



NEW YORK GEOTHERMAL ENERGY ORGANIZATION

May 5, 2024

New York Geothermal Energy Organization's Comments regarding CASE 22-M-0429 - Proceeding on Motion of the Commission to Implement the Requirements of the Utility Thermal Energy Network and Jobs Act.

In general NY-Geo is supportive of Staff's work to date and would like to submit the comments below to reinforce, question or add to the current discussion. A key issue for NY-GEO is that the definition of "networks" includes more than a "district concept" where the thermal resource is shared via a single conduit (i.e. pipe). Individual boreholes for each building in a neighborhood, community, geographically designed system etc. should also be considered a network if ownership is a utility, thermal network business, campus etc.

Create fair market access rules for thermal energy networks

NY-GEO strongly supports a competitive and fair market access for thermal energy resources/ networks. We welcome competition from utilities as long as independent entrepreneurs and 3rd party ownership models are allowed to equally compete for projects/business. Requiring a thermal energy resource and a utility to develop a tariff or non-tariff contractual agreement defining responsibilities and consequences of each party is also supported, recognizing also that along with accountability, simplicity and flexibility are important to growing a market segment.

Future guidelines for profit-oriented network organizations

While examples of networks such as utilities, campuses, homeowners' associations, municipal water systems are specifically mentioned in this case document, there is no specific mention/analysis of networks owned and operated by for profit, non-utility businesses, which NY-GEO believes will be important contributors to CLCPA goals and needs to be included to create a comprehensive policy. NY-GEO members would be interested in participating in such deliberations.

Exempts small- scale thermal energy networks not owned by utilities from commission regulation

NY-GEO agrees with Staff's thinking that a lot will be learned from pilot programs and near-future thermal network experiences, so we support the current thinking about small scale thermal energy networks not owned by utilities being exempt from commission regulation. We support the ability of exempt network customers being able to request a PSC investigation of reasonableness of charges. In subsequent regulations, recognition that exempt, small-scale networks will still have one aspect of a utility once installed; even if it is only a few buildings on the network, customers will only have one choice of thermal energy suppliers. Careful thought in promulgating regulations to deal with this "non-utility" monopoly to guard customers from excessive charges is needed.

Encourages third party participation and competition where it will maximize benefits to customers

Existing utilities are a monopoly and have monopolistic benefits/assets such as large franchises and rights of way. DPS regulations should prohibit the use of such assets from lessening competition for thermal networks. Rights of way and franchise agreements were designed for large geographic areas where regulated monopolistic features like these would benefit customers and utility companies. While Thermal networks can exist in very small areas, they may not need rights of ways and franchise agreements to be successful, yet can still benefit the customer and be in the public interest. Existing utilities' franchise agreements and rights of

way are not for thermal energy; they are for electric, gas, water, sewage etc., so NY-GEO would like to leave open the future possibility that individual municipalities be allowed to issue rights of way/franchise agreements to both 3rd parties and utilities pending further stakeholder discussions.

Promotes the training and transition of utility workers impacted by this act

Given the unknown nature of network systems at this time, and that pilot programs will be in areas with existing organized labor pools, NY-GEO recognizes the positive opportunities to advance labor training/competence via apprenticeship agreements for contractors and subcontractors. However, we caution the Labor Department and other regulators that in some areas of New York State (i.e. non-urban) and with some future network projects being smaller in scope in non-unionized areas, flexibility is paramount. Comprehensive stakeholder input should be sought find the best balance for all parties

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The New York Geothermal Energy Organization (NY-GEO) is a non-profit trade organization representing geothermal heat pump (GHP) installers, manufacturers, distributors, drillers, consultants and industry stakeholders from throughout New York State and beyond.

