

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of

Proceeding on Motion of the Commission as to the Rates,  
Charges, Rules and Regulations of New York State Electric &  
Gas Corporation for Gas and Electric Service and Proceeding on  
Motion of the Commission as to the Rates, Charges, Rules and  
Regulations of Rochester Gas and Electric Corporation for Gas  
and Electric Service

Case Nos. 25-G-0378, 25-E-0375, 25-G-0380 and 25-E-0379

October 30, 2025

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Prepared Testimony of:

Jessica Azulay

Alliance for a Green Economy  
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New York 13210



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- 1 **Exhibit 19:** Companies' Response to AGREE\_PUSH IR 3.1,  
2 attach. 2
- 3 **Exhibit 20:** Companies' Response to AGREE\_PUSH IR 1.1  
4 Supp.
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- 10 **Exhibit 26:** Companies' Response to AGREE\_PUSH IR 22.1
- 11 **Exhibit 27:** Companies' Response to DPS IR 604
- 12 **Exhibit 28:** Companies' Response to AGREE\_PUSH IR  
13 16.1, attach. 1
- 14 **Exhibit 29:** Companies' Response to AGREE\_PUSH IR 16.1
- 15 **Exhibit 30:** Companies' Response to AGREE\_PUSH IR 24.1
- 16 **Exhibit 31:** Companies' Response to DPS IR 314, supp.  
17 1, attach. 76
- 18 **Exhibit 32:** Companies' Response to AGREE\_PUSH IR  
19 16.1, attach. 2
- 20 **Exhibit 33:** Companies' Response to AGREE\_PUSH IR 15.1
- 21 **Exhibit 34:** Companies' Response to DPS IR 422
- 22 **Exhibit 35:** Companies' Response to DPS IR 1008
- 23 **Exhibit 36:** Companies' Response to AGREE\_PUSH IR 18.1
- 24 **Exhibit 37:** Companies' Response to AGREE\_PUSH IR 2.1
- 25 **Exhibit 38:** Companies' Response to AGREE\_PUSH IR 19.1
- 26 **Exhibit 39:** Companies' Response to AGREE\_PUSH IR 7.1

1 I. INTRODUCTIONS, QUALIFICATIONS, AND  
2 RECOMMENDATIONS

3  
4 Q. Please state your name and business address.

5 A. My name is Jessica Azulay, and I am the  
6 Executive Director of Alliance for a Green  
7 Economy ("AGREE"), located at 2013 E. Genesee  
8 Street, Syracuse, New York 13210.

9 Q. Please describe your organization.

10 A. AGREE works for safe, affordable energy and the  
11 development of a green economy in New York  
12 State. Our goal is a prosperous, safe, and  
13 healthy New York, fulfilling the promise of  
14 conservation, energy efficiency, and safe, clean  
15 renewable energy sources to end our state's  
16 reliance on wasteful and environmentally  
17 destructive forms of energy. AGREE works to  
18 promote this transition to a carbon-free and  
19 nuclear-free future and educates the public  
20 about alternatives that can revitalize the

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1 economy and safeguard human health and the  
2 environment.

3 **Q. Please summarize your background and relevant**  
4 **experience.**

5 A. I have been working at AGREE since December  
6 2011, first as the organization's Program  
7 Director and then as Executive Director since  
8 January 2018. I serve as the organization's lead  
9 policy analyst, with a focus on New York State  
10 energy regulatory policy. I have represented  
11 AGREE in several major New York Public Service  
12 Commission ("PSC" or "the Commission") policy  
13 proceedings, including: Case 14-M-0101,  
14 Reforming the Energy Vision; Case 15-E-0302,  
15 Implementation of the Clean Energy  
16 Standard/Large Scale Renewables; Case 14-M-0094,  
17 Clean Energy Fund; Case 15-E-0082, Community  
18 Solar (Community New Metering); Case 14-E-0270,  
19 Proposal for Continued Operation of the R.E.

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1           Ginna Nuclear Power Plant; Case 18-M-0084,  
2           Comprehensive Energy Efficiency Initiative; Case  
3           14-M-0565, Low-Income Energy Affordability; Case  
4           15-E-0751, Value of Distributed Energy  
5           Resources; Case 20-G-0131, Proceeding on Motion  
6           of the Commission in Regard to Gas Planning  
7           Procedures; and Case 21-E-0130, Joint Petition  
8           of Exelon Corporation and Exelon Generation  
9           Company, LLC for a Declaratory Ruling  
10          Disclaiming Jurisdiction Over or Abstaining from  
11          Further Review of the Proposed Transaction, or  
12          in the Alternative, an Order Authorizing the  
13          Proposed Transaction. I have also represented  
14          AGREE in several major rate cases conducted  
15          before the PSC since 2017. In the course of this  
16          work, I have conducted and published analysis,  
17          drafted and filed technical comments, provided  
18          expert testimony and participated in settlement

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1 meetings, technical conferences, stakeholder  
2 meetings and working groups.

3 I have a Bachelor of Liberal Arts degree from  
4 Sarah Lawrence College, where my concentration  
5 was political economy, and I have more than 25  
6 years of experience as a researcher, writer and  
7 organizer in social movements in New York.

8 **Q. Have you testified in a previous rate case**  
9 **before the New York Public Service Commission?**

10 A. Yes. I submitted expert testimony in Cases 24-E-  
11 0322, 24-G-0323, 23-G-0627, 22-E-0317, 22-G-  
12 0318, 22-E-0319, 22-G-0320, 21-G-0073, 21-E-  
13 0074, 19-E-0065 and 19-G-0066.

14 **Q. On whose behalf are you testifying in this case?**

15 A. I am testifying on behalf of AGREE and People  
16 United for Sustainable Housing Buffalo ("PUSH"  
17 Buffalo).

18 **Q. What is the purpose of your testimony?**

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1 A. The purpose of my testimony is to discuss  
2 recommended changes to the rate proposal by the  
3 New York State Electric and Gas Corporation  
4 ("NYSEG") and Rochester Gas and Electric  
5 Corporation ("RG&E") (collectively, "the  
6 Companies") that would help reduce the  
7 Companies' greenhouse gas emissions and further  
8 the objectives of New York's climate law, as  
9 well as avoid unnecessary costs to ratepayers. I  
10 recommend: (1) denying or significantly reducing  
11 the Companies' capital expenditures request for  
12 gas infrastructure, (2) modifying the Companies'  
13 non-pipeline alternative ("NPA") program, (3)  
14 expanding the Companies' energy efficiency and  
15 electrification programs for the Companies'  
16 industrial customers, (4) expanding the  
17 Companies' tracking and reporting on investments  
18 and burdens in disadvantaged communities, and  
19 (5) denying rate recovery for environmental

1 attributes associated with renewable natural gas  
2 ("RNG") (also called "biomethane").

3 **Q. What information did you review in preparing**  
4 **this testimony?**

5 A. The Companies' testimony filed in this case, the  
6 Companies' long-term plan filed in docket 23-G-  
7 0437, the orders authorizing low-to moderate-  
8 income and non-low-to-moderate-income energy  
9 efficiency and building electrification  
10 portfolios for 2026-2030 filed in docket 18-M-  
11 0084, and discovery responses.

12 **Q. Are you sponsoring any exhibits with your**  
13 **testimony?**

14 A. Yes. I am attaching the following exhibits:

15 **Exhibit 1:** Jessica Azulay CV

16 **Exhibit 2:** Companies' Response to DPS IR 105, 115

17 **Exhibit 3:** Companies' Response to AGREE\_PUSH IR 6.1

18 **Exhibit 4:** Companies' Response to DPS IR 765

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- 1 **Exhibit 5:** Companies' Response to DPS IR 98, attach.  
2 1
- 3 **Exhibit 6:** Companies' Response to AGREE\_PUSH IR 21.1  
4 **Exhibit 7:** Companies' Response to AGREE\_PUSH IR 23.1  
5 **Exhibit 8:** Companies' Response to AGREE\_PUSH IR 25.  
6 1, attach. 1, attach. 2, attach. 3, attach. 4,  
7 attach. 5
- 8 **Exhibit 9:** Companies' Response to AGREE\_PUSH IR 12.1,  
9 attach. 2
- 10 **Exhibit 10:** Companies' Response to DPS IR 686
- 11 **Exhibit 11:** Companies' Response to AGREE\_PUSH IR 26.1
- 12 **Exhibit 12:** Companies' Response to AGREE\_PUSH IR 3.1
- 13 **Exhibit 13:** Companies' Response to AGREE\_PUSH IR 11.1
- 14 **Exhibit 14:** Companies' Response to AGREE\_PUSH IR 3.1  
15 Supp.
- 16 **Exhibit 15:** Companies' Response to AGREE\_PUSH IR 9.1
- 17 **Exhibit 16:** Companies' response to AGREE\_PUSH IR 4.1
- 18 **Exhibit 17:** Companies' Response to DPS IR 109,  
19 attach. 1
- 20 **Exhibit 18:** Companies' Response to AGREE\_PUSH IR 1.1
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21 **Q. Please summarize your testimony, including your**  
22 **conclusions and recommendations.**

23 A. I begin my testimony by explaining the policy  
24 goals and requirements of the Climate Leadership

1           and Community Protection Act ("CLCPA") and New  
2           York's Climate Scoping Plan. I explain the need  
3           to reduce gas consumption and downsize the gas  
4           system while protecting overburdened communities  
5           from pollution and economic harms. From there, I  
6           discuss the Companies' capital expenditures  
7           request for gas infrastructure, focusing on  
8           three programs: gas expansion, leak-prone pipe  
9           replacement, and non-leak prone service  
10          replacement. I conclude that the Companies have  
11          not submitted sufficient information or evidence  
12          to support the capital budget for their gas  
13          infrastructure proposal, as exemplified by the  
14          proposals for those three programs.

15          I then discuss the Companies' NPA program and  
16          detail steps that the Companies should take to  
17          make the program more effective, including by  
18          modifying their program criteria, beginning  
19          project planning farther in advance, and

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1           improving outreach and education. I also  
2           recommend measures to facilitate customer  
3           participation in NPAs by providing a heat pump  
4           incentive and allowing NPAs to cover work that  
5           is often a prerequisite to participation  
6           including behind-the-meter electrical upgrades  
7           and pre-weatherization health and safety  
8           measures. In addition, I discuss the Companies  
9           need to ramp up their outreach and education  
10          around electrification for their industrial  
11          customers. I then discuss the Companies' annual  
12          disadvantaged communities report and conclude  
13          that the Companies should expand the information  
14          on which they report to align with other  
15          utilities in New York. Finally, I discuss  
16          biomethane/RNG and conclude that it is unclear  
17          whether biomethane provides any environmental  
18          benefits as compared to fossil gas. As a result,  
19          I conclude that there is no basis to support

1 NYSEG's proposal for cost recovery for the  
2 environmental attributes associated with the  
3 biomethane and recommend that the Commission  
4 deny such cost recovery.

5 **II. THE CLIMATE LEADERSHIP AND COMMUNITY PROTECTION**  
6 **ACT**

7  
8 **Q. Are you familiar with the Climate Leadership and**  
9 **Community Protection Act?**

10 A. Yes, I am familiar with the Climate Leadership  
11 and Community Protection Act.

12 **Q. Please describe the CLCPA.**

13 A. The Climate Leadership and Community Protection  
14 Act, which I will refer to as the "CLCPA" or the  
15 "Climate Act" is New York State's landmark  
16 climate law that requires steep economy-wide  
17 reductions in greenhouse gas emissions starting  
18 in this decade and continuing until 2050. The  
19 law requires a rapid build out of renewable  
20 energy capacity and a just transition to a clean

1 energy economy that generates economic and  
2 public health dividends to benefit all New  
3 Yorkers with a particular focus on equitable  
4 benefits for communities that, due to factors  
5 including race and income, have been  
6 historically polluted and marginalized, called  
7 “disadvantaged communities” under the law.  
8 Recognizing that “[c]limate change is adversely  
9 affecting economic well-being, public health,  
10 natural resources, and the environment of New  
11 York,” the Legislature passed the CLCPA in 2019  
12 to strengthen and codify New York’s statewide  
13 mandates for emissions reductions and require  
14 the accelerated adopting of renewable energy.  
15 2019 Sess. Laws of N.Y. Ch. 106 (S.6599) § 1  
16 (hereinafter “CLCPA”). The CLCPA aims to  
17 mitigate the existing harms of climate change  
18 and prevent even greater harm in the future. See  
19 *id.* § 2(a) (“The severity of current climate

1 change and the threat of additional and more  
2 severe change will be affected by the actions  
3 undertaken by New York and other jurisdictions  
4 to reduce greenhouse gas emissions.”).

5 **Q. Please summarize the greenhouse gas reductions**  
6 **required by the CLCPA.**

7 A. The CLCPA requires economy-wide greenhouse gas  
8 emissions reductions of 40% from 1990 levels by  
9 2030 and 85% from 1990 levels by 2050. ECL § 75-  
10 0107(1). The CLCPA also sets a goal of reducing  
11 greenhouse gases to net zero by 2050. CLCPA §  
12 (1)-(4). The law requires 70% renewable  
13 electricity by 2030 and a zero-emission electric  
14 grid by 2040 and statewide energy efficiency  
15 gains of 185 trillion British thermal units from  
16 the 2025 forecast. PSL § 66-P(2); ECL § 75-  
17 0103(13)(e). Although the CLCPA does not provide  
18 specific emissions reduction sub-targets for  
19 different sectors, the emissions reductions

1 requirements apply economy-wide, including to  
2 the building sector, which the State's own  
3 analysis has found to be the sector with the  
4 highest GHG emissions, as the Companies  
5 recognize. NYS DEC, *2024 Statewide GHG Emissions*  
6 *Report* at vi, tbl. ES.3 (Dec. 2024),  
7 [https://dec.ny.gov/sites/default/files/2024-](https://dec.ny.gov/sites/default/files/2024-12/summaryreportnysghgemissionsreport.pdf)  
8 [12/summaryreportnysghgemissionsreport.pdf](https://dec.ny.gov/sites/default/files/2024-12/summaryreportnysghgemissionsreport.pdf)  
9 (reporting 2022 New York State GHG emissions by  
10 economic sector); Clean Energy Implementation  
11 Panel Testimony at 32.

12 **Q. How is New York State implementing the CLCPA?**

13 A. The CLCPA created an entity called the Climate  
14 Action Council tasked with developing a Scoping  
15 Plan to provide a roadmap for New York to meet  
16 the statute's requirements. ECL § 75-0103. The  
17 Climate Action Council is comprised of agency  
18 heads as well as other individuals "with  
19 expertise in ... environmental justice, labor,

1 public health, and regulated industries.” *Id.* §  
2 75-0103(1), (2).

3 Following nearly two years of input from  
4 technical advisory panels, the Climate Justice  
5 Working Group, and members of the public, the  
6 Climate Action Council finalized and approved  
7 its Scoping Plan in December 2022. The Scoping  
8 Plan includes a comprehensive analysis of  
9 greenhouse gas emissions reduction pathways and  
10 recommends legislation, regulations, and  
11 programs that New York State should adopt to  
12 achieve the CLCPA’s GHG reduction mandates. For  
13 example, the Scoping Plan recommends that New  
14 York prohibit fossil fuel combustion in new  
15 construction. NYS Climate Action Council, *New*  
16 *York’s Scoping Plan* (Dec. 2022),  
17 <https://climate.ny.gov/resources/scoping-plan/>  
18 (hereinafter “Scoping Plan”). In 2023, New York  
19 adopted that recommendation in enacting the All-

1 Electric Building Act, which prohibits fossil  
2 fuel combustion in new buildings after 2025 for  
3 buildings that are seven stories or fewer, and  
4 after 2028 for larger buildings. Energy Law §  
5 11-104(6) (b). The Legislature recognized that  
6 the All-Electric Building Act would “help  
7 achieve the state’s clean energy and climate  
8 agenda,” including the CLCPA’s greenhouse gas  
9 reduction mandates. *Id.* § 11-104(6) (a). On July  
10 25, 2025, the New York State Fire Prevention and  
11 Building Code Council adopted regulations to  
12 implement the All-Electric Building Act. See 19  
13 NYCRR Part 1240. In addition to recommending an  
14 all-electric building standard, the Scoping Plan  
15 confirms the need to strategically downsize the  
16 gas distribution system in the coming years.  
17 Scoping Plan at 350, 351.

18 The PSC has also taken steps to implement the  
19 CLCPA. In 2020 the PSC initiated a Gas Planning

1           Proceeding with an eye towards a “need to reduce  
2           the emissions associated with gas delivery  
3           systems in order to support the achievement of  
4           the CLCPA’s GHG emissions targets.” Order on  
5           Implementation of the Climate Leadership and  
6           Community Protection Act at 24, NY PSC Case No.  
7           22-M-0149 (May 12, 2022). On May 12, 2022, the  
8           PSC issued an order requiring each gas utility  
9           to develop a twenty-year plan that forecasts  
10          demand and supply as well as sets forth how the  
11          utility will address demand and take steps  
12          towards meeting the CLCPA’s greenhouse gas  
13          reduction and equity mandates. *See generally,*  
14          Order Adopting Gas System Planning Process, NY  
15          PSC Case No. 20-G-0131 (May 12, 2022). The gas  
16          planning order also instructs gas utilities to  
17          conduct planning that is consistent with the  
18          CLCPA. *Id.* at 4.

1 Q. You mentioned the Gas Planning Procedures  
2 Proceeding before the Public Service Commission,  
3 Case Number 20-G-0131 earlier. Are you familiar  
4 with this proceeding?

5 A. Yes, I am familiar with the proceeding and my  
6 organization has submitted written comments in  
7 the generic proceeding as well as regarding each  
8 of the plans submitted thus far by individual  
9 utilities, including the Companies.

10 **III. THE COMPANIES MUST PRIORITIZE REDUCING**  
11 **GREENHOUSE GAS EMISSIONS IN THEIR SERVICE**  
12 **TERRITORY.**  
13

14 Q. As you testified above, the CLCPA requires the  
15 Commission to ensure utilities reduce greenhouse  
16 gas emissions and prioritize pollution reduction  
17 in disadvantaged communities. How can the  
18 Companies reduce pollution in their service  
19 territories so that they comply with the CLCPA?

20 A. A meaningful reduction of pollution must come  
21 from the reduction of both outdoor and indoor

1 air pollutants, both of which impact health.  
2 These reductions need to come from the building  
3 sector, the electricity generation sector, the  
4 industrial sector, and the transportation sector  
5 because all these sectors contribute to poor air  
6 quality, particularly in disadvantaged  
7 communities, where impacts are often cumulative  
8 due to historical and discriminatory practices  
9 of siting of multiple polluting sources. The  
10 CLCPA explicitly recognizes the cumulative  
11 historic harm in these communities and requires  
12 all state agencies, including the PSC, as a  
13 state agency, to both reduce this pollution and  
14 ensure additional pollution is not created.

15 **Q. How can the Companies reduce greenhouse gases**  
16 **and air pollution from buildings in their**  
17 **service territories?**

18 A. Greenhouse gas emissions and other kinds of air  
19 pollution from buildings come from burning

1 fossil fuels and wood on site for heating,  
2 domestic hot water, and cooking. Reducing this  
3 on-site combustion is critical to reducing  
4 indoor and outdoor air pollution from buildings  
5 in the service territory.

6 There are two core interventions for reducing  
7 fuel combustion in buildings: energy efficiency  
8 and electrification. In pursuing these  
9 interventions, there are two different and  
10 complementary deployment strategies: widespread  
11 and targeted.

12 **Q. How does energy efficiency reduce fossil fuel**  
13 **combustion?**

14 Energy efficiency measures are interventions  
15 that reduce the amount of energy needed to  
16 achieve a specific outcome. One example of an  
17 energy efficiency measure is insulation. By  
18 insulating a building and preventing thermal  
19 loss, a building can be heated or cooled to the

1 same temperature as before the intervention, but  
2 now with less energy. Reducing the energy needed  
3 to achieve a comfortable indoor temperature  
4 thereby reduces the emissions associated with  
5 heating or cooling, and, as an important added  
6 benefit, it also reduces the cost of heating or  
7 cooling the building.

8 **Q. How does electrification reduce fuel combustion?**

9 A. Replacing combustion end uses, such as heating,  
10 hot water, and cooking, with efficient electric  
11 appliances (a process called beneficial  
12 electrification) also reduces emissions and  
13 pollution in two important ways. First, it  
14 removes sources of combustion from people's  
15 living spaces and immediate environment,  
16 resulting in improved local indoor and outdoor  
17 air quality. Second, by using electric  
18 appliances that are more efficient than their  
19 combustion counterparts and utilizing New York's

1 partially decarbonized electricity mix to power  
2 them, beneficial electrification results in  
3 reduced greenhouse gas emissions. These  
4 reductions will increase over time as the  
5 electricity mix in New York gets cleaner due to  
6 the mandated build-out of renewable electricity  
7 generation. The Companies have testified that  
8 they are pursuing electrification as a strategy  
9 for reducing greenhouse gas emissions. Clean  
10 Energy Implementation Panel Testimony at 33. To  
11 meet New York State's climate mandates and to  
12 reduce pollution in the Companies' service  
13 territory, they should expand and ramp up these  
14 efforts.

