

RAC-NY Climate Covenant Legislative Priorities 2022: Moving Away from Natural Gas in Buildings

Buildings play a major role in greenhouse gas emissions, which trap heat in the atmosphere and warm the planet. Fossil fuels burned in buildings for heating, hot water, cooking, and more account for approximately one third of all greenhouse gas emissions in New York State. Moving away from fossil fuel infrastructure and transitioning to clean energy is crucial for mitigating climate change.

RAC-NY is focusing on two, complementary building-sector bills designed to reduce emissions and transition the State from an energy framework that favors natural gas to one that is exclusively powered by renewable energy.

All-Electric Building Act (S6843B/A8431A)

- The All-Electric Building Act is sponsored by Senator Brian Kavanagh and Assemblymember Emily Gallagher. It requires that, after 12/31/23, permits for all new residential buildings under 7 stories will be issued only for buildings that are all electric. After 12/31/26, permits will be issued for all other new buildings of all sizes, commercial and residential, only if the building is all electric.
- An "all-electric building or project" is one that uses electricity as the sole source of energy to
 meet the building's energy needs, including heating and cooling, water heating, cooking
 appliances, and dryers. It shall have no natural gas, propane, or oil heaters, boilers, or other gas
 infrastructure.
- The bill has a limited exception if an all-electric building is determined to be physically or technically infeasible, as defined by the statute, and in those circumstances, a mixed fuel building permit may be issued. A mixed-use building must be all electric ready, and the project's modified design must provide the equivalent health, safety and fire protection as an all-electric building design would.
- The bill requires state agencies to identify policies to ensure affordable housing and electricity (meaning that electricity costs no more than 6% of a residential customer's income) for all electric buildings by 12/31/22.
- Electrifying buildings will significantly reduce fossil fuel emissions in the U.S. and is a major step towards achieving the goals of the New York State Climate Leadership and Community Protection Act (CLCPA), signed into law in 2019.
- The CLCPA, also known as the Climate Act, sets stringent targets for New York State to meet, including 40% reduction in greenhouse gas emissions by 2030, net-zero greenhouse gas emissions by 2050, 70% renewable energy by 2030, and 100% renewable energy by 2040.
- Read the full bill here.

Gas Transition and Affordable Energy Act (S8198/A9329)

 The Gas Transition and Affordable Energy Act (S8198/A8198), sponsored by State Senators Liz Krueger and Rachel May and Assemblymember Patricia Fahy, would end fossil fuel expansion incentives in existing New York State laws and decrease New Yorkers' reliance on gas.



- The bill requires the Public Service Commission (the "Commission"), the entity that regulates
 and oversees the State's electric and gas industries, to align its regulation of utilities with the
 expeditious and equitable achievement of the CLCPA's goals in accordance with that Act's
 emission reduction timetable and its climate justice mandates. The Act will:
 - End the existing utility preferences that encourage fossil fuel use, particularly in the powering of buildings, eliminating, for example, the "100 foot rule" that gives a new homeowner a "free" connection that's actually paid by existing rate payers.
 - Eliminate the requirement that utilities provide natural gas to all that request it (the obligation to serve).
 - Require the Commission, within one year, to develop a comprehensive state-wide gas utility services decarbonization plan based on clear bi-annual gas sales reduction targets, robust analysis, and consideration of several electrification pathways.
 - Empower the Commission to achieve the CLCPA's climate goal in a way that is equitable, affordable, and reliable and which specifically protects low- and moderate-income New Yorkers from undue burdens and costs. The Commission is also to study the effect of the transition away from fossil fuel use on gas utility workers to ensure a "just transition" to their becoming part of the "electrification workforce."
- Read the full bill <u>here.</u>

<u>Send a message to your New York State elected officials to urge them to support these two crucial bills and transition to clean energy.</u>

Frequently Asked Questions

Q: Will shifting from natural gas to the electric grid reduce use of fossil fuels? Doesn't NY's electric grid run on fossil fuels?

A: Electricity from natural gas lines relies on 100% fossil fuel. The electric grid relies on both fossil fuels and renewable sources. While the percentage of renewal sources in the electric grid is small now, there are plans to gradually increase the amount of renewable energy into the grid until 2050 when it will be 100% renewable Creating more natural gas lines locks us into fossil fuels, while switching to the electric grid paves the way to the transition to a green economy.

Q: Will the transition away from natural gas increase costs to consumers, particularly low-income consumers?

A: Three points: 1) The natural gas measures apply to new buildings, not existing buildings. This means that this legislation will not raise costs for people in their current homes. 2) Current rate payers subsidize the costs of creating the mandatory gas lines for new buildings. Eliminating the mandatory new gas lines will save money for current rate payers. 3) Specifically, the Gas Transition and Affordable Energy Act (S8198/A9329) calls for a planning process to make sure the transition to a green economy is affordable for low-income people.