comments in response to the Staff Proposal and NYC's comments. PCCC urged that the Commission implement a lightened regulatory regime for cooperative/condominium housing that operates a TEN. According to PCCC, some existing co-op/condominium campuses include TENs that are 80 years old, or more, indicating long-standing institutional knowledge. PCCC suggests that the

location of many co-op/condominiums in mixed use neighborhoods will allow for the expansion of co-op/condominium TENs into the surrounding community. PCCC states that these systems are well-positioned for decarbonization and have competent management via co-op/condominium boards and relevant professionals with experience in maintaining and operating heating, cooling, and power generation plants.

DISTRICT ENERGY SYSTEM INFORMATION SUBMISSION FORM

Please respond to the prompts below with as much information as you are able to share. Your input will inform the New York State Department of Public Service about key features of district energy systems across New York State and will help to shape future decisions about how to enable and potentially support the integration of thermal resources and delivery of thermal energy services to end-users.

1. Contact information for future correspondence

2. Location (street address or GIS coordinates)

3. Website, if available, that contains information related to your district energy system

4. Start date of system operation

5. Date(s) and description(s) of any significant system expansion or modification

6. Owner(s) of district energy system assets

7. Thermal resources used by the district energy system

    7.1. Type

    7.2. Owner(s)

8. Operator of district energy system (if different from owner(s) identified in item 5)

9. Number and credentials (e.g., PE certification) of staff involved in system's operation and maintenance

10. End-use Customers served

    10.1. Commercial

    10.2. Industrial

    10.3. Residential

    10.4. Number and square footage of buildings (individual and cumulative)

11. End-uses served (indicate all that apply)
    - Space heating
    - Space cooling
    - Water heating
    - Refrigeration (distinct from space cooling)
    - Other (please specify)

12. Network thermal energy carrier(s) (indicate all that apply)
    - Steam (indicate pressure)
    - Water or water/glycol (indicate temperature)
    - Other

13. Compensation for services

    13.1 Unit of measurement for billing purposes (e.g., Btus)

    13.2 How service delivery is metered / measured

13.3 Billing period (e.g., monthly, quarterly)

13.4 Billing components (e.g., fixed customer charge, supply, demand, delivery)

14. Please attach any readily available schematic depiction of system’s assets and interaction with end-users' facilities

15. Please attach any readily available end-user agreements or billing rate descriptions