15 **Q. Can you provide a few examples of technologies**  
16 **that can be used to help electrify buildings?**

17 A. Electrification technologies include ground-  
18 source (geothermal) heat pumps, cold-climate  
19 air-source heat pumps, electric and induction

1 cooktops, heat pump and electric water heaters,  
2 and other electric appliances. In cases where  
3 the heat pumps can utilize thermal energy  
4 networks, the incorporation of waste heat and  
5 sharing of thermal loads across buildings can  
6 further maximize efficiency, affordability, and  
7 emissions reductions.

8 **Q. How do thermal energy networks reduce fossil**  
9 **fuel combustion?**

10 A. "Thermal energy network" refers to a network of  
11 distribution mains and service lines which carry  
12 ambient temperature water to and from heat  
13 sources and sinks. Potential sources and sinks  
14 include vertical or horizontal geothermal ground  
15 loops; bodies of surface water, water towers or  
16 greywater; factories, data centers, sewers or  
17 wastewater treatment facilities, subways, and  
18 other sources of excess heat; renewable co-  
19 generation plants; ice skating rinks, grocery

1 stores, other buildings with large-scale  
2 refrigeration needs, and more. Heat exchangers  
3 and/or water-source heat pumps within buildings  
4 exchange thermal energy with the shared  
5 distribution system, which in most cases can be  
6 used for both heating and cooling needs.

7 Thermal energy networks would greatly benefit  
8 the Companies' customers because of the ability  
9 to spread the high up-front capital costs of  
10 electrification over many ratepayers and over a  
11 long period of time, making renewable heating  
12 and cooling more affordable. They also reduce or  
13 eliminate indoor and outdoor pollution from  
14 fossil fuels. Thermal energy networks are  
15 climate resilient because they do not involve  
16 outdoor equipment which is exposed to the  
17 elements and needs to be replaced frequently.  
18 Their ability to both heat and cool is another  
19 major benefit because they can alleviate extreme

1 heat health threats for participating customers,  
2 particularly when located in disadvantaged  
3 communities, where residents are more likely to  
4 lack access to air conditioning.

5 **Q. You mentioned above two different and**  
6 **complementary strategies for energy efficiency**  
7 **and electrification. Can you explain a**  
8 **deployment strategy - both widespread and**  
9 **targeted - and the differences between the two?**

10 A. Happily. The most common approach to deploying  
11 energy efficiency and electrification in New  
12 York is to create incentive programs that are  
13 available to anyone in a specific utility  
14 territory or within the State of New York  
15 (depending on the program administrator) as long  
16 as the participant meets the eligibility  
17 criteria for the program. As an example,  
18 NYSERDA's Empower+ program deploys energy  
19 efficiency measures to low- and moderate-income

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1 households in the state of New York. The Clean  
2 Heat Program, run jointly by the investor-owned  
3 utilities in New York, incentivizes heat pumps  
4 to households of all incomes as long as the  
5 proposed project itself meets the criteria of  
6 the program. Wide-spread programs are meant to  
7 be popularly accessible and to meet certain  
8 broad policy goals, such as reducing an overall  
9 amount of greenhouse gases statewide, achieving  
10 certain levels of adoption of a specific  
11 technology, or achieving energy savings for an  
12 overall number of households.

13 In contrast, targeted deployment of energy  
14 efficiency and electrification can be used to  
15 avoid gas system costs in a specific area or to  
16 reduce pollution in a specific area. While  
17 targeted deployment of efficiency or  
18 electrification will also help achieve the  
19 overall economy-wide greenhouse gas emissions

1 reductions mandates, this strategy has added  
2 benefits that might accrue to a specific set of  
3 ratepayers or a specific community.

4 A concrete example of a targeted efficiency or  
5 electrification program might be a program  
6 specifically designed to bring down air  
7 pollution in a disadvantaged community that is  
8 overly burdened by unhealthy air. By  
9 concentrating the deployment of efficiency and  
10 electrification incentives within that specific  
11 disadvantaged community, you may be able to make  
12 a significant dent in the air pollution emitted  
13 from combustion in that geographic area and  
14 improve the health of residents in a way that a  
15 widespread program will not.

16 Another example of a targeted program would be a  
17 non-pipe alternative, discussed further below.

18 **IV. THE COMPANIES HAVE NOT JUSTIFIED THEIR GAS**  
19 **SYSTEM CAPITAL EXPENDITURES REQUEST.**  
20

1 Q. As you testified above, the Scoping Plan  
2 concluded that in order to achieve the CLCPA  
3 greenhouse gas reduction mandates, New York must  
4 strategically downsize its gas distribution  
5 system. Are the Companies' rate requests  
6 consistent with this strategic downsizing?

7 A. No. On the contrary, the Companies' rate  
8 requests include millions of dollars for capital  
9 expenditures to expand and unnecessarily  
10 reinforce the gas distribution system.

11 Q. Do you have concerns about the Companies'  
12 capital expenditures request?

13 A. I do. The Companies' testimony does not support  
14 or even fully explain their capital expenditures  
15 request. While my testimony does not discuss  
16 every item in the Companies' capital expenditure  
17 budget, I do discuss a few examples that  
18 illustrate the Companies' failure to justify  
19 their requests for capital expenditures for gas

1 infrastructure, including the Companies' gas  
2 expansion proposal, leak-prone pipe replacement  
3 program, and non-leak prone service replacement.  
4 In response to requests from Staff for details  
5 about capital expenditure projections, the  
6 Companies simply refer to the testimony and  
7 exhibits, which provide very little information  
8 as discussed below. Exhibit 2, Companies'  
9 Response to DPS IR 105, 115. Additionally, as  
10 detailed below, the Companies assert that  
11 several components of their proposed capital  
12 expenditures are required by regulation or  
13 Commission order, but they have failed to  
14 substantiate these claims when asked for more  
15 detail through discovery. I am concerned that  
16 the Companies engage in a pattern of incorrectly  
17 claiming that they are proposing infrastructure  
18 investments because they are required to do so;  
19 that pattern further undermines the Companies'

1 position that those investments are needed in  
2 the first place.

3 **A. Gas System Expansion**

4 **Q. Do the Companies request rate recovery for new**  
5 **gas mains?**

6 A. Yes. From 2025-2031, NYSEG's capital forecast  
7 includes \$21.077 million for new gas mains and  
8 RG&E's includes \$18.066 million for new gas  
9 mains. Gas Capital Expenditures Panel Testimony,  
10 Exhibit \_\_ (GCE-07) at 149, 175.

11 **Q. Do the Companies request rate recovery for new**  
12 **gas service lines?**

13 A. Yes. From 2025-2031, NYSEG's capital forecast  
14 includes \$24 million for new gas service lines  
15 and RG&E's includes \$21 million for new service  
16 lines. *Id.* at 144, 184.

1   **Q.   Do you have concerns about the Companies' rate**  
2       **requests for new gas mains and gas service**  
3       **lines?**

4   A.   Yes. The Companies assume that their gas system  
5       will continue to expand at the level at which it  
6       expanded in 2024. *Id.* at 143, 174. However, in  
7       order to achieve the CLCPA mandates, and  
8       pursuant to the Scoping Plan, the Companies  
9       should be pursuing strategies to stem gas  
10      expansion and working to downsize the gas system  
11      in a managed, safe, and affordable manner rather  
12      than investing in new gas infrastructure at  
13      historic levels.

14   **Q.   Is the Companies' assumption that the gas system**  
15      **will expand at 2024 levels a rational one?**

16   A.   No. Recent changes in New York law will curtail  
17      gas system growth. As I mentioned, in 2023 New  
18      York enacted the All-Electric Building Act,  
19      which prohibits fossil fuel combustion in new

1 buildings after 2025 for buildings that are  
2 seven stories or fewer, and after 2028 for  
3 larger buildings. Energy Law § 11-104(6)(b). On  
4 July 25, 2025, the New York State Fire  
5 Prevention and Building Code Council adopted  
6 regulations to implement the All-Electric  
7 Building Act. See 19 NYCRR Part 1240. Starting  
8 next year, new buildings in the Companies'  
9 service territory that are seven stories or  
10 fewer will not request gas service, with limited  
11 exception.

12 **Q. Have the Companies addressed the All-Electric**  
13 **Building Act?**

14 A. Not sufficiently or in a rational manner. The  
15 Companies testified that there is uncertainty  
16 regarding the law's implementation due to  
17 litigation and the law's exemptions. Gas Capital  
18 Expenditures Panel Testimony at 56-57. However,  
19 since the Companies filed their testimony, a

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1 federal court has upheld the All-Electric  
2 Building Act and, as discussed, New York  
3 promulgated regulations to implement the law  
4 which provide details on the law's exemptions  
5 for specific types of buildings such as  
6 hospitals and for generation of emergency back-  
7 up power. *See Mulhern Gas Co., Inc. v. Mosley*,  
8 No. 1:23-CV-1267, 2025 WL 2062194 (N.D.N.Y.  
9 2025); 19 NYCRR Part 1240.

10 In response to a discovery request, the  
11 Companies stated that they do not intend to  
12 revise their gas expansion estimates even  
13 despite these developments because "[t]here are  
14 still many uncertainties surrounding" the law's  
15 implementation. Exhibit 3, Companies' Response  
16 to AGREE\_PUSH IR 6.1 (37) (b). The Companies also  
17 state that they are waiting for "final guidance  
18 on exemption criterion [sic] associated with the

1 implementation of the All-Electric Building[]  
2 Act.” *Id.*

3 However, one year prior, in their final long-  
4 term plan, the Companies’ “baseline . . .  
5 forecast assume[d] no growth in residential and  
6 commercial customer counts starting in 2026 and  
7 no growth in municipal and industrial customer  
8 counts starting in 2029 due to the passage of  
9 legislation in May 2023 regarding the  
10 prohibition of fossil fuel in new buildings.”  
11 Final Gas Long-Term Plan at 40, NY PSC Case No.  
12 23-G-0437 (Apr. 26, 2024) (hereinafter  
13 “Companies’ Final Gas LTP”). Now, the Companies  
14 admit that they do not track service  
15 installation requests by building type or for  
16 back-up generation, and therefore they cannot  
17 estimate how many potential new customers could  
18 qualify for an exemption under the All-Electric  
19 Building Act. They should not be permitted to

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1 use their own failure to track this information  
2 to justify a costly capital expenditures  
3 request. Exhibit 3, Companies' Response to  
4 AGREE\_PUSH IR 6.1 (37) (d)-(g). The law's  
5 exemptions are narrow, and it is not reasonable  
6 to plan as if all potential customers will be  
7 exempted. Overestimation of this item would  
8 result in higher bill impacts than necessary on  
9 customers.

10 Additionally, the Companies have elsewhere  
11 stated that "the All Electric Building Act and  
12 the NY Climate Leadership and Community  
13 Protection Act may reduce incremental gas load"  
14 as a justification for seeking to amortize the  
15 costs of the abandoned CM3D Transmission  
16 Pipeline. Exhibit 4, Companies' Response to DPS  
17 IR 765. The Companies cannot selectively rely on  
18 the All-Electric Building Act when doing so  
19 serves their goals and otherwise plan as if the

1 statute will not affect their operations. The  
2 All-Electric Building Act is the law in New  
3 York, and unless that changes, the Companies  
4 should assume that it will remain in effect and  
5 will reduce the rate of gas expansion in their  
6 service territories.

7 **Q. Do the Companies' growth estimates disregard any**  
8 **other policy developments besides the All-**  
9 **Electric Building Act?**

10 A. Yes. In June 2025, the New York State Senate and  
11 Assembly both passed legislation to amend the  
12 "100-foot rule" that mandates no-cost gas  
13 hookups for new customers within 100 feet of an  
14 existing gas main. When the Governor signs the  
15 bill, it will also reduce the need for new mains  
16 and new services and will eliminate the ability  
17 for the company to recover the costs of this  
18 fossil fuel infrastructure from customers. The

1           Companies do not address this legislation in  
2           their gas expansion proposal.

3   **Q:   Do the Companies state that they need to expand**  
4           **their gas system in order to accommodate new gas**  
5           **demand or system constraints?**

6   A.   No. In fact, the Companies project that the city  
7           gate requirement will decrease during the  
8           proposed five-year rate term, by about 1.3  
9           million dekatherms for NYSEG and about 2.4  
10          million dekatherms for RG&E. Electric and Gas  
11          Supply and Interconnections Panel Testimony at  
12          Exhibit \_\_ (EGSIP-6), Exhibit \_\_ (EGSIP-7).  
13          Although the Companies propose to buy some  
14          biomethane from New York state producers, they  
15          only propose to purchase up to 300,000  
16          dekatherms over the next five years, still  
17          leading to a net decrease in the amount of gas  
18          the Companies predict they will serve through  
19          their system. *Id.* at 37. The Companies' proposal

1 to maintain 2024 levels of gas main and service  
2 lines is even more irrational given that they  
3 appear to expect gas demand to decrease in the  
4 coming years.

5 **Q. Have you observed other issues with the**  
6 **Companies' capital expenditures budgets for new**  
7 **gas mains and service lines?**

8 A. Yes. Even if the Companies' plan to build new  
9 gas mains and service lines at 2024 levels were  
10 rational – which it is not – their budget for  
11 doing so is unsupported.

12 First, the Companies consistently budget far  
13 more than they actually spend, which suggests  
14 that their capital expenditures forecasts for  
15 new gas mains and services are not reliable,  
16 even if they were to expand gas service at 2024  
17 rates. In 2024, the Companies' budget for new  
18 mains far exceeded actual expenditures, by  
19 approximately \$1.3 million for NYSEG and by

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1           approximately \$80,000 for RG&E. Exhibit 5,  
2           Companies' Response to DPS IR 98, attach. 1.  
3           Additionally, their budget for new mains  
4           exceeded actual expenditures in four out of the  
5           last five years for both companies. *Id.* In the  
6           past five years, budgets for new service lines  
7           exceeded actual expenditures every year for  
8           NYSEG and three years for RG&E. *Id.* According to  
9           the Companies, "[i]n instances where project  
10          actuals are less than the original budgeted  
11          amount, that budget could serve as an offset for  
12          other projects which have an approved change to  
13          increase their budget above the amount in the  
14          original plan, or to advance expenditures  
15          planned in future years." Exhibit 6, Companies'  
16          Response to AGREE\_PUSH IR 21.1 (92). If the  
17          Companies are allowed to overcharge customers  
18          for one item and then spend the excess money on  
19          other items or in future years, ratepayers are

1           paying more than they need to earlier than they  
2           need to, and the cushion of excess collections  
3           means the Companies have less incentive to  
4           control costs across the board.

5           Second, the Companies claim that main extensions  
6           will be far more expensive during the rate plan  
7           due to contractor price increases, prevailing  
8           wage, material increases, and inflation, but do  
9           not provide any detail or workpapers on those  
10          factors. Gas Capital Expenditures Panel  
11          Testimony, Exhibit \_\_\_ (GCE-07) at 143, 148, 174,  
12          183.

13          For these reasons, the Companies' capital  
14          expenditures budget for new gas mains and  
15          services is not rational, justified, or  
16          supported by the Companies' pre-filed testimony  
17          or their responses to discovery requests.

18   **Q.   In addition to the above issues, do you have**  
19   **other concerns regarding the justification and**

1           **rationale that the Companies have provided for**  
2           **certain projects within their capital**  
3           **expenditures budget?**

4    A.    Yes. Several individual projects discussed by  
5           the Companies' Gas Capital Expenditures Panel  
6           include insufficient considerations of project  
7           alternatives and assertions regarding growth in  
8           demand that are inconsistent with the assertions  
9           made by the Companies in their final long-term  
10          plan which was filed with Commission in April of  
11          last year. Companies' Final Gas LTP.

12   **Q.    Could you provide some examples that illustrate**  
13          **your concerns?**

14    A.    Yes. This is not an exhaustive list, but the  
15          following projects are indicative of the  
16          Companies' inconsistent justification and  
17          support found in their pre-filed testimony and  
18          responses to discovery requests: (1) CM-1  
19          Pipeline: Section 4 Chili Gate Station to

1 Ballantyne Road, (2) Town of Pendleton System  
2 Improvement Project, (3) MF60 Northwest System  
3 Improvement Project - Phase 1, and (4) Goshen  
4 Semi-Permanent LNG Supply Injection Tap.

5 **Q. What is the CM-1 Pipeline project?**

6 A. According to the Companies, the CM-1 Pipeline  
7 project will involve the replacement of  
8 approximately 35,000 linear feet of 20-inch  
9 steel transmission gas main with 16-inch wrapped  
10 steel main in the towns of Chili and Gates. Gas  
11 Capital Expenditures Panel Testimony, Exhibit \_\_  
12 (GCE-07) at 61.

13 **Q. What is it about the CM-1 Pipeline Project that**  
14 **concerns you?**

15 A. I have two major concerns with the  
16 justifications provided by the Companies for  
17 this project. First, the Companies state that  
18 this project contributes to greenhouse gas

1 reductions, but when asked to explain how, the  
2 Companies admit that under their own greenhouse  
3 gas emissions calculation methodology, the  
4 resultant emissions reduction of replacing the  
5 existing pipeline is zero. Exhibit 7, Companies'  
6 Response to AGREE\_PUSH IR 23.1 (96) (b). Second,  
7 the Companies state that the project will  
8 decrease reliance on the Buffalo Road Regulator  
9 Station. Gas Capital Expenditures Panel  
10 Testimony, Exhibit \_\_ (GCE-07) at 55.

11 **Q. What is the Buffalo Road Regulator Station?**

12 A. The Companies state that the Buffalo Road  
13 Regulator Station is a major distribution hub in  
14 the Rochester District. *Id.*

15 **Q. And what is the Rochester District?**

16 A. The Rochester District is the geographic area of  
17 the Companies' service territory that includes  
18 most of Monroe County, as well as certain

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1 municipalities within neighboring Wayne,  
2 Ontario, Livingston, Genesee, and Orleans  
3 counties. Exhibit 8, Companies' Response to  
4 AGREE\_PUSH IR 25. 1 (111) (a)-(b), attach. 4,  
5 attach. 5. In justifying the project, the  
6 Companies state that the area served by the  
7 Buffalo Road Regulator Station has been  
8 experiencing significant load growth due to,  
9 among other things, "residential and commercial  
10 growth." Gas Capital Expenditures Panel  
11 Testimony, Exhibit \_\_\_ (GCE-07) at 55.

12 **Q. Do the Companies state whether they expect this**  
13 **residential and commercial growth in the area to**  
14 **continue?**

15 A. No. The Companies limit their load growth  
16 forecast to the overall Operating Company level,  
17 and therefore cannot forecast whether they  
18 expect past load growth in the area served by  
19 the Buffalo Road Regulator Station to continue.

1 Exhibit 7, Companies' Response to AGREE\_PUSH IR  
2 23.1 (96) (d).

3 **Q. Why is this claim about "residential and**  
4 **commercial growth" noteworthy?**

5 A. Aside from being backward-looking and not  
6 forward-looking, it is noteworthy because it  
7 contradicts what the Companies claimed in their  
8 final long-term plan filed just last year in  
9 2024. In the final long-term plan, the Companies  
10 identified seven "vulnerable locations ...  
11 'where gas may not be able to be delivered  
12 safely and reliably within the next five  
13 years.'" Companies' Final Gas LTP at 29  
14 (citation omitted). The towns of Hamlin,  
15 Kendall, and Greece are located within the  
16 Rochester District and were together identified  
17 as one of the seven "vulnerable locations" in  
18 the final long-term plan. However, the Companies  
19 stated that "no imminent action" was required

1           for these towns "as there is minimal growth in  
2           the area." *Id.* at 30. But now, one year later,  
3           the Companies are suggesting that increased  
4           growth in the District requires customers to pay  
5           for the installation of a new pipeline, and all  
6           the other associated costs, including return on  
7           equity, property taxes, and maintenance. *Id.*;  
8           Gas Capital Expenditures Panel Testimony,  
9           Exhibit \_\_ (GCE-07) at 55. I find this very  
10          concerning.

11   **Q.   Are there any other claims that the Companies**  
12   **make regarding the CM-1 Pipeline project that**  
13   **you find concerning?**

14   A.   Yes. The Companies state that one of the  
15   benefits of the CM-1 Pipeline project is that it  
16   provides gas service to areas designated as  
17   disadvantaged communities. *Id.* The Companies  
18   should not list this as a benefit, because the  
19   Companies are legally obligated to provide gas

1 service to all customers who request it -  
2 whether they reside in disadvantaged communities  
3 or not. PSL § 30. Further, the CLCPA requires a  
4 focus on disadvantaged communities for reduction  
5 of the pollutants that come from fossil fuels, a  
6 result that runs counter to increasing  
7 deliveries of gas to disadvantaged communities.  
8 CLCPA § 7(3).

9 **Q. Have the Companies considered any alternatives**  
10 **to the CM-1 Pipeline project?**

11 A. Yes. The Companies considered alternate  
12 locations and different routes for a new 16-inch  
13 pipeline, but these alternatives were rejected  
14 due to physical constraints and higher  
15 construction costs. Gas Capital Expenditures  
16 Panel Testimony, Exhibit \_\_ (GCE-07) at 60. The  
17 Companies also conducted an NPA Applicability  
18 Screening for the project and determined that it  
19 would not be suitable for an NPA solution

1           because “[r]emoving the CM-1 pipeline main would  
2           eliminate the ability to balance load during  
3           routine and emergent conditions on the MF120  
4           line.” Exhibit 9, Companies’ Response to  
5           AGREE\_PUSH IR 12.1, attach. 2 at 3.

6   **Q.   Are these alternatives helpful in assessing**  
7   **whether or not the CM-1 Pipeline project is**  
8   **actually necessary?**

9   A.   No, for two reasons. First, alternatives that  
10       merely change the location of a pipeline  
11       compared to the initial project are still,  
12       fundamentally, pipeline installation projects  
13       and are not useful comparisons for assessing the  
14       necessity of the initial project. Second, given  
15       the language about “removing” the pipeline in  
16       the Companies’ NPA Applicability Screening, the  
17       Companies appear to assume that any NPA for the  
18       CM-1 Pipeline project would require the removal  
19       of the current CM-1 pipeline main, which is

1           unlikely to be the case, especially in typical  
2           demand-side NPAs that seek to reduce gas  
3           consumption to avoid the need for additional  
4           supply.

5   **Q.   Based on your review of the testimony and the**  
6           **Companies' discovery responses, does it appear**  
7           **that the Companies have adequately considered**  
8           **alternatives to the CM-1 Pipeline project?**

9   A.   No.

10  **Q.   What is the estimated cost of the CM-1 Pipeline**  
11           **project?**

12  A.   The estimated cost for the CM-1 Pipeline project  
13           is \$18.2 million. Gas Capital Expenditures Panel  
14           Testimony, Exhibit \_\_ (GCE-07) at 60.

15  **Q.   Next, can you explain more about the Town of**  
16           **Pendleton System Improvement Project?**

17  A.   According to the Companies, this project  
18           includes the installation of a new district

1 regulator station in the Town of Pendleton, the  
2 installation of approximately 17,000 linear feet  
3 of 6-inch high-density polyethylene ("HDPE")  
4 distribution main, and the installation of 2,200  
5 linear feet of 4-inch HDPE main. *Id.* at 391.

6 **Q. What is it about the Town of Pendleton Project**  
7 **that concerns you?**

8 A. Similar to the CM-1 Pipeline Project, there is a  
9 discrepancy between how the Companies describe  
10 the Town of Pendleton in the testimony of the  
11 Gas Capital Expenditures Panel, and how the  
12 Companies describe it in their final long-term  
13 plan. In the final long-term plan, the Companies  
14 identify Pendleton as a "vulnerable location,"  
15 but they state that "no imminent action [is]  
16 required ... as there is minimal growth in the  
17 area." Companies' Final Gas LTP at 30. But in  
18 the exhibits accompanying the Panel's testimony,  
19 the Companies justify this project in part by

1           stating that the Town of Pendleton has  
2           experienced a "steady growth in commercial and  
3           residential development requests." Gas Capital  
4           Expenditures Panel Testimony, Exhibit \_\_ (GCE-  
5           07) at 391. Again, I find it concerning that the  
6           previous year, the Companies appear to tell the  
7           Commission that there is minimal growth in the  
8           area and then in the current rate case filing,  
9           the Companies claim there is steady growth to  
10          warrant a large capital expenditure.

11   **Q.   Have the Companies considered any alternatives**  
12   **to the Town of Pendleton project?**

13   A.   Yes. The Companies explain they considered three  
14   alternatives to the proposed Town of Pendleton  
15   project. Alternative 1 is the same as the  
16   proposed project, without the construction of a  
17   new district regulator station. The Companies  
18   dismissed this alternative "because it does not  
19   include the addition of a new district regulator

1 station." *Id.* at 392. Alternative 2 is the same  
2 as the proposed project, but instead of  
3 installing 17,000 LF of 6-inch distribution  
4 main, the Companies would install 16,000 LF of  
5 8-inch distribution main along a slightly  
6 different path. Alternative 2 would also require  
7 the replacement of certain sections of existing  
8 main. The Companies dismissed this alternative  
9 "because it requires a larger pipe diameter to  
10 achieve the same pressure improvements seen in  
11 the proposed project." *Id.* Alternative 3 is the  
12 same as the proposed project, but instead of  
13 installing 17,000 LF of 6-inch distribution  
14 main, the Companies would install only 5,400 LF  
15 of 4-inch distribution main along a different  
16 path. The Companies dismissed this alternative  
17 because the pressure improvements to the system  
18 resulting from this alternative would be "at

1 risk of dropping below 50% MAOP within a few  
2 years of project completion." *Id.*

3 **Q. Are these alternatives helpful in assessing**  
4 **whether or not the Town of Pendleton project is**  
5 **actually necessary?**

6 A. No. Similar to the CM-1 Pipeline project  
7 discussed earlier, the alternatives that the  
8 Companies considered for the Town of Pendleton  
9 project are all, in essence, pipeline  
10 installation projects. It is very difficult for  
11 a factfinder to assess whether a pipeline  
12 installation project is necessary when the only  
13 available comparisons are also pipeline  
14 installation projects.

15 **Q. Have the Companies considered an NPA for the**  
16 **Town of Pendleton Project?**

17 A. Yes, it appears the Companies have determined  
18 this project is suitable for an NPA. The

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1           Companies intend to submit an NPA solicitation  
2           for the Town of Pendleton project in 2026,  
3           however it is unclear what is causing this  
4           extended wait time. Exhibit 7, Companies'  
5           Response to AGREE\_PUSH IR 23.1 (97) (a).

6   **Q.   What is the estimated cost of the Town of**  
7   **Pendleton project?**

8   A.   The estimated cost of the Town of Pendleton  
9       project is \$3.88 million. Gas Capital  
10      Expenditures Panel Testimony, Exhibit \_\_ (GCE-  
11      07) at 393.

12 **Q.   What is the MF60 Northwest System Improvement**  
13 **Phase 1 Project?**

14 A.   According to the Companies, Phase 1 of the  
15      project involves the replacement of  
16      approximately 32,000 linear feet of "SW/SWP"  
17      main with 8-inch polyethylene main, near the  
18      town of Greece. *Id.* at 610.

1 Q. What is it about the MF60 Northwest Project that  
2 concerns you?

3 A. Like the Town of Pendleton Project, there is a  
4 discrepancy between how the Companies describe  
5 the Town of Greece in the testimony of the Gas  
6 Capital Expenditures Panel, and how the  
7 Companies describe it in their long-term plan.  
8 In the long-term plan, the Companies identify  
9 Greece as a "vulnerable location," but they  
10 state that "no imminent action [is] required ...  
11 as there is minimal growth in the area."  
12 Companies' Final Gas LTP at 30. But in the  
13 exhibits accompanying the Panel's testimony, the  
14 Companies justify this project in part by  
15 stating that the Town of Greece has seen "steady  
16 growth" over the last decade. Gas Capital  
17 Expenditures Panel Testimony, Exhibit \_\_ (GCE-  
18 07) at 610.

1    **Q.    Have the Companies considered any alternatives**  
2           **to the MF60 Northwest Project?**

3    A.    The Companies state that one alternative to the  
4           project would be the construction of an  
5           additional regulator station in the area, but  
6           that this option was not further considered due  
7           to "increased footages, cost, and time associate  
8           (sic) with Regulator Station Rebuild, the ...  
9           highway permitting process," and constraints  
10          associated with constructing a new Regulator  
11          Station. *Id.* at 611.

12   **Q.    Is this alternative helpful in assessing whether**  
13           **or not the MF60 Northwest project is actually**  
14           **necessary?**

15   A.    No. The Companies only identify one potential  
16          alternative to the project, and admit that they  
17          did not give it deep consideration given several  
18          identified issues. By only comparing the MF60  
19          Northwest project to one easily dismissible

1 alternative, the Companies have not sufficiently  
2 assessed the project's necessity. The lack of  
3 alternatives is another example of the  
4 Companies' inability to think creatively and to  
5 pursue prudent projects that will reduce demand  
6 on and the footprint of the gas distribution  
7 system and lead to meaningful emissions  
8 reductions while providing safe and reliable  
9 service to their customers.

10 **Q. What is the estimated cost of the MF60 Northwest**  
11 **project?**

12 A. The estimated cost of the MF60 Northwest project  
13 is \$10.79 million. *Id.*

14 **Q. What is the Goshen Semi-Permanent LNG Supply**  
15 **Injection Tap project?**

16 A. According to the Companies, this project  
17 involves the land acquisition, permitting, and  
18 construction of a semi-permanent LNG Supply

1 injection tap into the NYSEG Goshen 120-psig  
2 pressure system. *Id.* at 416. According to the  
3 Companies, LNG would be delivered to the site  
4 via tractor-trailer, and injected into the  
5 system during times of peak demand. *Id.*; Exhibit  
6 10, Companies' Response to DPS IR 686 (15)-(17).

7 **Q. What is it about the Goshen project that**  
8 **concerns you?**

9 A. The Companies acknowledge that this project will  
10 require a number of permits from the New York  
11 State Department of Environmental Conservation  
12 and from the local municipality before  
13 construction can take place. Exhibit 7,  
14 Companies' Response to AGREE\_PUSH IR 23.1  
15 (98) (a)-(b). The Companies have not acquired all  
16 of these permits. Exhibit 8, Companies' Response  
17 to AGREE\_PUSH IR 25.1 (112) (a)-(b). Despite this  
18 uncertainty about whether the project can move

1 forward, the Companies are requesting the  
2 ability to recover costs for the project.

3 **Q. Have the Companies considered any alternatives**  
4 **to the Goshen project?**

5 A. Yes. The Companies state that given the Goshen  
6 service territory's location, traditional  
7 pipeline solutions are not available. Gas  
8 Capital Expenditures Panel Testimony, Exhibit \_\_\_  
9 (GCE-07) at 422. Instead, the Companies  
10 considered the construction of a Compressed  
11 Natural Gas ("CNG") injection tap rather than an  
12 LNG injection tap. This alternative was  
13 dismissed given the additional costs related to  
14 CNG, and the fact that "LNG contains over twice  
15 the heating content of CNG." *Id.*

16 **Q. Is this alternative helpful in assessing whether**  
17 **or not the Goshen project is actually necessary?**

1 A. No. As the Companies acknowledge, traditional  
2 pipeline solutions are not available for this  
3 portion of their service territory. Instead of  
4 identifying substantive alternatives, the  
5 Companies propose as an alternative another  
6 injection tap for a different type of natural  
7 gas that is more expensive and less conducive to  
8 heating.

9 **Q. Have the Companies considered an NPA for the**  
10 **Goshen project?**

11 A. No. The Companies state that they intend to  
12 solicit the marketplace for non-fossil fuel NPA  
13 proposals, but no solicitation has yet taken  
14 place. *Id.*; Exhibit 11, Companies' Response to  
15 AGREE\_PUSH IR 26.1 (113) (a); Exhibit 10,  
16 Companies' Response to DPS IR 686 (13).

17 **Q. Do you have additional concerns about the Goshen**  
18 **project?**

1 A. Yes. I am concerned by the Companies' lack of  
2 analysis regarding the impact that the Goshen  
3 project's operation will have on the surrounding  
4 community.

5 **Q. Can you please further explain what you mean by**  
6 **the surrounding community? Is the Goshen project**  
7 **located within a disadvantaged community?**

8 A. Yes. The Companies state that this project  
9 provides gas service to areas designated as a  
10 disadvantaged community. Gas Capital  
11 Expenditures Panel Testimony, Exhibit \_\_ (GCE-  
12 07) at 421. The Companies also state in a  
13 discovery response that it is not feasible to  
14 locate this project outside of a disadvantaged  
15 community. Exhibit 10, Companies' Response to  
16 DPS IR 686 (14).

17 **Q. Do the Companies anticipate that the operation**  
18 **of the Goshen Project will increase greenhouse**  
19 **gas emissions in the surrounding community?**

1 A. Yes. In a discovery response, the Companies  
2 state that they expect approximately 0-3 LNG  
3 truck injections per month during each heating  
4 season, and that, on average, design day  
5 conditions will require three LNG trucks to  
6 deliver fuel to the project site via tractor  
7 trailer. *Id.* at (15)-(17). When comparing the  
8 benefits of LNG to CNG, the Companies  
9 acknowledge that delivering LNG via tractor  
10 trailer results in greenhouse gas emissions. Gas  
11 Capital Expenditures Panel Testimony, Exhibit \_\_  
12 (GCE-07) at 422.

13 **Q. Would the use of tractor-trailers have an impact**  
14 **on air quality in the surrounding disadvantaged**  
15 **community?**

16 A. Yes, almost certainly a negative impact. The  
17 term "Tractor-trailers" likely refers to  
18 regional or long-haul tractors that are  
19 classified as either Class 7 or Class 8

1 vehicles, over 95% of which are powered by  
2 diesel engines. Dana Lowell and Jane Culkin,  
3 M.J. Bradley & Assocs. for EDF, *Medium- & Heavy-*  
4 *Duty Vehicles: Market Structure, Environmental*  
5 *Impact, and EV Readiness* at 10 (July 2021),  
6 [https://www.edf.org/sites/default/files/document](https://www.edf.org/sites/default/files/documents/EDFMHDVEVFeasibilityReport22jul21.pdf)  
7 [s/EDFMHDVEVFeasibilityReport22jul21.pdf](https://www.edf.org/sites/default/files/documents/EDFMHDVEVFeasibilityReport22jul21.pdf). Diesel-  
8 powered trucks are known to generate co-  
9 pollutants, including oxides of nitrogen, that  
10 can worsen local air pollution. Scoping Plan at  
11 159.

12 **Q. Have the Companies engaged in analysis to**  
13 **determine if the construction and operation of**  
14 **this project will disproportionately burden the**  
15 **surrounding disadvantaged community?**

16 A. Not substantively. The Companies have not  
17 conducted air quality dispersion modeling for  
18 this project. Exhibit 11, Companies' Response to  
19 AGREE\_PUSH IR 26.1 (113) (c). This type of

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1 spatial analysis is a crucial step in  
2 establishing whether and to what extent the  
3 project may increase pollution within the  
4 surrounding DAC. The Companies state that the  
5 construction phase of the project will cause  
6 minimal local disruptions common to utility  
7 work, and that the operation phase will cause  
8 disruptions such as "minimal tractor-trailer  
9 traffic[.]" Exhibit 10, Companies' Response to  
10 DPS IR 686 (15). But because the Companies have  
11 not yet solicited an LNG vendor, they claim that  
12 they cannot determine the resultant air  
13 pollution associated with the project's  
14 operation "given the variability of equipment  
15 that could be used[.]" Exhibit 11, Companies'  
16 Response to AGREE\_PUSH IR 26.1 (113) (b) (2). The  
17 Companies are lacking key components of what  
18 would result in a comprehensive analysis and are  
19 therefore unable, at this time, to determine

1           whether the disadvantaged community surrounding  
2           the site will experience a disproportionate  
3           burden.

4   **Q.   Have the Companies proposed any actions to**  
5           **mitigate the negative impacts that the Goshen**  
6           **project will have on the surrounding DAC?**

7   A.   No.

8   **Q.   What is the estimated cost of the Goshen**  
9           **project?**

10  A.   The estimated cost of the Goshen project is \$3.2  
11           million. Gas Capital Expenditures Panel  
12           Testimony, Exhibit \_\_ (GCE-07) at 417.

13  **Q.   In light of your observations regarding these**  
14           **four proposed gas system projects, and after**  
15           **reviewing the Companies' testimony and discovery**  
16           **responses, are you concerned that the Companies**  
17           **are proposing to expand the footprint of their**

1           **gas distribution system without providing**  
2           **adequate justification?**

3    A.    Yes. The CM-1 Pipeline project, the Town of  
4           Pendleton project, the MF60 Northwest project,  
5           and the Goshen project are each indicative of  
6           the Companies' overall inadequacy when it comes  
7           to justifying their proposals to spend millions  
8           of dollars on expanding their gas distribution  
9           systems. The first three listed projects include  
10          justifications that contradict the Companies'  
11          earlier claims in their long-term plan. The  
12          Goshen project requires additional permitting  
13          before it can move forward that the Companies  
14          may never acquire. The Goshen project proposal  
15          also lacks a substantive analysis of the  
16          project's impact on the surrounding  
17          disadvantaged community. All four projects are  
18          based on a purported growth in potential new gas  
19          hookups, despite the All-Electric Building Act

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1           and the 100-foot rule law described above and  
2           despite the Companies' projection that city gate  
3           requirement will decrease during the proposed  
4           rate term. Electric and Gas Supply and  
5           Interconnections Panel Testimony, Exhibit \_\_\_  
6           (EGSIP-7). And only one of the four projects  
7           have the Companies demonstrated that they have  
8           taken measures to identify reasonable  
9           alternatives that would allow a factfinder to  
10          adequately assess that project's necessity. And  
11          for that one project, there is an undue delay  
12          with the Companies soliciting a request for a  
13          proposal. Overall, the Companies' testimony does  
14          not provide sufficient information to support  
15          their requests for millions of dollars in new  
16          gas capital expenditures.

1           **B.     Leak Prone Pipe Replacement**

2   **Q.     You mentioned the Companies' leak prone pipe**  
3           **("LPP") replacement program. Could you describe**  
4           **the program?**

5   A.     According to the Companies, they proactively  
6           replace aged infrastructure through the LPP  
7           replacement program, "which strategically  
8           identifies and prioritizes LPP segments through  
9           a risk-based assessment in accordance with the  
10          Companies' [Distribution Infrastructure  
11          Management Plan]." Gas Capital Expenditures  
12          Panel Testimony at 66.

13   **Q.     Do the Companies request rate recovery for LPP**  
14          **replacement?**

15   A.     Yes. From 2025-2031, NYSEG's capital forecast  
16           includes \$306.527 million for the LPP  
17           replacement program and RG&E's includes \$221.679  
18           million for the LPP replacement program. *Id.*,  
19           Exhibit \_\_ (GCE-07) at 312, 446. Both Companies

1           also propose several stand-alone LPP replacement  
2           projects that are not included in the LPP  
3           replacement programs. Gas Capital Expenditures  
4           Panel Testimony at 15. My testimony will focus  
5           on the LPP replacement programs.

6   **Q.   How much LPP do the Companies propose to replace**  
7   **per year?**

8   A.   The Companies propose to replace or retire 24  
9   miles of LPP per Company per year. *Id.* at 65.

10  **Q.   You said that the Companies propose to replace**  
11  **or retire 24 miles of LPP per Company per year.**  
12  **Please explain what you mean by "retire."**

13  A.   The Companies state that they screen all LPP  
14  projects for NPAs. *Id.* at 67. When an NPA is  
15  executed, the Companies can safely retire a gas  
16  main because it no longer has any gas customers,  
17  rather than replacing the main with new gas  
18  pipe. Additionally, the Companies state that any

1 LPP that is retired, rather than replaced, would  
2 count towards the 24-mile target. *Id.* at 88;  
3 Exhibit 12, Companies' Response to AGREE\_PUSH IR  
4 3.1 (16).

5 **Q. Are the Companies required by law or regulation**  
6 **to replace or retire 24 miles of LPP per Company**  
7 **per year?**

8 A. No. In their pre-filed direct testimony, the  
9 Companies state that they are "committed to the  
10 replacement of LPP ... by the end of 2030, which  
11 requires the annual replacement of 24 miles per  
12 year [per] Company." Gas Capital Expenditures  
13 Panel Testimony at 71.

14 **Q. Is there a regulation that requires the**  
15 **Companies to replace or retire 100% of remaining**  
16 **LPP by 2030?**

17 A. No. Exhibit 12, Companies' Response to  
18 AGREE\_PUSH IR 3.1 (19) (a).

1 Q. Is there a Commission order or directive that  
2 requires the Companies to replace or retire 100%  
3 of remaining LPP by 2030?

4 A. No. The Companies assert that the basis for the  
5 commitment to replace or retire their remaining  
6 LPP by 2030 is the Commission's order adopting  
7 the Joint Proposal in their last rate case. *Id.*  
8 at (19) (b); Exhibit 13, Companies' Response to  
9 AGREE\_PUSH IR 11.1 (47). Specifically, the  
10 Companies point to the following language from  
11 the Order: "The Companies state that the  
12 proposed [leak prone main] targets will allow  
13 them to replace all remaining cast/wrought iron  
14 and bare steel main by 2030." Exhibit 14,  
15 Companies' Response to AGREE\_PUSH IR 3.1 Supp.  
16 (19); Order Adopting Joint Proposal at 64, NY  
17 PSC Case Nos. 22-E-0317, 22-G-0318, 22-E-0319,  
18 22-G-0320 (Oct. 12, 2023). However, this  
19 language does not direct or require the

1 Companies to replace all of their LPP by 2030;  
2 it merely repeats the Companies' own statement  
3 about what would be required to meet that  
4 target.

5 **Q. Is the 2030 target mandatory?**

6 A. The Companies have not shown that the 2030  
7 target is mandatory, set forth in a regulation,  
8 or imposed by the Commission.

9 **Q. Do you have concerns about the Companies' 2030**  
10 **target?**

11 A. Yes. If the 2030 target is not mandatory or set  
12 by the Commission, then the Companies are simply  
13 setting their own pace of a replacement, at a  
14 high cost to ratepayers.

15 **Q. Do you support the Companies' proposal to**  
16 **replace 24 miles of LPP per Company per year?**

17 A. I do not. Pursuant to the Scoping Plan, the  
18 Companies should be planning for a managed

1 downsizing of the gas system rather than  
2 investing in new infrastructure. Moreover, New  
3 York must move away from gas to achieve our  
4 CLCPA mandates, and so gas infrastructure  
5 installed today runs a high risk of requiring  
6 faster, and more expensive depreciation or  
7 becoming a stranded asset. Because the 24-mile  
8 proposal seems designed to meet a nonmandatory  
9 deadline, rather than rush to replace 24 miles  
10 of LPP per year, the Companies should begin  
11 planning NPAs farther in advance and invest time  
12 in the outreach and education needed to be  
13 successful. The Companies have not justified  
14 their 24-mile proposal, and taking additional  
15 time to pursue NPAs will address at least some  
16 of the barriers to NPAs that the Companies have  
17 identified, as discussed further below.

1 Q. Do you have any other concerns about the  
2 Companies' proposal to replace 24 miles of LPP  
3 per Company per year?

4 A. I do. The Companies do not screen LPP  
5 replacement projects for repair or relining, and  
6 they should. Exhibit 15, Companies' Response to  
7 AGREE\_PUSH IR 9.1 (43). Targeted repairs of  
8 leaks in leak-prone pipes can extend the service  
9 life of a pipeline at a cost that is between  
10 one-tenth and one-hundredth of the cost of  
11 pipeline replacement, according to a 2022 study  
12 by the Washington, D.C. Department of Energy and  
13 Environment. Bob Ackley & Nathan Phillips, Wash.  
14 D.C. Dep't of Energy & Env't, *Strategic*  
15 *Electrification in Washington, D.C.:*  
16 *Neighborhood Case Studies of Transition from Gas*  
17 *to Electric-Based Building Heating* (Dec. 14,  
18 2022),  
19 <https://open.bu.edu/server/api/core/bitstreams/9>

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1           bbbb9a0-e1b7-4f7e-bcea-4efe78c47e1e/content.  
2           Additionally, the PSC has recognized that cured-  
3           in-place lining is a viable and cost-effective  
4           way to rehabilitate pipes, and in 2004 the PSC  
5           allowed the New York members of the Northeast  
6           Gas Association to conduct a pilot program using  
7           cured-in-place cast iron pipe liners in lieu of  
8           replacement. Order Regarding Waiver of the  
9           Requirements of 16 NYCRR, Sections 255.755,  
10          255.756 and 255.757, to Conduct a Pilot Program  
11          to Demonstrate Cured-In-Place Cast Iron Pipe  
12          Lining Techniques, NY PSC Case No. 03-G-1507  
13          (June 3, 2004). The pilot subsequently  
14          demonstrated that cured-in-place lining is a  
15          viable pipeline renewal methodology that  
16          provides trenchless rehabilitation for leak  
17          prone cast iron pipes. NYSearch, Cured in Place  
18          Liner (CIPL) Durability and Longevity Testing,

1           [https://www.nysearch.org/tech-brief\\_13\\_12-](https://www.nysearch.org/tech-brief_13_12-2022.php)  
2           2022.php (last visited Oct. 24, 2025).

3           Repairing or relining LPP where feasible would  
4           save ratepayers money by avoiding the large  
5           capital expenditures associated with LPP  
6           replacement, and the attendant cost of capital  
7           that gets passed onto ratepayers.

8   **Q.   Do you have additional concerns about the**  
9   **Companies' proposal to replace 24 miles of LPP**  
10 **per Company per year?**

11 A.   Yes. The Companies propose a new and expanded  
12   cathodic protection program which will delay  
13   replacement of at least 16 total miles of LPP.  
14   Gas Capital Expenditures Panel Testimony at 72.  
15   The cost of cathodic protection is a fraction of  
16   the cost of replacing LPP: \$117,172 per mile for  
17   both Companies compared to \$1.3 million per mile  
18   for NYSEG and \$939,221 per mile for RG&E.  
19   Exhibit 16, Companies' response to AGREE\_PUSH IR

1           4.1 (35). The Companies should account for the  
2           cathodic protection program in their LPP  
3           replacement targets, and consider expanding the  
4           program further where possible in order to avoid  
5           unnecessary costs to ratepayers.

6   **Q.   Do you have any other concerns about the**  
7           **Companies' LPP replacement program?**

8   A.   Yes. In 2025 the Department of Public Service  
9           completed a management audit of the Companies,  
10          and the Companies subsequently filed an  
11          implementation plan to explain how they will  
12          address the audit's recommendations. See Order  
13          Releasing Audit Report, NY PSC Case No. 23-M-  
14          0103 (May 19, 2025); Implementation Plans, NY  
15          PSC Case No. 23-M-0103 (June 18, 2025). The  
16          audit concluded that Avangrid, Inc., the  
17          Companies' parent company, "may not  
18          systematically replace the highest-risk leak-  
19          prone pipe" and recommended that the Companies

1           “prioritize, plan and address [the] risks of  
2           greatest concern first” in the NYSEG/RG&E  
3           pipeline system replacement program. Order  
4           Releasing Audit Report at 15, NY PSC Case No.  
5           23-M-0103 (May 19, 2025).

6   **Q.   Have the Companies addressed the concern that**  
7           **they might not systematically replace the**  
8           **highest-risk leak-prone pipe?**

9   A.   No. The Companies’ implementation plan dismisses  
10          this concern by simply stating that the  
11          Companies already comply with the audit’s  
12          recommendation to “prioritize, plan and address  
13          the risks of greatest concern first in the  
14          NYSEG/RG&E pipeline system replacement program.”  
15          Implementation Plans at 6.8, NY PSC Case No. 23-  
16          M-0103 (June 18, 2025). However, the audit  
17          concluded that the Companies are not already in  
18          compliance with this recommendation—otherwise,  
19          the audit would not have included it.

1 Replacing or retiring LPPs can be critical to  
2 address an urgent safety issue. However, if the  
3 Companies are failing to prioritize replacement  
4 of LPPs that pose the greatest risk, then they  
5 may be replacing LPPs that do not urgently need  
6 to be replaced.

7 **Q. Do you have any concerns about the Companies'**  
8 **proposed capital budget for LPP replacement?**

9 A. Yes. In addition to the issues with the proposed  
10 mileage of LPP replacement discussed above, the  
11 Companies have not justified their capital  
12 expenditures for the program.

13 **Q. Please explain.**

14 A. The Companies claim that LPP replacements will  
15 become increasingly more expensive during the  
16 rate plan due to increases in the costs of  
17 contractors, materials, and internal labor, but  
18 they do not provide any support for this

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1           assertion or any detail on those factors. Gas  
2           Capital Expenditures Panel Testimony, Exhibit \_\_\_  
3           (GCE-07) at 312, 446.

4           The Companies' capital expenditures budgets for  
5           LPP replacement contain ballooning costs over  
6           the next six years. NYSEG spent \$21 million on  
7           LPP replacement in 2024, but estimates that the  
8           program will cost \$35.5 million in 2025 and  
9           increase to \$63 million by 2031. Exhibit 5,  
10          Companies' Response to DPS IR 98, attach. 1;  
11          Exhibit 17, Companies' Response to DPS IR 109,  
12          attach. 1. RG&E spent \$22 million on LPP  
13          replacement in 2024 and estimates that the  
14          program will cost \$23.5 million per year in 2025  
15          and then increase to \$47.7 million by 2031.  
16          Exhibit 5, Companies' Response to DPS IR 98,  
17          attach. 1; Exhibit 17, Companies' Response to  
18          DPS IR 109, attach. 1. The Companies do not  
19          justify these enormous budget increases. For

1           these reasons the Companies' LPP proposal is not  
2           justified or supported.

3           **C.    Non-Leak Prone Service Replacement**

4   **Q.    You mentioned the Companies' non-leak prone**  
5           **service replacement program. Could you explain**  
6           **what that is?**

7   A.    The Companies' non-leak prone service  
8           replacement program involves both replacement  
9           and relocation of non-leak prone services.  
10          Exhibit 18, Companies' Response to AGREE\_PUSH IR  
11          1.1 (2) (a). According to the Companies'  
12          testimony, they replace non-leak prone service  
13          lines that are attached to a leak-prone main  
14          that is getting replaced. Gas Capital  
15          Expenditures Panel Testimony, Exhibit\_ (GCE-07)  
16          at 153. The Companies also testify that  
17          replacing non-leak prone services allows them to  
18          relocate those services to accommodate street  
19          reconstruction projects. *Id.*

1 Q. Do the Companies request rate recovery for non-  
2 leak prone service replacement?

3 A. Yes. The capital expenditures budget for 2025-  
4 2031 includes \$38.06 million for NYSEG and  
5 \$30.625 million for RG&E for non-leak prone  
6 service replacement. *Id.* at 154, 194.

7 Q. Do the Companies explain why it is necessary to  
8 replace non-leak prone service lines?

9 A. No. The Companies provide a variety of shifting  
10 justifications for the program, but none are  
11 supported by evidence or a rational explanation.

12 Q. Please explain.

13 A. In their pre-filed direct testimony, the  
14 Companies erroneously asserted that the non-leak  
15 prone service line replacement program was  
16 required by regulation. *Id.* at 153, 193. They  
17 conceded in response to a discovery request that  
18 the program is not required by regulation.

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1 Exhibit 18, Companies' Response to AGREE\_PUSH IR  
2 1.1 (1), (7).

3 The Companies' pre-filed direct testimony also  
4 states that they replace non-leak prone service  
5 lines when replacing leak-prone gas mains in  
6 accordance with their Distribution Management  
7 Plan ("DIMP"). Gas Capital Expenditures Panel  
8 Testimony, Exhibit\_ (GCE-07) at 153, 193.

9 However, the Companies' DIMP simply states that  
10 when replacing leak-prone mains they also  
11 replace *leak-prone* service lines, and does not  
12 mention non-leak prone service lines at all.

13 Exhibit 19, Companies' Response to AGREE\_PUSH IR  
14 3.1, attach. 2 at 49 ("In conjunction with Leak  
15 Prone Main replacement projects, both NYSEG and  
16 RG&E proactively replace service constructed of  
17 vintage type materials like those main materials  
18 that are considered leak prone.").

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1           The Companies also assert that non-leak prone  
2           service replacement is a recognized practice to  
3           mitigate risk and reduce greenhouse gas  
4           emissions, but they provide no support for this  
5           claim. Gas Capital Expenditures Panel Testimony,  
6           Exhibit \_\_ (GCE-07) at 153-157, 193-197.

7           Additionally, the Companies state that replacing  
8           non-leak prone services is necessary when  
9           associated gas mains are replaced and allows  
10          them to relocate non-leak prone services to  
11          accommodate street reconstruction. *Id.* at 153.  
12          However, they do not track the drivers of non-  
13          leak prone service replacement. Exhibit 18,  
14          Companies' Response to AGREE\_PUSH IR 1.1 (6) (b);  
15          Exhibit 20, Companies' Response to AGREE\_PUSH IR  
16          1.1 Supp.(3) (a). Without knowing what is driving  
17          the leak prone service replacement, the  
18          Companies cannot satisfactorily explain why the

1 program is necessary or justify their budget  
2 going forward.

3 **Q. Why do the Companies replace non-leak prone**  
4 **services when they replace an associated leak-**  
5 **prone main?**

6 A. It is unclear. The Companies have not shown that  
7 they have a sound or rational system for  
8 determining when to replace rather than retain  
9 non-leak prone service lines. The Companies do  
10 not conduct a benefit-cost analysis when  
11 deciding whether to retain or replace a non-leak  
12 prone service line that is connected to a leak-  
13 prone main that is being replaced. Exhibit 12,  
14 Companies' Response to AGREE-PUSH IR 3.1  
15 (18)(c). Instead, they simply compare the  
16 construction costs of retention versus  
17 replacement. *Id.* The Companies also state that  
18 in determining whether to replace or retain a  
19 non-leak prone service they "factor[] in future

1 maintenance and reliability.” *Id.* at (18) (a).

2 While reliability is critical, the Companies do  
3 not appear to account for the reasons to avoid  
4 new capital expenditures, including the high  
5 cost of capital that will get passed onto  
6 ratepayers.

7 Retaining non-leak prone services associated  
8 with replaced mains would benefit ratepayers by  
9 avoiding capital expenditures and the associated  
10 return on equity applies. Especially because, as  
11 discussed, New York must engage in a managed  
12 downsizing of the gas distribution system, the  
13 Companies should not spend millions of dollars  
14 of ratepayer money on new gas infrastructure  
15 that is not needed.

16 **Q. Have the Companies justified their capital**  
17 **expenditures budget for their non-leak prone**  
18 **service program?**

1 A. No. As discussed, the Companies have not  
2 provided a clear explanation for why the program  
3 is necessary. Additionally, although the  
4 Companies testified that non-leak prone service  
5 replacement program costs are correlated to the  
6 miles of pipe replaced and based on 2024 costs,  
7 they admitted in response to discovery requests  
8 that they do not track the number of non-leak  
9 prone service replacements or know the average  
10 annual cost of non-leak prone service  
11 replacement. Gas Capital Expenditures Panel  
12 Testimony at 31; Exhibit 21, Companies' Response  
13 to DPS IR 325; Exhibit 22, Companies' Response  
14 to DPS IR 1088. As a result, even if the program  
15 were necessary, it is not clear how the  
16 Companies could reasonably estimate the number  
17 of non-leak prone services that they would need  
18 to replace in the coming years or the associated  
19 cost. For these reasons, the capital

1 expenditures budget for the program is not  
2 justified.

3 **Q. Do you have any other concerns about the**  
4 **Companies' rate request for non-leak prone**  
5 **service replacement?**

6 A. Yes. The Companies state that if the costs of  
7 non-leak prone service replacements increase,  
8 then they can offset the costs by deprioritizing  
9 some non-leak prone service replacement  
10 projects. Exhibit 18, Companies' Response to  
11 AGREE\_PUSH IR 1.1 (5), (11). However, they also  
12 say that there is no prioritization or ranking  
13 system for such projects. *Id.* If the Companies  
14 are able to safely deprioritize non-leak prone  
15 service replacements, then those replacements  
16 are not needed during the rate term. If the new  
17 infrastructure is not needed, ratepayers should  
18 not pay for it. Ratepayers should not foot the  
19 bill for elective gas infrastructure projects.

1 V. THE COMPANIES SHOULD TAKE STEPS TO ADVANCE NON-  
2 PIPELINE ALTERNATIVES

3 Q. Can you explain what Non-Pipeline Alternatives  
4 are?

5 A. Yes. Non-pipeline alternatives ("NPAs") are  
6 targeted interventions that are specifically  
7 designed to avoid or delay investments in gas  
8 pipes or other gas infrastructure. The nature of  
9 any given NPA will be tailored to specific gas  
10 investment that the Company is seeking to avoid.  
11 For instance, some NPAs seek to avoid gas  
12 infrastructure expansion in a geographical area  
13 where demand is growing and is projected to  
14 exceed the capacity of the infrastructure  
15 serving customers in that area. In this case,  
16 solutions that reduce peak gas demand, such as  
17 energy efficiency, electrification, or demand  
18 response can be deployed to a sufficient degree  
19 so as to slow, stop, or reduce demand growth,

1           thereby delaying or avoiding the need to expand  
2           the capacity of the gas system in that area.

3           A different kind of NPA would be one that seeks  
4           to completely eliminate the need for gas in a  
5           specific area. This kind of NPA is possible when  
6           a segment of pipe needs to be newly built into  
7           an area that does not yet have gas or when a  
8           segment of existing pipe is at the end of its  
9           life and could be retired rather than replaced.  
10          With this kind of NPA, the solution is to fully  
11          electrify all of the affected customers,  
12          completely eliminating the need for gas supply  
13          to that area.

14   **Q.    What are the benefits of NPAs?**

15   A.    The four main benefits of NPAs are cost  
16          reduction, risk reduction, greenhouse gas  
17          emissions reduction, and air pollution  
18          reductions. Air pollution reduction can be  
19          especially beneficial if the NPA is located in a

1           disadvantaged community where multiple polluting  
2           sources are creating cumulative burdens and  
3           impacts. NPAs can be less expensive than  
4           traditional utility capital investments such as  
5           pipeline replacements, leading to cost savings  
6           for ratepayers and more available funds to be  
7           used for decarbonization methods. See Steven  
8           Nadel, ACEEE, *Impact of Electrification and*  
9           *Decarbonization on Gas Distribution Costs* at 27,  
10          29, 31 (June 2023),  
11          [https://www.aceee.org/sites/default/files/pdfs/U](https://www.aceee.org/sites/default/files/pdfs/U2302.pdf)  
12          2302.pdf. As the Companies recognize, NPAs are  
13          critical to meeting their commitment for a net-  
14          zero increase in natural gas use, support New  
15          York's energy and climate goals, and provide  
16          customer cost savings by avoiding capital  
17          expenditures spending. Gas Capital Expenditures  
18          Panel Testimony at 87.

19   **Q.    What are some of the barriers to NPAs?**

1 A. I think the biggest barrier to NPAs is that they  
2 are still seen as an optional alternative to gas  
3 infrastructure instead of the first option and  
4 required option for meeting customers' energy  
5 needs. The way system planning is approached  
6 today is to first plan to meet customer needs  
7 with traditional gas delivery, to plan the  
8 needed gas infrastructure to serve the gas, and  
9 then, maybe, after all that planning has  
10 occurred, to see if there is an alternative.  
11 This puts NPAs at a disadvantage because they  
12 are an optional, later step in the process; they  
13 are not seen as a requirement or a default  
14 option. Given the state's climate mandates and  
15 the findings by the Climate Action Council that  
16 85% percent of buildings should be electrified  
17 by 2050, electrification and energy efficiency  
18 should be the default, first solution that  
19 utilities plan to deploy any time they have the

1           opportunity. See Scoping Plan at 11. Only when  
2           that solution is found to be infeasible should a  
3           utility consider gas infrastructure instead. The  
4           existing approach delays NPA planning and gives  
5           utilities too much leeway to favor traditional  
6           gas infrastructure as the solution for meeting  
7           customers' needs. It provides utilities a lot of  
8           discretion for avoiding consideration of NPAs in  
9           the first place and it also provides no  
10          accountability for successfully deploying an NPA  
11          even in the few cases when utilities try.

12          Another formidable barrier to NPAs is that in  
13          order to be successful, NPAs need customers to  
14          participate by accepting energy efficiency  
15          retrofits in their homes, participating in  
16          demand response programs, and/or electrifying  
17          their appliances. This participation is  
18          voluntary and thus it requires the utility to  
19          find enough willing customers. This can be

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1           especially challenging in the case of NPAs that  
2           seek to completely eliminate a segment of gas  
3           pipeline because this type of NPA requires all  
4           customers on that line to voluntarily forego the  
5           gas service that they are currently legally  
6           entitled to. This requires the utility to  
7           develop a strong value proposition for these  
8           customers and to work with them to address  
9           concerns. It also requires enough lead time for  
10          customers to consider their options and then to  
11          install all the new electric equipment and  
12          systems they need to successfully make the  
13          transition off of gas. So far, we have not seen  
14          many of these types of NPAs succeed, but there  
15          are a few small examples to learn from,  
16          including in the Companies' service territory.  
17          See, e.g., Gas Capital Expenditures Panel  
18          Testimony at 93-94. It is clear that the  
19          utilities' obligation to serve gas is a barrier

1 to successful NPAs and is at odds with New  
2 York's climate mandates. *Id.* at 94 ("Customer  
3 participation challenges arise because of the  
4 requirement that all homes/businesses in the  
5 impacted area must remove their gas systems and  
6 install electrification measures.").

7 Nonetheless, utilities still must pursue NPAs  
8 and improve their methods for successfully  
9 moving NPAs forward because they must work  
10 toward downsizing their gas system to help  
11 achieve New York's greenhouse gas emissions  
12 limits and in order to reduce financial risks to  
13 their gas customers.

14 **Q. What guidance has the Commission provided**  
15 **regarding the use of NPAs?**

16 A. In March 2020, the Commission commenced a  
17 generic gas planning proceeding in Case 20-G-  
18 0131, which seeks to ensure "temporary supply,  
19 energy efficiency, electrification, and clean

1 demand response" to "reduce or eliminate the  
2 need for gas infrastructure and investments."  
3 Order Instituting Proceeding at 7, NY PSC Case  
4 No. 20-G-0131 (Mar. 19, 2020). The Gas Planning  
5 Order calls for long-term plans that consider  
6 energy efficiency and NPAs and directs utilities  
7 to include an NPA-only scenario, unless the  
8 utility can demonstrate, with sufficient  
9 evidence, that an NPA-only scenario is not  
10 feasible. Order Adopting Gas System Planning  
11 Process at 37, NY PSC Case No. 20-G-0131 (May  
12 12, 2022).

13 **Q. Has the Company proposed a framework for**  
14 **consideration of NPAs?**

15 A. The Company, on August 10, 2022, along with the  
16 other New York State gas distribution utilities,  
17 submitted a filing in the Gas Planning  
18 Proceeding (PSC Case No. 20-G-0131) and proposed  
19 incentives and cost recovery mechanisms for NPA

1 projects. Joint Local Distribution Companies'  
2 Proposals for Non-Pipe Alternative Incentive  
3 Mechanism and Cost Recovery Procedures, NY PSC  
4 Case No. 20-G-0131 (Aug. 10, 2022). The filing  
5 is still under review with the Commission. On  
6 the same day, August 10, 2022, the Companies  
7 also filed a proposal for NPA Screening and  
8 Suitability Criteria in the Gas Planning  
9 Proceeding. New York State Electric and Gas  
10 Corporation's and Rochester Gas and Electric  
11 Corporation's Proposals for Non-Pipe Alternative  
12 Screening and Suitability Criteria, NY PSC Case  
13 No. 20-G-0131 (Aug. 10, 2022).

14 **Q. What did the Companies propose?**

15 A. The Companies proposed to continue their current  
16 NPA process, which is set forth in Appendix HH  
17 of the Joint Proposal approved in their last  
18 rate case. *Id.* at 3.

1 Q. Please summarize the Companies' NPA process.

2 A. According to the Companies, they consider NPA  
3 solutions for gas projects involving the  
4 construction of a new pipeline or the  
5 replacement or expansion of an existing pipeline  
6 that might be suitable for an NPA except where  
7 conditions pose an immediate threat to public  
8 safety or where construction is planned for  
9 within 12 months. Gas Capital Expenditures Panel  
10 Testimony at 87. All projects on the capital  
11 projects list are evaluated at least annually.  
12 *Id.* at 88. For projects with a capital budget of  
13 \$2 million or less, the Companies conduct an  
14 opaque, streamlined benefit-cost analysis  
15 ("BCA") to determine the potential cost and  
16 feasibility of an NPA, "which may or may not  
17 include a full-scale solicitation of NPA  
18 alternatives." *Id.* at 87-88. For capital  
19 projects that cost over \$2 million, the

1           Companies conduct a full-scale solicitation of  
2           NPA alternatives followed by a BCA of potential  
3           solutions. *Id.* at 88.

4   **Q.   Have the Companies' NPA program been successful?**

5   A.   The Companies have implemented more NPAs than  
6           most other utilities, but progress has been slow  
7           and minimal and other utilities have set a low  
8           bar. In 2021 NYSEG began developing an NPA  
9           portfolio in Lansing to address gas supply  
10          constraints. Gas Capital Expenditures Panel  
11          Testimony, Exhibit \_\_ (GCE-11). Although the  
12          Lansing NPA portfolio is pathbreaking, the  
13          projects have taken many years to come to  
14          fruition, and in the meantime two of the seven  
15          NPA project developers have withdrawn their  
16          proposals. *Id.*

17          Both Companies screen LPP replacements for NPAs  
18          through their Whole Home Electrification

1 Project. Gas Capital Expenditures Panel  
2 Testimony at 93. Since 2022, hundreds of LPP  
3 projects have been screened and 43 projects have  
4 been pursued, but only three homes have been  
5 electrified. *Id.*

6 **Q. Have the Companies identified barriers to NPA**  
7 **implementation?**

8 A. Yes. According to the Companies, implementation  
9 is difficult because in order for some NPAs to  
10 be successful, all customers in the impacted  
11 area must remove their gas systems and install  
12 electrification measures or other alternatives.  
13 *Id.* at 94. The Companies also claim that cost is  
14 often a barrier. *Id.*

15 **Q. Where the Companies pursued NPAs, do they know**  
16 **why customers declined to participate?**

17 Q. Based on feedback gathered from customers the  
18 Companies have identified a number of reasons

1           why customers decline to participate in NPAs,  
2           including (but not limited to):

- 3           o Perceived Legitimacy: Some customers  
4           expressed skepticism about the offer,  
5           viewing it as "too good to be true."
- 6           o Existing Backup Systems: The presence of  
7           gas backup systems or generators reduced  
8           customer motivation to fully disconnect  
9           from natural gas.
- 10          o Recent Gas Equipment Investments: Prior  
11          investments in gas appliances (e.g.,  
12          boilers, stoves) led to reluctance to  
13          convert to electric alternatives.
- 14          o Cooking Preferences: Resistance to  
15          electric cooking was common, driven by a  
16          preference for gas and concerns about the  
17          performance of electric appliances.
- 18          o Technology Distrust: Some customers  
19          expressed distrust of newer technologies.

1           o Cost Uncertainty: Concerns were raised  
2           about potential increases in electricity  
3           bills and the long-term performance of  
4           electrification equipment.

5           Exhibit 12, Companies' Response to AGREE\_PUSH IR  
6           3.1 (23) (b) .

7   **Q.   Has the Commission approved the Companies' NPA**  
8   **criteria?**

9   A.   The Commission has not yet issued a decision on  
10   the Companies' proposal for NPA criteria.

11 **Q.   Are the Companies considering any modifications**  
12 **to their NPA Criteria in this rate case?**

13 A.   No. Id. at (28) (c) .

14 **Q.   Do you support the Companies' decision not to**  
15 **modify their criteria for the NPA program?**

1 A. I do not. There are a number of steps that the  
2 Companies should take to improve the NPA process  
3 and address the barriers discussed above.

4 **Q. What are those steps?**

5 A. First, the Companies should conduct NPA  
6 screening for a much wider array of projects.  
7 Although the Companies' testimony states that  
8 they screen all gas capital projects for NPAs,  
9 their NPA framework only applies to "gas  
10 projects involving the construction of a new  
11 pipeline or the replacement or expansion of an  
12 existing pipeline." Joint Proposal, Appendix HH  
13 at 4, NY PSC Case Nos. 22-E-0317, 22-G-0318, 22-  
14 E-0319, 22-G-0320 (June 14, 2023). The Companies  
15 do not screen service lines for NPAs. Exhibit  
16 13, Companies' Response to AGREE\_PUSH IR 11.1  
17 (45)(d). Additionally, as the Companies have  
18 demonstrated through the Lansing project, NPAs  
19 can also be used to address load growth.

1           Therefore, the Companies should conduct NPA  
2           screening for any gas infrastructure work  
3           including service line installations and  
4           replacements and system reinforcements, as well  
5           as to address forecasted load growth in specific  
6           areas. These types of NPAs could potentially  
7           avoid some of the Company's gas infrastructure  
8           proposals that I discussed earlier in the  
9           testimony.

10 **Q.   Why are NPAs to address load growth important?**

11 A.   NPAs to address load growth are critical because  
12       they commit the Companies to proactively  
13       developing load growth strategies and will  
14       provide the Companies with more lead time to  
15       decrease demand and ramp up outreach and  
16       education on electrification when anticipating  
17       potential infrastructure needs.

18 **Q.   You mentioned that one barrier to NPAs is the**  
19 **need for customers in the impacted area to agree**

1           to participate in the NPA. How do you recommend  
2           that the Companies address that barrier?

3    A.    There are a number of steps the Companies can  
4           and should take to address customer  
5           participation challenges. As a preliminary  
6           matter, the Companies need to begin planning  
7           their gas capital projects, including LPP  
8           replacements, with far more lead time. The  
9           shorter the lead time, the harder it is to get  
10          enough customer participation in an NPA.  
11          However, currently, the Companies only identify  
12          the LPP to be replaced in the fourth quarter of  
13          the previous year. Exhibit 3, Companies'  
14          Response to AGREE\_PUSH IR 6.1 (39). For the  
15          Companies' Whole Home Electrification Program,  
16          the NPA team looks at the list of LPP projects  
17          planned for the next year and has "no  
18          standardized process governing the specific  
19          amount of notice provided to existing customers

1 served from targeted sections of LPP." Exhibit  
2 14, Companies' Response to AGREE-PUSH IR 3.1  
3 Supp. This process does not leave nearly enough  
4 time for the outreach and education needed to  
5 engage NPA-eligible customers and set an NPA up  
6 for success.

7 **Q. Have the Companies acknowledged the need for**  
8 **more lead time for NPAs?**

9 A. Yes. The Companies participated in a series of  
10 Strategic Decommissioning Technical Conferences  
11 pursuant to the Commission's order regarding  
12 their long-term gas plan in Case No. 23-G-0437.  
13 Exhibit 12, Companies' Response to AGREE\_PUSH IR  
14 3.1 (23) (d). Through that process the Companies  
15 determined that "more proactive outreach to LPP  
16 segments should be piloted" and "[f]or selected  
17 LPP segments identified as strong candidates,"  
18 the Companies will send initial notification  
19 letters two years in advance of the planned LPP

1 replacement project. *Id.* at (23) (d), (e);  
2 Exhibit 13, Companies' Response to AGREE\_PUSH IR  
3 11.1 (49).

4 **Q. Is this proactive outreach sufficient?**

5 A. It is a good first step but not sufficient.  
6 First, the Companies plan to pilot more  
7 proactive outreach for "selected LPP segments  
8 identified as strong candidates," but they  
9 should conduct more proactive outreach for NPAs  
10 more broadly throughout their service  
11 territories. Exhibit 12, Companies' Response to  
12 AGREE\_PUSH IR 3.1 (23) (e). In order to do so,  
13 other than for projects to address emerging and  
14 immediate safety issues, the Company should not  
15 be allowed to propose gas capital projects that  
16 have such short lead times. Currently, although  
17 projects on the capital projects list are  
18 evaluated at least annually for NPA suitability,  
19 the timing of a project's addition to the list

1 is highly variable: "some projects may be added  
2 less than one year before they are needed, while  
3 others may be included several years in  
4 advance." *Id.* at (22). This process does not  
5 allow for the proactive outreach and planning  
6 that NPAs require. Reliability-related projects  
7 that stem from growing demand in an area,  
8 mandated projects to address new regulations,  
9 and proactive leak prone main or service  
10 replacement projects should all be required to  
11 have much longer lead times so that an NPA can  
12 be the first option that is planned and  
13 attempted before falling back to gas if the NPA  
14 is unsuccessful.

15 Second, two years might not be enough time to  
16 educate and engage NPA-eligible customers. The  
17 Companies should also undertake pilots in which  
18 they provide additional lead time to NPA-  
19 eligible customers—for example, three, four, and

1 five years—to determine how much lead time is  
2 needed for an NPA to be successful.

3 **Q. Are there additional steps the Companies could**  
4 **take to address customer participation**  
5 **challenges?**

6 A. Yes. Right now the Companies share information  
7 through postal mail or email, on their websites,  
8 on social media, and at outreach events, which  
9 are all critical steps. *Id.* at (14). However,  
10 the Companies should also consider going door to  
11 door to meet with customers and explain their  
12 options as well as sharing information through  
13 phone calls. (The Companies visit customers'  
14 houses for field collections and should be able  
15 to do so for this purpose as well. Exhibit 23,  
16 Companies' Response to AGREE\_PUSH IR 5.1  
17 (36) (b) .

1 Q. How else could the Companies increase customer  
2 participation in NPAs?

3 A. The Companies could be engaging in much better  
4 marketing of efficiency, demand response, and  
5 electrification - including educating their  
6 customers about the benefits of induction  
7 cooking to help overcome customer perceptions of  
8 electric cooking, and this marketing should be  
9 both focused on potential NPA customers as well  
10 as more widespread throughout the Companies'  
11 service territory. For years, the gas industry,  
12 including gas utilities, has engaged in the  
13 promotion of fracked gas, telling customers  
14 about the virtues of gas, and even telling them  
15 that gas is clean and good for the environment.  
16 Now, customers are being asked to transition off  
17 gas in order to improve air quality and  
18 eliminate climate emissions. A multi-dimensional  
19 marketing campaign is needed to inform customers

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1           about the benefits of energy efficiency and  
2           electrification, and the Companies need to  
3           examine all of their communication and marketing  
4           activities to make sure that they are not  
5           working at cross purposes. The Companies have  
6           not conducted any marketing research on  
7           effective ways to talk to NPA-eligible customers  
8           about transitioning off of gas. Exhibit 12,  
9           Companies' Response to AGREE\_PUSH IR 3.1 (33).  
10          The Companies should commit to maximizing the  
11          efficacy of their NPA marketing and outreach,  
12          including through the use of message testing and  
13          focus groups. By expanding their marketing and  
14          outreach, the Companies will be better  
15          positioned to evaluate what types of  
16          communication are effective and determine better  
17          methods to communicate with customers about  
18          electrification and transitioning off gas. The  
19          Companies should also consider induction cooking

1           demonstrations and other community events to  
2           demystify and raise awareness about the benefits  
3           of electric appliances. These steps should help  
4           the Companies understand how best to overcome  
5           customer concerns discussed above about NPA  
6           offers being "too good to be true," resistance  
7           to electric cooking, and uncertainty concerning  
8           electrification technologies.

9   **Q.   Do you have a recommendation for addressing**  
10 **customer concerns about electricity costs?**

11 A.   In order to defray the cost of electricity when  
12 customers convert from gas, the Companies should  
13 make an available heat pump friendly rate or  
14 monthly credit to reduce operating costs as  
15 compared to the Companies' default residential  
16 rate. This is justified on a revenue neutral  
17 basis because, as the Commission has recognized  
18 in other cases, there is currently a cross  
19 subsidy occurring where heat pump customers are

1 subsidizing non-heat pump customers. NYSERDA,  
2 *New Efficiency: New York, Analysis of*  
3 *Residential Heat Pump Potential and Economics at*  
4 59 (Jan. 2019), [https://www.nyserda.ny.gov/-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/PPSER/NYSERDA/18-44-HeatPump.pdf)  
5 [/media/Project/Nyserda/Files/Publications/PPSER/](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/PPSER/NYSERDA/18-44-HeatPump.pdf)  
6 [NYSERDA/18-44-HeatPump.pdf](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/PPSER/NYSERDA/18-44-HeatPump.pdf).

7 **Q. Is there precedent for a heat pump friendly rate**  
8 **or bill credit for NPA participants?**

9 A. Yes. In August 2025 the Commission approved a  
10 Joint Proposal in the Niagara Mohawk rate case,  
11 under which the utility will implement a new  
12 heat pump monthly credit to incentivize  
13 residential and small commercial customers who  
14 purchase both gas and electric service from  
15 Niagara Mohawk to install a heat pump as part of  
16 an NPA. Order Adopting Terms of Joint Proposal  
17 and Establishing Rate Plans at 100, NY PSC Case  
18 Nos. 24-E-0322, 24-G-0323 (Aug. 14, 2025).

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1           For several years, Con Edison has offered a SC 1  
2           Rate IV, called a Select Pricing Plan, which is  
3           a voluntary (opt-in) demand-based rate for  
4           residential customers. Customer Energy Solutions  
5           Panel at 32, NY PSC Case No. 25-G-0073 (Jan. 31,  
6           2021). This rate is marketed to residential heat  
7           pump customers as offering potential bill  
8           savings relative to the default SC 1 Rate I. *Id.*  
9           In the 2025 Con Edison Rate case, parties filed  
10          a Joint Proposal on Wednesday November 6, 2025,  
11          in which Con Edison agreed to extensive  
12          improvements to their customer education and  
13          outreach around heat pump friendly rates and  
14          agreed to study and implement changes to its  
15          rates to make them more accessible and  
16          affordable for heat pump customers. Joint  
17          Proposal at 54, NY PSC Case No. 25-G-0073 (Nov.  
18          6, 2025). Two separate utilities in New York are  
19          pursuing creative solutions to encourage

1 adoption of heat pumps, and I am concerned that  
2 neither NYSEG nor RG&E has addressed this issue  
3 yet. The Companies should implement the  
4 provisions found in Con Edison's Joint Proposal.

5 **Q. Are there other ways to address customer**  
6 **concerns and increase NPA participation?**

7 A. Yes. I recommend that the Companies amend their  
8 NPA framework to cover the costs of behind-the-  
9 meter work and weatherization health and safety  
10 work.

11 **Q. Please explain what you mean by "behind-the-**  
12 **meter" work.**

13 A. Through working with the New York State Clean  
14 Heat program, my organization has found that  
15 many residential homes lack capacity on their  
16 existing electrical panel to connect electrified  
17 heating and other appliances. To install a heat  
18 pump, some customers need to replace their

1           electrical circuit breaker panel or add a  
2           subpanel, which could add \$450-\$3,500 to the  
3           project cost. See NYSERDA, *The Heat Pump*  
4           *Installer's Guide to Assessing Residential*  
5           *Electrical Service: Best Practices and*  
6           *Procedures for Assessing a Home's Electrical*  
7           *Capacity Prior to Heat Pump Installation* at 7  
8           (Jan. 2024), [https://www.nyserda.ny.gov/-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Fact-Sheets/CHC-CON-electric-service-br-1-v1_acc.pdf)  
9           [/media/Project/Nyserda/Files/Publications/Fact-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Fact-Sheets/CHC-CON-electric-service-br-1-v1_acc.pdf)  
10          [Sheets/CHC-CON-electric-service-br-1-v1\\_acc.pdf](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Fact-Sheets/CHC-CON-electric-service-br-1-v1_acc.pdf).  
11          Other customers may need an electric service  
12          upgrade. Service upgrades can result in customer  
13          behind-the-meter electrical work and costs (for  
14          example, new conduit and service entrance wires,  
15          and additional electrician labor hours to  
16          coordinate and complete the customer-sided  
17          requirements of the upgrade). Covering these  
18          behind-the-meter costs would allow more  
19          customers to participate in NPAs.

1 Q. Please explain what you mean by "weatherization  
2 health and safety measures."

3 A. Pre-weatherizing a residential building  
4 addresses severe conditions in a home that would  
5 cause it to be ineligible for weatherization  
6 programs or would render the weatherization  
7 measures unsafe or ineffective. Examples  
8 include: moisture/standing water, electrical or  
9 wiring issues, carbon monoxide hazards, gas  
10 leaks, environmental contaminants (such as lead,  
11 mold, asbestos, or vermiculate), septic and  
12 plumbing issues, or structural or roof  
13 deficiencies. Pre-weatherization allows families  
14 to prepare their homes to meet the requirements  
15 of many of the state and federal energy  
16 efficiency programs, such as NYSERDA's Empower+  
17 program and could allow more customers to  
18 participate in NPAs.

1 Q. Why do these issues need to be addressed before  
2 a home can be safely weatherized?

3 A. A weatherization project generally involves  
4 activities that could disturb hazards such as  
5 lead paint or asbestos, making the home less  
6 safe if those hazards are not remediated before  
7 or as part of a weatherization project.  
8 Additionally, weatherization projects generally  
9 involve air sealing a home, making a home more  
10 airtight, which helps save energy and make the  
11 home more comfortable. However, if a customer  
12 has gas leaks or un-remediated mold or moisture  
13 issues, air sealing a home can make the home air  
14 quality more dangerous or make moisture issues  
15 worse leading to mold.  
16 Additionally, some homes need extensive repair  
17 before a weatherization project can be  
18 effective, such as roof or foundation repair.

1 Q. How could weatherization health and safety  
2 measures increase NPA participation and help  
3 customers reduce their electricity bills?

4 A. Energy efficiency measures such as home  
5 weatherization reduce energy use, and therefore,  
6 reduce energy bills. Weatherizing a residential  
7 building involves improving the insulation and  
8 air-sealing measures of a home, while also  
9 better controlling the moisture and ventilation.  
10 Weatherizing a home helps the resident save  
11 money by saving energy, while also improving the  
12 comfort of the home. To avoid increased costs  
13 and loss of energy, weatherizing a home by  
14 improving insulation in walls, attics, and  
15 basements, sealing air leaks or installing  
16 higher-efficiency windows may be appropriate.  
17 Although weatherizing might not completely  
18 address the needs of a customer struggling with  
19 a high electricity bill, it is one way to bring

1 down energy prices while providing health  
2 benefits. By paving the way for weatherization,  
3 pre-weatherization health and safety work could  
4 facilitate customer access to NPAs.

5 **Q. Is there precedent for including behind-the-**  
6 **meter upgrades and weatherization health and**  
7 **safety work in NPAs?**

8 A. Yes. The Commission's rate order in the Niagara  
9 Mohawk rate case, discussed above, allows for  
10 NPAs to include costs associated with behind-  
11 the-meter upgrades and weatherization health and  
12 safety measures that are necessary to facilitate  
13 participation. Order Adopting Terms of Joint  
14 Proposal and Establishing Rate Plans at 101, NY  
15 PSC Case Nos. 24-E-0322, 24-G-0323 (Aug. 14,  
16 2025).

17 **Q. Are there any other changes you would make to**  
18 **the Companies' NPA Program?**

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1 A. Yes. The Companies should set ambitious  
2 benchmarks for NPA completion. These benchmarks  
3 could be expressed as a number of miles of pipe  
4 avoided or a dollar amount for gas capital that  
5 is converted to NPAs. These benchmarks should be  
6 annual and should increase over time. Most  
7 importantly, these benchmarks should be backed  
8 up with accountability in the form of positive  
9 and negative revenue adjustments.

10 **Q. Do you have other concerns about the Companies'**  
11 **NPA program?**

12 A. Yes. The Companies have deemed segments with 20  
13 or more metered customers to be not viable for  
14 inclusion in the LPP Whole Home Electrification  
15 Program. Exhibit 24, Companies' Response to  
16 AGREE\_PUSH IR 13.1 (59). The Companies provide a  
17 number of reasons for the 20-customer cutoff,  
18 including that: smaller metered customer bases  
19 are more manageable and allow for direct

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1 engagement with each household; achieving the  
2 required 100% participation is easier with a  
3 smaller group; and larger customer groups are  
4 often located in densely populated areas with  
5 shorter lengths of LPP, which are less likely to  
6 provide meaningful customer savings. *Id.* While  
7 these rationales sound sensible, they do not  
8 justify a per se prohibition on considering LPP  
9 segments with twenty or more customers for NPAs.  
10 The 20-customer cutoff has disqualified a  
11 significant number of LPP segments, including  
12 approximately twenty percent of the LPP segments  
13 considered in 2022 (48 out of 231). Gas Capital  
14 Expenditures Panel Testimony, Exhibit \_\_ (GCE-  
15 12) at 1-3. Moreover, the Companies' assumption  
16 that high customer counts will correspond to  
17 shorter LPP length is contradicted by its own  
18 data. For example, many of the LPP segments  
19 deemed nonviable due to customer count between

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1           2022-24 were greater than 1000 feet, including  
2           segments of up to 3019 feet. *Id.* at 1-8.  
3           However, the Companies automatically deem  
4           segments with 20 or more customers to be  
5           nonviable without even considering if that  
6           segment is densely populated. Exhibit 25,  
7           Companies' Response to AGREE\_PUSH IR 20.1  
8           (91) (c). The Companies' reasoning makes even  
9           less sense when one considers that the only  
10          project that the Companies have completed  
11          through the Whole Home Electrification Program—  
12          the Irondequoit Project—avoided only 119 feet of  
13          LPP replacement. Gas Capital Expenditures Panel  
14          Testimony at 93-95. Moreover, while the  
15          Companies have asserted that the Irondequoit  
16          project's BCA result was below 1, this result  
17          could have been a function of the small amount  
18          of gas infrastructure avoided. Exhibit 12,  
19          Companies' Response to AGREE\_PUSH IR 3.1

1           (24) (a). The Companies do not even conduct a BCA  
2           for segments that have 20 or more customers, and  
3           therefore, have not tested their assumption that  
4           NPAs for those segments would not be cost-  
5           effective. Exhibit 26, Companies' Response to  
6           AGREE\_PUSH IR 22.1 (94) (a). The Companies will  
7           save ratepayers far more money if they can avoid  
8           replacement of longer segments, and should not  
9           stack the deck against NPAs by refusing to  
10          consider segments with 20 or more customers.

11   **Q.   Do you have any other concerns about the 20-**  
12   **customer cutoff?**

13   A.   Yes. The Companies' NPA program, as set forth in  
14   its filing in the Gas Planning Proceeding and  
15   its testimony in these proceedings, does not  
16   include a requirement that segments have fewer  
17   than 20 metered customers. This requirement only  
18   became clear to AGREE and PUSH Buffalo after  
19   several discovery requests where we learned the

1 meaning of the terms "Customer Count" and "High  
2 Customer Count" as well as the Whole Home  
3 Electrification Program data which the Companies  
4 filed in these proceedings. See Exhibit 12,  
5 Companies' Response to AGREE\_PUSH IR 3.1 (31);  
6 Exhibit 24, Companies' Response to AGREE\_PUSH IR  
7 13.1 (59). The lack of transparency about the  
8 Companies' NPA criteria is a concern. If the  
9 Companies deem LPP segments with 20 or more  
10 customers to be nonviable for NPAs, as they  
11 claim to, then they must disclose this to the  
12 Commission when they describe their NPA program.

13 **Q. Do you have other concerns about the Companies'**  
14 **NPA program?**

15 A. Yes. The Companies' request for proposal process  
16 for NPAs is technology agnostic, and the  
17 Companies consider liquified natural gas  
18 ("LNG"), compressed natural gas ("CNG") and  
19 RNG/biomethane projects when pursuing an NPA.

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1 Exhibit 12, Companies' Response to AGREE\_PUSH IR  
2 3.1 (21) (a), (c). These alternative combustion  
3 fuels generate the same indoor and outdoor  
4 pollution as conventional natural gas.  
5 Regardless of the source, burning methane in  
6 homes and businesses emits carbon monoxide,  
7 particulate matter, nitrogen dioxide, sulfur  
8 oxides, formaldehyde, and benzene. Yannai S.  
9 Kashtan et al., *Gas and Propane Combustion from*  
10 *Stoves Emits Benzene and Increases Indoor Air*  
11 *Pollution*, 57 *Env't Sci. & Tech.* 9653 (2023);  
12 Brady Anne Seals & Andee Krasner, *Health Effects*  
13 *from Gas Stove Pollution* at 7 (2020),  
14 [https://psr.org/wp-](https://psr.org/wp-content/uploads/2020/05/health-effects-from-gas-stove-pollution.pdf)  
15 [content/uploads/2020/05/health-effects-from-gas-](https://psr.org/wp-content/uploads/2020/05/health-effects-from-gas-stove-pollution.pdf)  
16 [stove-pollution.pdf](https://psr.org/wp-content/uploads/2020/05/health-effects-from-gas-stove-pollution.pdf); WE ACT for Environmental  
17 Justice, *Out of Gas, in with Justice* at 15-16  
18 (2023), [https://weact.org/wp-](https://weact.org/wp-content/uploads/2023/02/Out-of-Gas-Report-FINAL.pdf)  
19 [content/uploads/2023/02/Out-of-Gas-Report-](https://weact.org/wp-content/uploads/2023/02/Out-of-Gas-Report-FINAL.pdf)  
20 [FINAL.pdf](https://weact.org/wp-content/uploads/2023/02/Out-of-Gas-Report-FINAL.pdf). These pollutants can cause serious  
21 illnesses and health conditions including  
22 asthma, reduced lung function, cardiovascular

1 illness, cancer, and even premature death. Brady  
2 Anne Seals & Andee Krasner, *Health Effects from*  
3 *Gas Stove Pollution*. By contrast,  
4 electrification eliminates these pollutions and  
5 provides customers with efficiency benefits as  
6 compared to combustion appliances.

7 **Q. Do you have other concerns about using**  
8 **alternative combustion fuels for NPAs?**

9 A. Yes. In addition to local air pollution, LNG,  
10 CNG, and biomethane all emit greenhouse gasses  
11 when transported and combusted and provide  
12 minimal if any climate benefits as compared to  
13 conventional natural gas. (I discuss biomethane  
14 further below.)

15 As the Companies have recognized, NPAs are  
16 important not only to achieve cost savings for  
17 customers, but also to meet New York's climate  
18 mandates. Gas Capital Expenditures Panel  
19 Testimony at 87. NPAs that do not result in any  
20 avoided greenhouse gas emissions will not serve

1           this critical purpose. Rather than spending  
2           ratepayer money on alternative combustion fuels,  
3           the Companies should prioritize zero-emission  
4           electrification solutions when pursuing NPAs.

5   **Q.   Do you have any other recommendations regarding**  
6           **the Companies' request for proposals process for**  
7           **NPAs?**

8   A.   Yes. The Companies state that the technologies  
9           considered under the NPA framework include, but  
10          are not limited to: LNG, CNG, biomethane, demand  
11          response, energy efficiency, and  
12          electrification. Exhibit 12, Companies' Response  
13          to AGREE\_PUSH IR 3.1 (21) (c). As discussed  
14          above, thermal energy networks can reduce indoor  
15          and outdoor air pollution and provide cost  
16          savings to customers while avoiding gas  
17          infrastructure. Because it is not clear if the  
18          Companies currently consider thermal energy  
19          networks when pursuing NPAs, they should  
20          explicitly include thermal energy networks on  
21          the list of technologies considered under their

1 framework. Additionally, the Companies noted  
2 that customers are sometimes reluctant to  
3 participate in an NPA because they use natural  
4 gas as a backup fuel. To address this concern,  
5 the Companies could include battery storage  
6 (including from electric vehicles) among the  
7 technologies that they provide as part of an  
8 NPA.

9 **VI. THE COMPANY'S OUTREACH AND EDUCATION FOR ITS**  
10 **INDUSTRIAL CUSTOMERS MUST IMPROVE TO RAMP UP**  
11 **ELECTRIFICATION OPPORTUNITIES.**

12 **Q. As you testified above, the CLCPA requires the**  
13 **Commission to ensure utilities reduce pollution**  
14 **such as greenhouse gas emissions and particulate**  
15 **matter. Do large commercial and industrial**  
16 **customers make up a significant portion of New**  
17 **York State's greenhouse gas emissions?**

18 **A.** Yes. Emissions from the industrial sector make  
19 up approximately 9% of statewide greenhouse gas  
20 emissions, including emissions from methane

1 leaks and combustion from the oil and gas system  
2 in New York (45%), the direct combustion of on-  
3 site fuel (27%), emissions from imported fuels  
4 (20%), and non-combustion industrial processes  
5 (6%). Scoping Plan at 257. Industrial emissions  
6 are also a significant source of air pollution,  
7 emitting not only greenhouse gases, but also co-  
8 pollutants, like nitrogen oxides ("NOx"), sulfur  
9 oxides ("Sox"), and particulate matter ("PM").

10 **Q. Does the industrial sector have the technical**  
11 **potential to reduce both its energy usage and**  
12 **GHG emissions?**

13 A. Yes. According to a September 2025 study,  
14 published by New York State Energy Research and  
15 Development Authority "NYSERDA"), the New York  
16 State's industrial manufacturing sector has the  
17 technical potential to reduce its energy usage  
18 by 21% and GHG emissions by 69% compared to  
19 their respective baselines in 2050. NYSERDA,

1           *Assessment of Energy Efficiency,*  
2           *Electrification, and Decarbonization Potential*  
3           *for the New York State Industrial Sector: Phase*  
4           *Two, Final Report* at iv (Sept. 2025),  
5           [https://www.nyserda.ny.gov/-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/building-stock-potential-studies/25-24-Assessment-of-Energy-Efficiency-Electrification-and-Decarbonization-Potential.pdf)  
6           [/media/Project/Nyserda/Files/Publications/buildi](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/building-stock-potential-studies/25-24-Assessment-of-Energy-Efficiency-Electrification-and-Decarbonization-Potential.pdf)  
7           [ng-stock-potential-studies/25-24-Assessment-of-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/building-stock-potential-studies/25-24-Assessment-of-Energy-Efficiency-Electrification-and-Decarbonization-Potential.pdf)  
8           [Energy-Efficiency-Electrification-and-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/building-stock-potential-studies/25-24-Assessment-of-Energy-Efficiency-Electrification-and-Decarbonization-Potential.pdf)  
9           [Decarbonization-Potential.pdf](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/building-stock-potential-studies/25-24-Assessment-of-Energy-Efficiency-Electrification-and-Decarbonization-Potential.pdf) (“NYSERDA  
10           Report”). Even more, electrification is the  
11           largest source of achievable energy savings  
12           potential in New York State. *Id.*

13   **Q. Do the Companies have a rough estimate of how**  
14   **many of their customers are in each customer**  
15   **segment?**

16   A. Yes. Exhibit 8, Companies’ Response to  
17   AGREE\_PUSH IR 25.1 (106), attach. 1.

18   **Q. Do the Companies track the estimated gas demand**  
19   **by customer segment?**

1 A. Yes. *Id.* at (107), attach. 2.

2 **Q. Do you find anything interesting about the**  
3 **number of industrial and commercial customers**  
4 **and their gas demand compared to the residential**  
5 **customer class?**

6 A. It's interesting because the residential  
7 customer class represents about 90% of the  
8 customer segment, but only consumes about 55% of  
9 the gas demand. Companies' Final Gas LTP at 18-  
10 19; Exhibit 8, Companies' Response to AGREE\_PUSH  
11 IR 25.1 (106), (107), attach. 1, attach. 2.  
12 Industrial customers represent about 1% of the  
13 customer segment but consume roughly 15-18% of  
14 the gas demand. Companies' Final Gas LTP at 18-  
15 19.

16 **Q. Due to the significant climate and air quality**  
17 **impacts of fossil fuel use in the industrial**  
18 **sector, are the Companies prioritizing emissions**

1           **reductions and energy efficiency for this**  
2           **customer class?**

3    A.    In my opinion the Companies are not sufficiently  
4           prioritizing emissions reductions for the  
5           industrial sector. The Companies provide  
6           customers in the industrial sector with  
7           information pertaining to energy efficiency, but  
8           the educational materials primarily focus on  
9           energy efficient lighting. Exhibit 27,  
10          Companies' Response to DPS IR 604. Industrial  
11          customers are also provided with information  
12          about demand response and reducing their  
13          electricity use during times of peak demand.  
14          Exhibit 28, Companies' Response to AGREE\_PUSH IR  
15          16.1, attach. 1.

16    **Q.    Can you explain how the Companies train or plan**  
17           **to train their customer service representatives**  
18           **in energy and emission reducing technology for**  
19           **their industrial customers?**

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1 A. The Companies have not provided training  
2 materials nor plan to provide training materials  
3 concerning emission reducing technology such as,  
4 but not limited to electric boilers, industrial  
5 heat pumps, and or thermal or solar storage.  
6 Exhibit 29, Companies' Response to AGREE\_PUSH IR  
7 16.1 (73), (74); Exhibit 30, Companies' Response  
8 to AGREE\_PUSH IR 24.1 (100); Exhibit 31,  
9 Companies' Response to DPS IR 314, supp. 1,  
10 attach. 76. It appears the Companies' training  
11 for their customer service representatives is  
12 limited to energy efficiency measures. See  
13 Exhibit 30, Companies' Response to AGREE\_PUSH IR  
14 24.1 (101). Customer Service Representatives are  
15 provided with "Customer Service Technical  
16 Training: EEPS Details NYSEG & RG&E." See *id.* at  
17 (100). When a commercial or industrial customer  
18 contacts a Customer Service Representative, the  
19 customers are encouraged to visit the Companies'

1 webpages about non-residential energy efficiency  
2 programs. See *id.*

3 **Q. Do the Companies disaggregate their industrial**  
4 **customers by subsector and gas use?**

5 A. Yes, the Companies disaggregated their largest  
6 industrial load customers by subsector in their  
7 Long-Term Plan. In NYSEG's service territory,  
8 the Company reported its's largest industrial  
9 customers by gas load in the Long-Term Planning  
10 Docket as: (1) Glass Manufacturing, making up  
11 31% of the load (2) Primary Metal Industries and  
12 Fabricated Metal Products, making up 21% of the  
13 load, (3) Food and Kindred Products, making up  
14 19% of the load (4) Chemicals and Allied  
15 Products, making up 15% of the load (5) Asphalt,  
16 Stone, and Construction Materials, making up 5%  
17 of the load, (6) Pulp and Paper Mills, making up  
18 2% of the load, and (7) Other, making up 7% of  
19 the load. Companies' Final Gas LTP at 20.

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1           In RG&E's service territory, the Company  
2           reported its largest industrial customers by gas  
3           load in the Long-Term Planning Docket as: (1)  
4           Power and Fuel Generation, making up 63% of the  
5           load, (2) Primary Metal Industries and  
6           Fabricated Metal Products, making up 11% of the  
7           load, (3) Food and Kindred Products, making up  
8           11% of the load, (4) Health and Pharmaceutical  
9           Products, making up 4% of the load, (5) Asphalt,  
10          Stone, and Construction Materials, making up 3%  
11          of the load, (6) Chemicals and Allied Products,  
12          making up 2% of the load, and then (7) Other,  
13          making up 5% of the load. *Id.* at 20.

14          However now, one year later, the Companies are  
15          reporting conflicting information. For example,  
16          in NYSEG's service territory, Lawn and Garden  
17          Services makes up approximately 15% of the  
18          industrial load followed by Asphalt Paving  
19          Mixtures and blocks, which makes up

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1 approximately .74% of the industrial load.  
2 Exhibit 8, Companies' Response to AGREE\_PUSH IR  
3 25.1 (109), attach. 3. In RG&E's service  
4 territory, Photographic Equipment and Supplies  
5 makes up about 66% of the industrial load,  
6 followed by Steam and Air-Conditioning Supply at  
7 3.79% and Canned Fruits, Vegetables, Preserves  
8 and Jam at 3.45% of the industrial load. *Id.*

9 It is apparent that the Companies can and have  
10 disaggregated their industrial customers by  
11 subsector and gas use, but I am concerned the  
12 inconsistent information described above.

13 **Q. Are you aware as to whether the Companies track**  
14 **their industrial customers' load by end uses?**

15 A. The Companies previously tracked their  
16 industrial customers' load by end uses. The  
17 Companies reported that approximately 60% of the  
18 industrial customers' load is the result of  
19 process heat and about 15% is the result of

1 space heating. Companies' Final Gas LTP at 20.  
2 However, in this current rate case, the  
3 Companies state they do "not track and cannot  
4 provide data related to [industrial] customers'  
5 gas use applications." Exhibit 8, Companies'  
6 Response to AGREE\_PUSH IR 25.1 (108)

7 **Q. Why is understanding the industrial load by end**  
8 **use and breaking down industrial customers in**  
9 **the Companies' service territory by subsector**  
10 **helpful to decarbonization efforts?**

11 A. Identifying the industrial customers by  
12 subsector allows the Companies to determine  
13 viable and cost-effective options to electrify  
14 and significantly reduce their GHG emissions as  
15 well as helps the Companies understand the  
16 limitations and potential options or  
17 opportunities to electrify the industrial sector  
18 within their service territory. In February  
19 2023, the Global Efficiency Intelligence, the

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1 Renewable Thermal Collaborative and David  
2 Gardiner and Associates published an Industrial  
3 Electrification report, which provides a techno-  
4 economic analysis for industrial subsectors. Ali  
5 Hasanbeigi et. al., *Industrial Electrification*  
6 *in U.S. States: An Industrial Subsector and*  
7 *State-Level Techno-Economic Analysis*, Glob.  
8 Efficiency Intel. (Feb. 2023),  
9 [https://static1.squarespace.com/static/5877e86f9](https://static1.squarespace.com/static/5877e86f9de4bb8bce72105c/t/644b590c1b2a3c41e1ff4e8f/1682659627566/State+level+industrial+Electrification-2.6.2023+Clean-E.7.pdf)  
10 [de4bb8bce72105c/t/644b590c1b2a3c41e1ff4e8f/16826](https://static1.squarespace.com/static/5877e86f9de4bb8bce72105c/t/644b590c1b2a3c41e1ff4e8f/1682659627566/State+level+industrial+Electrification-2.6.2023+Clean-E.7.pdf)  
11 [59627566/State+level+industrial+Electrification-](https://static1.squarespace.com/static/5877e86f9de4bb8bce72105c/t/644b590c1b2a3c41e1ff4e8f/1682659627566/State+level+industrial+Electrification-2.6.2023+Clean-E.7.pdf)  
12 [2.6.2023+Clean-E.7.pdf](https://static1.squarespace.com/static/5877e86f9de4bb8bce72105c/t/644b590c1b2a3c41e1ff4e8f/1682659627566/State+level+industrial+Electrification-2.6.2023+Clean-E.7.pdf). The report identifies  
13 and supplies examples of electrotechnologies  
14 that could be used to electrify the processes or  
15 operations of many of the Companies' largest  
16 industrial customers. The table below provides a  
17 breakdown of the available technology:

<b>Electrotechnology</b>	<b>Industrial Subsector and End-Use</b>
Industrial Heat Pump	Food Process Heat and Concentration
	Chemical Process Heat and Concentration

Electric Boiler	Food Process Heat
	Chemicals Process Heat
Electric Arc Furnace	Steel Process Heat
Induction Furnace	Primary Metals Process Heat
	Transportation Equipment Process Heat
Resistance Heating	Glass Process Heat – Melting
Electrolyzers	Iron Ore Electrolysis

1

2           Because there is clear potential to electrify  
3           many of the industrial customers in the NYSEG  
4           and RG&E territory, the Companies should be  
5           working with these customers to fulfil the  
6           State’s climate goals. The Companies can help  
7           these industrial customers analyze the emissions  
8           reductions, address the potential costs, and  
9           identify which of their processes may be  
10          suitable candidates for electrification.

11   **Q.   Is there anything else you would like to add?**

12   A.   The process heating end use accounts for more  
13          than half of the manufacturing energy use and  
14          contributes the most energy savings and

1 emissions potential in New York State. NYSERDA  
2 Report at S-7. Electrifying and decarbonizing  
3 the Chemicals and Food subsectors in New York  
4 State have the potential to achieve the highest  
5 energy savings. *Id.* And electrifying and  
6 decarbonizing the Chemicals, Transportation  
7 Equipment, and Food subsectors have the  
8 potential to achieve the highest emissions  
9 reductions. *Id.* As such, the Companies have many  
10 Chemical and Food manufacturers in their service  
11 territory and should be working collaboratively  
12 with those customers to reduce both their energy  
13 consumption and emissions.

14 **Q. Are the Companies educating its industrial users**  
15 **about electrification as well as other NPAs,**  
16 **such as gas demand response?**

17 A. The Companies have not conducted outreach or  
18 provided educational materials to commercial or  
19 industrial customers across their service

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1           territory pertaining to electrification and/or  
2           decarbonization. Exhibit 30, Companies' Response  
3           to AGREE\_PUSH IR 24.1 (99). Unless the Companies  
4           are addressing targeted gas system constraints  
5           or a specific project, industrial and commercial  
6           customers are not contacted. *Id.* None of the  
7           Companies' Customer Service Representatives work  
8           exclusively with industrial and/or commercial  
9           customers. Exhibit 29, Companies' Response to  
10          AGREE\_PUSH IR 16.1 (66), (67). The Companies  
11          claim all representatives are trained to handle  
12          inquiries from all customers. *Id.*

13          The Companies do offer and provide their  
14          commercial and industrial customers with  
15          information pertaining to demand response, but  
16          it is limited to electric demand response - not  
17          gas demand response. Exhibit 28, Companies'  
18          Response to AGREE\_PUSH IR 16.1, attach. 1;

1 Exhibit 32, Companies' Response to AGREE\_PUSH IR  
2 16.1, attach. 2.

3 **Q. Do the Companies specifically target industrial**  
4 **customers when pursuing and or exploring NPAs?**

5 A. It does not appear so. The Companies initial  
6 screening process of NPAs is consistent across  
7 all projects and does not specifically  
8 distinguish those projects serving industrial  
9 customers versus those serving residential  
10 customers. Exhibit 33, Companies' Response to  
11 AGREE\_PUSH IR 15.1 (63).

12 **Q. Does this concern you?**

13 A. Yes. Not specifically designing NPAs to realize  
14 the potential of industrial customers to reduce  
15 demand seems to be a missed opportunity for the  
16 Companies to avoid unnecessary gas  
17 infrastructure investments, reduce greenhouse  
18 gas emissions and pollution, and assist a

1 customer base that is often considered  
2 challenging to electrify. The Companies should  
3 better understand industrial customers'  
4 potential to participate in NPAs and the  
5 specific barriers they may face and incorporate  
6 that information into the screening process.

7 **Q. Do you have any other concerns?**

8 A. The Companies currently offer to their electric  
9 customers, such as industrial customers, twelve  
10 non-rate assistance economic development  
11 programs, including a Non-Residential Geothermal  
12 and Air Source Heat Pump Program. See Customer  
13 Service Panel Testimony at 131. However, the  
14 only economic development program the Companies  
15 seek to eliminate are the Non-Residential  
16 Geothermal and Air Source Heat Pump Program. See  
17 *id.*; Exhibit 34, Companies' Response to DPS IR  
18 422. Instead of eliminating this program, the  
19 Companies should have their customer service

1           representatives engage in more proactive  
2           outreach to specific industrial customers who  
3           could benefit from this program. The Companies  
4           should also be considering the Non-Residential  
5           Geothermal and Air Source Heat Pump Program when  
6           exploring NPAs within the Companies' service  
7           territory.

8   **Q.   You mentioned above that some education**  
9   **materials are provided to the Companies'**  
10 **industrial customers about emissions reductions.**  
11 **Are those materials sufficient?**

12 A.   No. Most of the educational materials that the  
13 Companies provide their industrial customers  
14 with are primarily focused on commercial users -  
15 not industrial users. Even more, the Companies  
16 are not proactively reaching out to their large  
17 industrial customers. Exhibit 30, Companies'  
18 Response to AGREE\_PUSH IR 24.1 (99), (100).  
19 Moreover, the Companies do not have specific NPA

1 customer call scripts, postcards or printed  
2 materials to share with its commercial and  
3 industrial customers. *Id.*

4 Because the Companies' customer service  
5 representatives are not adequately trained in  
6 commercial and industrial needs, their customers  
7 are forfeiting large financial incentives and  
8 the Companies are ignoring opportunities for  
9 meaningful emissions reductions. The Companies  
10 currently do not provide any guidance or  
11 information on federal tax benefits, such as:  
12 Section 48E Clean Electricity Investment Credit,  
13 Section 45X Advanced Manufacturing Production  
14 Credit, Section 48 Investment Tax Credit, or  
15 anything related to the US Department of Energy  
16 Transmission Facilitation Program. *Id.* at (102).  
17 By not providing its customers with this vital  
18 information, commercial and industrial users may  
19 miss out on substantial tax credits, and may

1           delay their electrification. As a result, both  
2           the customer and the Company miss out on time  
3           sensitive opportunities to decarbonize their  
4           systems.

5   **Q.   What must the Companies change in order to**  
6           **provide the industrial customers with better**  
7           **information pertaining to industrial**  
8           **electrification?**

9   A.   The Companies must first acknowledge and  
10          recognize the significant potential of  
11          electrifying its industrial sector. The  
12          Companies appear to discuss heat pumps primarily  
13          as solutions in the residential and commercial  
14          sectors, but industrial heat pumps can also  
15          provide process heat for low-temperature  
16          industrial needs. A growing body of research  
17          demonstrates that heat pumps and electrification  
18          of process heat present significant  
19          opportunities to decarbonize industrial uses.

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1           See Iwona Cameron et al., *Decarbonisation Road*  
2           *Map for the European Food and Drink*  
3           *Manufacturing Sector*, Ricardo Confidential (Jul.  
4           7, 2021), [https://www.fooddrinkeurope.eu/wp-](https://www.fooddrinkeurope.eu/wp-content/uploads/2021/09/Decarbonising-the-European-food-and-drink-manufacturing-sector_v2.pdf)  
5           [content/uploads/2021/09/Decarbonising-the-](https://www.fooddrinkeurope.eu/wp-content/uploads/2021/09/Decarbonising-the-European-food-and-drink-manufacturing-sector_v2.pdf)  
6           [European-food-and-drink-manufacturing-](https://www.fooddrinkeurope.eu/wp-content/uploads/2021/09/Decarbonising-the-European-food-and-drink-manufacturing-sector_v2.pdf)  
7           [sector\\_v2.pdf](https://www.fooddrinkeurope.eu/wp-content/uploads/2021/09/Decarbonising-the-European-food-and-drink-manufacturing-sector_v2.pdf); U.S. Dep't of Energy, *Industrial*  
8           *Decarbonization Roadmap Fact Sheet* (2022),  
9           [https://www.energy.gov/sites/default/files/2022-](https://www.energy.gov/sites/default/files/2022-09/Industrial%20Decarbonization%20Roadmap%20Fact%20Sheet.pdf)  
10           [09/Industrial%20Decarbonization%20Roadmap%20Fact](https://www.energy.gov/sites/default/files/2022-09/Industrial%20Decarbonization%20Roadmap%20Fact%20Sheet.pdf)  
11           [%20Sheet.pdf](https://www.energy.gov/sites/default/files/2022-09/Industrial%20Decarbonization%20Roadmap%20Fact%20Sheet.pdf); M. Jibran S. Zuberi et al.,  
12           *Bottom-Up Assessment of Industrial Heat Pump*  
13           *Applications in U.S. Food Manufacturing*, 272  
14           Energy Conversion & Mgmt. 116349 (2022).  
15           According to the U.S. Department of Energy,  
16           decarbonization efforts in the industrial sector  
17           include electrification of process heat using  
18           advanced heat pumps and electrification of high-  
19           temperature range processes such as those found

1           in iron, steel, and cement making. U.S. Dep't of  
2           Energy, *Industrial Decarbonization Roadmap Fact*  
3           *Sheet* at 3.

4           More than 75% of the emissions from industrial  
5           heating come from low and medium temperature  
6           (less than 500° Celsius) industrial  
7           applications, which are predominantly served by  
8           natural gas. Renewable Thermal Collaborative,  
9           *Industrial Thermal Decarbonization Package* at 10  
10          (Sept. 2023),  
11          [https://www.renewablethermal.org/wp-](https://www.renewablethermal.org/wp-content/uploads/2018/06/Decarbonization_FullPackage_Updated-Sept-2023.pdf)  
12          [content/uploads/2018/06/Decarbonization\\_FullPack](https://www.renewablethermal.org/wp-content/uploads/2018/06/Decarbonization_FullPackage_Updated-Sept-2023.pdf)  
13          [age\\_Updated-Sept-2023.pdf](https://www.renewablethermal.org/wp-content/uploads/2018/06/Decarbonization_FullPackage_Updated-Sept-2023.pdf). These applications  
14          include heat intensive processes such as  
15          washing, drying, sterilizing, and distilling and  
16          are common in the food, paper, and chemical  
17          sectors. Industrial facilities that utilize low-  
18          temperature heat (less than 200° Celsius), such  
19          as food processing, breweries, and paper, have

1           feasible technological solutions to efficiently  
2           decarbonize expeditiously. Industrial heat  
3           pumps, electric boilers, and thermal battery  
4           systems can replace fossil fuel-powered  
5           technologies in many less than 500° Celsius  
6           industrial processes to significantly reduce  
7           emissions by 2030. Renewable Thermal  
8           Collaborative, *Electrification Action Plan* at 8  
9           (Jan. 2024),  
10          [https://www.renewablethermal.org/wp-](https://www.renewablethermal.org/wp-content/uploads/2018/06/01.19.24_Final_RTC-Electrification-Action-Plan.pdf)  
11          [content/uploads/2018/06/01.19.24\\_Final\\_RTC-](https://www.renewablethermal.org/wp-content/uploads/2018/06/01.19.24_Final_RTC-Electrification-Action-Plan.pdf)  
12          [Electrification-Action-Plan.pdf](https://www.renewablethermal.org/wp-content/uploads/2018/06/01.19.24_Final_RTC-Electrification-Action-Plan.pdf).  
13          A recent research report by ACEEE noted that  
14          several commercially available heat pumps can  
15          reach temperatures of 160° Celsius (320°  
16          Fahrenheit), a range that would cover 44% of  
17          existing processing heat needs. Ed Rightor et  
18          al., ACEEE, *Industrial Heat Pumps: Electrifying*  
19          *Industry's Process Heat Supply* at vii, 2 (Mar.

1           2022),  
2           <https://www.aceee.org/sites/default/files/pdfs/i>  
3           e2201.pdf. These industrial heat pumps can save  
4           up to 32% of the source energy for process heat.  
5           *Id.* at vii.

6   **Q.   Are the Companies collaborating with NYSERDA to**  
7   **electrify its industrial customers?**

8   A.   The Companies say they are collaborating with  
9       NYSERDA in the Clean Heat Program, but it  
10      appears the collaboration is limited to helping  
11      incentivize non-residential customers transition  
12      from natural gas to electric heating through the  
13      Non-Residential Geothermal and Air Source Heat  
14      Pump Pilot. Exhibit 35, Companies' Response to  
15      DPS IR 1008. The Companies also appear to be  
16      working with NYSERDA to further their non-  
17      residential energy efficiency program (the  
18      Retrocommissioning Program), which collaborates  
19      with NYSERDA's FlexTech Program and provides

1           incentives to cover building study fees. Exhibit  
2           30, Companies' Response to AGREE\_PUSH IR 24.1  
3           (105). Additionally, the Companies' Energy  
4           Management Partnership program leverages  
5           NYSERDA's Strategic Energy Management framework,  
6           by providing tools, coaches and process towards  
7           energy management. *Id.* However, the Companies  
8           are not offering or providing their commercial  
9           or industrial customers with information  
10          pertaining to NYSERDA's Commercial and  
11          Industrial Carbon Challenge program. The purpose  
12          of the Commercial and Industrial Carbon  
13          Challenge program is to provide funding (between  
14          \$500K to \$5M per successful proposal) to large  
15          non-residential energy users to implement cost-  
16          effective clean energy projects that reduce  
17          carbon emissions. NYSERDA, *Commercial &*  
18          *Industrial (C&I) Carbon Challenge,*

1           [https://www.nyserda.ny.gov/All-Programs/CI-](https://www.nyserda.ny.gov/All-Programs/CI-Carbon-Challenge)  
2           Carbon-Challenge (last visited Oct. 30, 2025).

3   **Q.   Given your experience, should the Companies be**  
4           **working more collaboratively with NYSERDA?**

5   A.   Yes. NYSERDA has a wealth of knowledge and  
6           expertise in decreasing energy and emissions  
7           from large industrial loads. See NYSERDA,  
8           *Assessment of Energy Efficiency,*  
9           *Electrification, and Decarbonization Potential*  
10          *for the New York State Industrial Sector - Phase*  
11          *One* at xi (Aug. 31, 2023),  
12          [https://www.nyserda.ny.gov/About/Publications/Ev-](https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Building-Stock-and-Potential-Studies/Assessment-of-Decarbonization-Potential-in-the-New-York-State-Industrial-Sector-Phase-One)  
13          *aluation-Reports/Building-Stock-and-Potential-*  
14          *Studies/Assessment-of-Decarbonization-Potential-*  
15          *in-the-New-York-State-Industrial-Sector-Phase-*  
16          *One*; NYSERDA, *Assessment of Energy Efficiency,*  
17          *Electrification, and Decarbonization Potential*  
18          *for the New York State Industrial Sector: Phase*  
19          *Two, Final Report* at iv. The Companies should

1 not eliminate the non-residential Geothermal and  
2 Air Source Heat Pump Pilot Program, but rather  
3 expand upon these efforts. Customer Service  
4 Panel Testimony at 138. The Companies should be  
5 working with NYSERDA and its industrial  
6 customers (new and existing) to explore the use  
7 of zero-emission technology for not just space  
8 heating, but process heating, with non-  
9 residential ground source heat pumps. The  
10 technology is ready and available today for  
11 industrial uses and will help eliminate climate  
12 and air pollution in the sectors that dominate  
13 New York's economy, including the Companies  
14 industrial sector.

15 **Q. What additional information should the Customer**  
16 **Service Representatives be providing the**  
17 **industrial customers with?**

18 A. Due to the large gas demand of their industrial  
19 customers, the Companies should ensure their

1           entire team undergoes extensive and ongoing  
2           training on clean energy technologies and  
3           opportunities for the industrial sector. The  
4           team should be proactively reaching out to  
5           industrial customers, educating them, and making  
6           recommendations about appropriate technologies  
7           for electrifying their operations. The Companies  
8           should also familiarize their customers with  
9           existing tax credits and federal incentives.  
10          Exhibit 30, Companies' Response to AGREE\_PUSH IR  
11          24.1 (102).

12           **VII. THE COMPANIES SHOULD PREPARE AN ANNUAL DAC**  
13           **REPORT TO ALIGN WITH OTHER UTILITIES**

14   **Q.    You testified above that the CLCPA provides**  
15           **certain protections to disadvantaged**  
16           **communities. Can you provide more detail on**  
17           **those requirements?**

18   **A.    Certainly. The CLCPA provides that no agency**  
19           **decision—including a rate order—can**

1 disproportionately burden disadvantaged  
2 communities. CLCPA § 7(3). Agencies such as the  
3 PSC must also prioritize reducing greenhouse gas  
4 emissions and local pollution in disadvantaged  
5 communities. *Id.* The CLCPA further requires that  
6 disadvantaged communities receive at least 35%  
7 of the benefits of clean energy and energy  
8 efficiency spending, with a goal that 40% of  
9 those benefits accrue to disadvantaged  
10 communities. ECL § 75-0117.

11 **Q. How can the Companies ensure that these**  
12 **requirements are met?**

13 A. In order to ensure that the Commission's  
14 approval of the Companies' investments and  
15 activities comply with these requirements, the  
16 Companies should track burdens and investments  
17 in disadvantaged communities.

18 **Q. Do the Companies currently track burdens and**  
19 **investments in disadvantaged communities?**

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1 A. The rate order currently in effect requires the  
2 Companies to submit annual reports with  
3 information about clean energy spending,  
4 electric vehicle make-ready programs, demand  
5 response, and distributed energy resources.  
6 Order Adopting Joint Proposal, attach. 1 (Joint  
7 Proposal) at 6-7, NY PSC Case Nos. 22-E-0317,  
8 22-G-0318, 22-E-0319, 22-G-0320 (Oct. 12, 2023).  
9 However, other utilities, including Consolidated  
10 Edison as well as National Grid's upstate and  
11 downstate utilities, have all committed to  
12 submitting annual reports that track additional  
13 information. Specifically, these utilities'  
14 annual disadvantaged communities reports include  
15 (where relevant) the information provided by the  
16 Companies' report, as well as information on:  
17 main replacements, leak repairs, customer  
18 outages, customer operations data, clean energy  
19 jobs, and strategic capital investments. See

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1 Order Adopting Terms of Joint Proposal and  
2 Establishing Rate Plans, NY PSC Case No. 24-E-  
3 0322, 24-G-0323 (Aug. 14, 2025); Order Approving  
4 Terms of Joint Proposal and Establishing Gas  
5 Rate Plans, With Minor Modification and  
6 Corrections, attach. 1 (Joint Proposal) at §  
7 7.2, NY PSC Case Nos. 23-G-0225, 23-G-0226 (Aug.  
8 15, 2024); Order Adopting Terms of Joint  
9 Proposal and Establishing Electric and Gas Rate  
10 Plans with Additional Requirements, attach. 1  
11 (Joint Proposal) at 118-128, NY PSC Case Nos.  
12 22-E-0064, 22-G-0065 (July 20, 2023).

13 **Q. Do the Companies propose to continue to file**  
14 **annual disadvantaged community reports?**

15 A. Yes. The Companies are proposing to continue to  
16 file these reports, "subject to any  
17 modifications resulting from these rates cases."  
18 Exhibit 36, Companies' Response to AGREE\_PUSH IR  
19 18.1 (81) (a).

1 Q. Do you recommend any modifications to the  
2 Companies' disadvantaged community reports?

3 A. Yes. The Companies' annual disadvantaged  
4 communities reports should provide at least the  
5 same information as the annual reports filed by  
6 Consolidated Edison and National Grid, discussed  
7 above. I would also suggest that the Companies  
8 report on siting clean energy infrastructure in  
9 disadvantaged communities, including above-  
10 ground transmission cables and high-voltage  
11 substations which often results in safety and  
12 aesthetics concerns. Often times, land is less  
13 expensive to build on compared to more affluent  
14 neighborhoods. As such, legacy electrical  
15 infrastructure burdens marginalized communities  
16 while the rollout of newer, clean technology  
17 often bypasses them, which can result in  
18 'charging deserts' and reinforces inequities.  
19 As New York transitions to a clean energy

1 economy, the state and the Companies must be  
2 sure not to replicate the historic pattern of  
3 disproportionately siting energy infrastructure  
4 in disadvantaged communities without specific  
5 community benefits.

6 **VIII. THE COMPANIES SHOULD NOT PURCHASE**  
7 **ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH BIOMETHANE**

8 **Q. Are you familiar with RNG?**

9 A. Yes.

10 **Q. What is RNG?**

11 A. So called "renewal natural gas," also known as  
12 biomethane, is a fuel product primarily made of  
13 methane that has the same physical  
14 characteristics as fossil natural gas so that it  
15 can be injected into pipelines. I will be  
16 referring to this fuel as biomethane through the  
17 rest of my testimony because that is a more  
18 accurate term than the gas-industry term which

1 attempts to greenwash methane with the words  
2 "renewable" and "natural."

3 **Q. How is biomethane produced?**

4 A. Biomethane is produced from purifying and  
5 conditioning biogas to remove carbon dioxide and  
6 other non-methane constituents. Biogas is  
7 produced using anaerobic digestion from  
8 feedstocks such as manure, food waste, and  
9 wastewater sludge.

10 **Q. Does the consumption of biomethane generate**  
11 **downstream GHG emissions?**

12 A. Yes, of course. Combusting biomethane creates  
13 the same amount of greenhouse gas emissions as  
14 combusting fossil methane.

15 **Q. Does the production of biomethane emit**  
16 **greenhouse gases?**

17 A. Yes. Biomethane production emits carbon dioxide,  
18 methane, and nitrous oxides, which are all  
19 greenhouse gases. Valerio Paolini et al.,

1            *Environmental Impact of Biogas: A Short Review*  
2            *of Current Knowledge*, 53 J. Env't Sci. & Health  
3            899 (2018).

4    **Q.    At which stage of biomethane production do**  
5            **greenhouse gas emissions occur?**

6    A.    Greenhouse gases are emitted at all stages of  
7            biomethane production. Feedstocks such as manure  
8            and food waste have to be transported to the  
9            production site to create biogas, which  
10           typically involves heavy-duty truck traffic that  
11           emits carbon dioxide.

12   **Q.    Does the process of creating biogas emit**  
13            **greenhouse gases?**

14   A.    Yes. Anaerobic digesters used to produce biogas  
15            emit significant amounts of methane. Viktoria  
16            Wechselberger et al., *Methane Losses from*  
17            *Different Biogas Plant Technologies*, 157 Waste  
18            Mgmt. 110 (2023). A recent study found that  
19            wastewater treatment facilities that have  
20            anaerobic digesters emit three times as much

1 methane as wastewater treatment facilities that  
2 do not. Cuihong Song et al., *Methane Emissions*  
3 *from Municipal Wastewater Collection and*  
4 *Treatment Systems*, 57 *Env't Sci. & Tech.* 2248  
5 (2023).

6 **Q. Does the purification process, in which biogas**  
7 **is purified into biomethane, produce greenhouse**  
8 **gases?**

9 A. Yes. Carbon dioxide is removed from biogas  
10 during the purification process and is typically  
11 released, resulting in greenhouse gas emissions.  
12 Amir Izzuddin Adnan et al., *Technologies for*  
13 *Biogas Upgrading to Biomethane: A Review*, 6  
14 *Bioengineering* 92, 9 (2019).  
15 Additionally, the purification process requires  
16 energy. If that energy is supplied by combustion  
17 fuels, it will result in additional greenhouse  
18 gas emissions.

19 **Q. Does the process of transporting biomethane**  
20 **produce greenhouse gas emissions?**

1 A. Of course. Transporting biomethane through pipes  
2 results in the same amount of methane leakage as  
3 transporting fossil gas.

4 **Q. What additional factors can impact the**  
5 **greenhouse gas emissions of biomethane**  
6 **production?**

7 A. The market for biomethane has incentivized  
8 corporations to make methane simply for the  
9 purpose of selling it. In other words, the  
10 ability to sell biomethane and associated  
11 "environmental attributes" has caused dairy  
12 farms and other businesses to undertake efforts  
13 to produce methane in order to make money. As  
14 explained in a recent study, "because biogas and  
15 biomethane can generate revenue, it is not only  
16 possible but expected to intervene in biological  
17 systems to increase methane production beyond  
18 what would have happened anyway when there is an  
19 incentive to do so." Emily Grubert, *At Scale,*  
20 *Renewable Natural Gas Systems Could be Climate*  
21 *Intensive: The Influence of Methane Feedstocks*

1           *and Leakage Rates*, 15 Env't Rsch. Letters 084041  
2           5 (2020).

3   **Q.   What is the result of this intentionally**  
4           **produced methane?**

5   A.   All intentionally produced biomethane introduces  
6           new leakage and fugitive methane emissions, and  
7           so biomethane production can cause overall  
8           greenhouse gas emissions to increase.

9   **Q.   Can biomethane production incentivize practices**  
10           **that increase methane emissions from dairies?**

11   A.   Yes. Dairy farmers are incentivized to use  
12           manure management practices that create methane  
13           if that methane can be used to create and sell  
14           biomethane. Ruthie Lazenby, *Mitigating Emissions*  
15           *from California's Dairies: Considering the Role*  
16           *of Anaerobic Digesters in Mitigating Emissions*  
17           *from California's Dairies* at 16, 43 (Jan. 2024),  
18           [https://law.ucla.edu/sites/default/files/PDFs/Pu](https://law.ucla.edu/sites/default/files/PDFs/Publications/Emmett%20Institute/UCLA_Emmett_CA_Dai)  
19           **ublications/Emmett%20Institute/UCLA\_Emmett\_CA\_Dai**

1           ries\_1%2018%2024.pdf. Methane emissions from  
2           manure depend on a number of factors, including  
3           volume of manure and manure management  
4           techniques (for example, spreading as opposed to  
5           using lagoons). *Id.* at 8-9. In other words,  
6           dairy farmers have some control over how much  
7           methane their livestock's manure emits, and they  
8           are likely to create more methane if they can  
9           make money from it.

10   **Q.    You mentioned environmental attributes. What are**  
11    **environmental attributes?**

12    A.    Environmental attributes are supposed to  
13           represent the avoided greenhouse gas emissions  
14           or other environmental benefits of an energy  
15           technology. Environmental attributes are meant  
16           to represent the distinct environmental value  
17           that is separate from the value of the energy  
18           that is produced by the technology.  
19           Environmental attributes can be sold together or

1           separately from the energy produced by the  
2           technology, making it possible for one purchaser  
3           to buy the energy and a different purchaser to  
4           buy the environmental attribute.

5    **Q.    What is the purpose of an environmental**  
6           **attribute?**

7    A.    The main purpose is to account for and track  
8           greenhouse gas emissions reductions and to  
9           ensure that those reductions are credited to the  
10          proper party and are not double counted. For  
11          instance, "renewable energy credits" or RECs are  
12          a type of environmental attribute used by New  
13          York State to account for the greenhouse gas  
14          reductions that are attributed to renewable  
15          electricity production. NYSERDA has developed a  
16          system of accounting for RECs in New York State  
17          and purchases RECs in order to achieve New  
18          York's renewable electricity and climate goals.  
19          By tracking and purchasing RECs, NYSERDA ensures

1           that out of state purchasers are not offsetting  
2           their own greenhouse gas emissions with  
3           renewable generation that New York is counting  
4           toward its own goals.

5   **Q.   Does New York have a similar system for tracking**  
6   **environmental attributes from biomethane?**

7   A.   No.

8   **Q.   Does using biomethane result in lower greenhouse**  
9   **gas emissions than using fossil gas?**

10  A.   Not necessarily. Because biomethane and fossil  
11       gas emit the same greenhouse gas emissions when  
12       combusted, the only potential benefit of using  
13       biomethane would be to avoid the upstream  
14       emissions of fossil gas. Upstream emissions  
15       include emissions from the extraction of fossil  
16       gas and leaks from the pipelines or vehicles by  
17       which the gas is transported. If the production  
18       and transportation of biomethane emits the same  
19       quantity of greenhouse gases as the production  
20       and transportation of fossil gas, then

1           biomethane does not provide any climate benefit.  
2           As detailed above, biomethane production emits  
3           significant greenhouse gas emissions, and as a  
4           result, biomethane has significant upstream  
5           greenhouse gas emissions. In fact, recent  
6           studies have found that upstream emissions of  
7           biomethane are significantly higher than  
8           previously believed. Viktoria Wechselberger et  
9           al., *Methane Losses from Different Biogas Plant*  
10          *technologies* 157 *Waste Mgmt.* 110 (2023). One  
11          study found that supply chain emissions are  
12          comparable for biomethane and fossil natural  
13          gas. Semra Bakkaloglu et al., *Methane Emissions*  
14          *Along Biomethane and Biogas Supply Chains are*  
15          *Underestimated*, 5 *One Earth* 724 (2022). The only  
16          way to make claims about avoided upstream  
17          greenhouse gas emissions from fossil natural gas  
18          is to compare them to the upstream emissions  
19          associated with biomethane.

20   **Q.   Do the Companies purchase biomethane?**

1 A. NYSEG does. There are seven biomethane producers  
2 currently connected to NYSEG's system. Exhibit  
3 37, Companies' Response to AGREE\_PUSH IR 2.1  
4 (13). Six of them use manure as feedstocks and  
5 one uses food waste. *Id.*

6 **Q. Do the Companies make claims about greenhouse**  
7 **gas emissions reductions associated with the use**  
8 **of biomethane?**

9 A. Yes. The Companies claim that using biomethane  
10 rather than fossil gas will reduce their  
11 emissions by 370,031 metric tons of CO2  
12 equivalent during the proposed five-year rate  
13 plan. Electric and Gas Supply and  
14 interconnection Panel Testimony, Exhibit \_\_  
15 (EGSIP-12).

16 **Q. You testified that the only way to make claims**  
17 **about avoided upstream greenhouse gas emissions**  
18 **from fossil natural gas is to compare them to**  
19 **the upstream emissions associated with**  
20 **biomethane. Are the Companies able to make that**

1           **comparison?**

2    A.    No. The Companies do not have the information  
3           that would be needed to make this comparison  
4           with respect to the biomethane that NYSEG  
5           purchases because they do not know the levels of  
6           greenhouse gas emissions associated with the  
7           feedstock transportation, biogas production, or  
8           biomethane purification processes associated  
9           with that biomethane. Exhibit 38, Companies'  
10          Response to AGREE\_PUSH IR 19.1 (84), (85), (86).  
11          The Companies also do not know what manure  
12          management practices were previously used at the  
13          dairies that are supplying manure feedstocks,  
14          and therefore, it is not possible to determine  
15          if the Companies' purchase of biomethane has  
16          resulted in additional methane production from  
17          manure that would not have otherwise occurred.  
18          *Id.* at (84) (b).

19    **Q.    Do you have concerns about the Companies' lack**  
20           **of information about the upstream emissions**  
21           **associated with the biomethane that NYSEG**

1           **purchases?**

2    A.    I do. Without knowing whether the biomethane  
3           actually has fewer upstream greenhouse gas  
4           emissions than fossil gas, it is impossible to  
5           determine whether that biomethane produces any  
6           climate benefits as compared to fossil natural  
7           gas.

8    **Q.    Do you have any other concerns about the**  
9           **Companies' claim that purchasing biomethane**  
10          **results in greenhouse gas reductions?**

11   A.    Yes. In addition to the lack of information  
12          needed to support any claim of greenhouse gas  
13          benefits, discussed above, the Companies use an  
14          inappropriate methodology to calculate the  
15          purported greenhouse gas reductions associated  
16          with biomethane use. The Companies rely on  
17          carbon intensity information from a McKinsey  
18          article. *Id.* at (86). However, NYSERDA and DEC  
19          have already provided guidance for calculating  
20          emissions from biomethane. See NYSERDA, *Fossil*

1            *and Biogenic Fuel Greenhouse Gas Emission*  
2            *Factors* (Sept. 2022),  
3            <https://www.nyserda.ny.gov/->  
4            [/media/Project/Nyserda/Files/Publications/Energy](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy)  
5            [-Analysis/22-23-Fossil-and-Biogenic-Fuel-](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy)  
6            [Greenhouse-Gas-Emission-Factors.pdf](https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy); NYS DEC,  
7            *2024 NYS Statewide GHG Emissions Report* (2024),  
8            <https://dec.ny.gov/sites/default/files/2024->  
9            [12/appendix2024clcpaemissionfactors.pdf](https://dec.ny.gov/sites/default/files/2024-12/appendix2024clcpaemissionfactors.pdf).

10           Although NYSERDA and DEC's guidance should be  
11           improved because it does not account for the  
12           upstream biomethane emissions discussed above,  
13           the Companies' reliance on a McKinsey article is  
14           even less supportable.

15    **Q. Do the Companies propose to purchase**  
16    **environmental attributes associated with the**  
17    **biomethane in NYSEG's system?**

18    A. Yes. The Companies are seeking approval to  
19    purchase the environmental attributes associated  
20    with biomethane and to socialize the cost across  
21    all of their ratepayers. Electric and Gas Supply  
22    and Interconnections Panel Testimony at 38;

1 Exhibit 39, Companies' Response to AGREE\_PUSH IR  
2 7.1 (41). It should be noted that the Company  
3 already purchases the biomethane itself, so the  
4 purchase of the attributes in addition to the  
5 biomethane would make the biomethane cost more.

6 **Q. Should environmental attributes be sold along**  
7 **with the associated fuel?**

8 A. Generally, yes. When environmental attributes  
9 are separated from the fuel that generated them,  
10 that creates the risk of double-counting, in  
11 which multiple parties claim the same  
12 environmental benefits, as well as greenhouse  
13 gas accounting errors.

14 **Q. Do you support the Companies' proposal to**  
15 **purchase environmental attributes and pass the**  
16 **cost onto ratepayers?**

17 A. Not at all. Although as a general matter,  
18 environmental attributes should not be separated  
19 from the fuel that generated them, it is also

1 not appropriate for ratepayers to pay for the  
2 attributes here. As discussed, the Companies  
3 have not shown that the biomethane that NYSEG  
4 purchases provides any climate benefit as  
5 compared to fossil gas. Ratepayers should not  
6 pay for expensive environmental attributes that  
7 represent unsupported and dubious environmental  
8 benefits.

9

10 **IX. RECOMMENDATIONS**

11 **A. Capital Expenditures for Gas Infrastructure**

12 **Q. Do you have any recommendations regarding the**  
13 **Companies' capital expenditures request for gas**  
14 **infrastructure?**

15 A. Yes. As I explained above, the Companies have  
16 simply not justified their capital expenditures  
17 request, as exemplified by the lack of  
18 information about and support for their gas  
19 expansion, leak prone pipe replacement, and non-  
20 leak prone service replacement proposals. Unless

1 the Companies provide more information that  
2 supports and justifies their requests, the  
3 Commission should either deny the requests or  
4 significantly reduce the Companies' capital  
5 budgets for gas infrastructure.

6 **Q. Aside from additional information, is there**  
7 **anything else that the Commission should require**  
8 **of the Companies before approving cost recovery**  
9 **for these gas infrastructure projects?**

10 A. Yes. The four gas infrastructure projects that I  
11 discussed earlier in my testimony – the CM-1  
12 Pipeline project, the Town of Pendleton project,  
13 the MF60 Northwest project, and the Goshen  
14 project – each reveal themes common throughout  
15 the Companies' gas capital expenditures panel  
16 testimony: the growth forecasts used to justify  
17 these projects are inconsistent with the claims  
18 made in the Companies' long-term plan, the  
19 alternatives used to assess the necessity of the

1 projects are inadequate, and, in the case of the  
2 Goshen project, the Companies have not conducted  
3 sufficient analysis of the project's impact on  
4 the local disadvantaged community.

5 **Q. What do you recommend in response to these**  
6 **inadequate justifications, insufficient**  
7 **alternative proposals, and missing DAC analyses?**

8 A. The Companies should not be permitted to recover  
9 costs from ratepayers for these projects.  
10 Similarly, the Companies should not be permitted  
11 to recover costs from ratepayers for projects  
12 that do not consider legitimate alternatives  
13 that further the goals of the CLCPA, or for  
14 projects in disadvantaged communities that are  
15 not accompanied by adequate burden analyses.

16 **Q. Do you have any recommendations for projects**  
17 **such as the Goshen Semi-Permanent LNG Supply**  
18 **Injection Tap that will require the Companies to**

1           **apply for and obtain permits prior to beginning**  
2           **construction?**

3    A.    In addition to the above conditions, for  
4           projects that will require the Companies to  
5           acquire permits from other state and local  
6           administrative agencies, the Commission should  
7           require the Companies to confirm that the  
8           necessary permits have been obtained before  
9           assessing the merits of the projects and  
10          considering whether to allow for cost recovery  
11          from ratepayers.

12           **B.    Non-Pipeline Alternatives**

13    **Q.    Do you have any recommendations regarding the**  
14           **Companies' NPA program?**

15    A.    Yes. As detailed above, I believe the Companies  
16           must modify their NPA criteria and establish  
17           ambitious NPA benchmarks that are enforced with  
18           positive and negative revenue adjustments. In  
19           addition to LPP replacement, the Companies

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1           should screen service line installation and  
2           replacement and gas system reinforcements for  
3           NPAs and work to address anticipated load growth  
4           using NPAs. To ensure more success with their  
5           NPA program, the Companies should also improve  
6           and incorporate more lead time for their gas  
7           capital projects so that there are no longer  
8           projects that have a time frame of 24 months or  
9           less. By lengthening the lead time, the  
10          Companies will have more time to conduct  
11          outreach and education to customers and  
12          coordinate the necessary infrastructure,  
13          appliances, behind-the-meter upgrades, and bill  
14          credits to ensure a smooth transition to  
15          electrification for its customers. The Companies  
16          can also engage in enhanced marketing of  
17          efficiency, demand response and electrification  
18          and track which marketing is successful or not,  
19          and conduct market research in order to

1           determine success strategies. To expand access  
2           to NPAs, the Companies should implement a Heat  
3           Pump Bill Credit or heat pump friendly rate and  
4           include behind-the-meter upgrades and  
5           weatherization health and safety measures in  
6           NPAs. Finally, the Companies should eliminate  
7           the criterion that LPP segments must have fewer  
8           than twenty customers to be eligible for an NPA.

9   **Q. Do you have any other recommendations regarding**  
10 **NPAs?**

11 A. Yes. The Companies should implement an  
12 integrated energy planning pilot to support  
13 better planning practices between their electric  
14 and gas companies and to test out new ways to  
15 fund NPAs. The pilot will help the Companies  
16 develop methodologies to coordinate between  
17 their gas and electric customers and support  
18 customer participation in NPAs while ensuring  
19 grid reliability. The pilot will allow for

1 learnings that the Companies could apply  
2 throughout their service territories and address  
3 customer concerns about whether the grid can  
4 support their energy needs when they electrify.

5 **Q. Is there precedent for these types of**  
6 **modifications to an NPA program?**

7 A. Yes. As I discussed earlier, in August 2025 the  
8 Commission approved the Joint Proposal in the  
9 Niagara Mohawk rate case that implements  
10 significant modifications to that utility's NPA  
11 criteria and process and requires the utility to  
12 undertake an integrated energy planning pilot.  
13 The Companies should use the language from that  
14 Joint Proposal as a template for modifying their  
15 own NPA program.

16 **Q. Do you recommend any other NPA pilots for the**  
17 **Companies?**

1 A. Yes. The Companies should develop an NPA pilot  
2 program for its industrial customers. As I  
3 discussed earlier in my testimony, when  
4 evaluating a project for an NPA, the Companies  
5 do not distinguish between customer classes. I  
6 also explained that industrial customers only  
7 account for about 1% of the customers but  
8 account for roughly 15-20% of the gas demand.  
9 Even more, industrial and residential customers  
10 use different end-use equipment, require  
11 different electrification needs, such as space  
12 heating and process heating are eligible for  
13 different state and federal tax  
14 incentives/rebates and are often located on  
15 different segments of the gas distribution  
16 system. I don't believe there is a standard NPA  
17 solution for all customer classes. Industrial  
18 customers may require different solutions and  
19 tools to electrify and transition off

1           traditional fossil infrastructure compared to  
2           residential customers. By piloting an Industrial  
3           NPA Program, the Companies can identify value in  
4           cost savings on the gas system, emissions  
5           reduction, and other additional societal  
6           benefits.

7   **Q.   Do you have any other recommendations regarding**  
8   **NPAs?**

9   A.   Yes. As I discussed, I think the biggest barrier  
10       to NPAs is that gas infrastructure is the  
11       default and NPAs are seen as an optional  
12       alternative. Because of the imperative to  
13       downsize the gas system in order to meet our  
14       climate mandates—and to improve public health—  
15       NPAs should instead be considered the default.  
16       The Companies should be required to demonstrate  
17       that they made a good-faith effort to execute an  
18       NPA before they can receive rate recovery for a  
19       gas infrastructure alternative. In addition to

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1 screening all gas infrastructure projects for  
2 NPAs—including service lines, reinforcements,  
3 and investments to address load growth—the  
4 Companies should be required to submit a check-  
5 list demonstrating that they took all possible  
6 steps to pursue an NPA including engaging in  
7 proactive customer outreach with enough lead  
8 time to be successful; pursuing customer  
9 education; taking full advantage of all state  
10 and federal incentives; and offering to cover  
11 the cost of pre-weatherization health and safety  
12 measures and behind-the-meter upgrades needed to  
13 allow a customer to participate in an NPA. If an  
14 NPA is possible, than a gas infrastructure  
15 project is not necessary. Requiring the  
16 Companies to demonstrate that they made every  
17 effort to pursue an NPA will ensure that any  
18 resulting gas infrastructure project is truly  
19 necessary to meet customers' needs.

1           C.     Ramping Up Outreach and Education of  
2           Industrial Electrification

3     Q.     Do you have any recommendations regarding the  
4           Companies' customer service representatives and  
5           their engagement with their industrial  
6           customers?

7     A.     Yes. The Companies should ensure their customer  
8           service representatives have robust and ongoing  
9           training so that they can identify which of  
10          their large industrial users would be best  
11          suited for industrial electrification, identify  
12          specific barriers associated with applications  
13          of scale of industrial heat pumps, and develop  
14          and execute a plan for how the Companies will  
15          address these challenges. It should not be  
16          difficult for the Companies to ensure  
17          communication with their industrial customers,  
18          given the fact that the Companies have already  
19          identified its industrial customers by

1 subsector. The Companies should proactively  
2 communicate with those customers to assess their  
3 individual circumstances and educate them about  
4 the available technology and tax credits in  
5 order to reduce GHG emissions from the  
6 industrial sector. The Companies should also  
7 track and set ambitious benchmarks for GHG  
8 reductions from its industrial customers.

9 **Q. Do you have any other recommendations?**

10 A. The Companies should work more closely with  
11 NYSERDA and proactively educate their industrial  
12 and commercial customers with information  
13 pertaining to programs and grants funded by  
14 NYSERDA, such as the Commercial and Industrial  
15 Carbon Challenge program.

16 **D. Disadvantaged Communities Reporting**

17 **Q. Do you have any recommendations regarding the**  
18 **Companies' annual disadvantaged communities**  
19 **report?**

1 A. Yes. The Companies should continue to file  
2 annual disadvantaged communities reports but  
3 should expand the information included. They  
4 should provide at least the same information as  
5 the annual reports filed by Consolidated Edison  
6 and National Grid, discussed above, as well as  
7 information about siting clean energy  
8 infrastructure in disadvantaged communities,  
9 including above-ground transmission cables.

10 **E. Biomethane Environmental Attributes**

11 **Q. Do you have any recommendations regarding the**  
12 **Companies' proposal to purchase environmental**  
13 **attributes for biomethane?**

14 A. Yes. The Companies should not be authorized to  
15 purchase environmental attributes and socialize  
16 the cost across ratepayers. The Companies cannot  
17 show that the attributes represent any avoided  
18 greenhouse gas emissions, and therefore, they  
19 will not provide any benefits to ratepayers. The

1 Commission should deny rate recovery for the  
2 environmental attributes. If the Companies wish  
3 to purchase the environmental attributes,  
4 shareholders can pay for them.

5 **Q. Does this conclude your testimony?**

6 A. Yes.

7

8