State Energy Plan Comments
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Meeting New York's Energy Needs Through 2040

Thank you for the hard work the Planning Board has put into the Draft New York State Energy Plan and for the opportunity to comment on the Plan. The discussion about the pathway to decarbonization is particularly relevant today as the state navigates through the reduced support from the federal government and as we join states across the country aiming to balance housing and energy affordability challenges. We write to voice overall support for New York's goals and to share our input into the critical policy pathways that can achieve them.

As Westchester County's largest business membership organization focusing on economic development and advocacy, the Business Council of Westchester (BCW) has been laser focused on Westchester's changing energy landscape. It is imperative that if we wish to recruit and retain businesses we must demonstrate that we have a reliable and affordable power grid for Westchester County. That is why, in 2024, the BCW formed the Clean Energy Action Coalition (CEAC), which consists of a 115+ member coalition of clean energy providers, real estate developers, building contractors, land use attorneys, professional planners, engineers, landscape architects, financiers, government agencies and authorities, heating fuel providers, nonprofit organizations, educators, and advocates. The BCW CEAC is united by a singular mission*: to accelerate the adoption of clean energy across Westchester County*. CEAC serves as a trusted force for collaboration, advocacy, and action on the path toward total electrification and renewable energy use.

As noted in Section 3.1 of Volume I, electrification of the transportation and building sectors projects significant growth in annual electric loads and peak loads. New York's new All-Electric Building Code will continue that growth.

At a time when state-level leadership is critically important, we commend the New York State Energy Planning Board (NYSEPB) for producing a comprehensive and ambitious scope for a plan that addresses the critical energy needs of our state while advancing economy-wide decarbonization, ensuring energy system reliability, and promoting economic development.

The BCW CEAC urges the Planning Board to:

1. **Expand Peak Demand Reduction** programs, which reduced peak loads by ~1000 MWs in the ConEdison utility territory this year. These Smart Usage Reward programs increase electric system resiliency, lower consumer costs, and reduce the carbon and particulate emissions of peak power plants.

2. **Fast Track Solar PV** by increasing funding and streamlining approvals, especially on Parking Lots, Commercial Flat Roofs, Brownfields, and Right-of-Ways. Solar PV provides the fastest and most cost-effective way to increase critically needed new electric generation.

3. **Increase funding for public education and incentives** for the widespread adoption of **Battery Energy Storage Systems (BESS) –** both with Solar PV, and wherever inexpensive nighttime power can deliver resilient electricity during peak times.

4. **Adopt a Clean Fuel Standard** and implement additional policies that incentivize **RENEWABLE DIESEL as a drop-in fuel** for public & private fleets **AND oil heat consumers.** In addition to reducing carbon and particulate emissions, the CFS will create additional funding for electrification measures – paid by polluting fuels, not taxpayers or ratepayers. **In addition, recognize RENEWABLE DIESEL under the Clean heating fuel credit program which is currently only reserved for Biodiesel.**

5. Expand programs for the rapid adoption of **Geothermal Heating and Cooling systems,** which the New York State Scoping Plan estimates could *reduce New York system peak by 4-12 GW* compared to scenarios relying more heavily on air-source heat pumps (NYS Climate Action Council, 2022).

6. **Support increased Transmission, including both the Propel NY and Clean Path projects.** Transmission lines are the backbone of New York's energy system and CRITICAL to the reliability, resiliency, and affordability of energy in New York.

PEAK DEMAND

The headline of the NY Independent System Operator (NYISO)'s May 13, 2025 press release was **"Electric Grid Prepared to Meet 2025 Summer Demand".** The release went onto state that *"Accounting for certain factors, including unavailable generation and operating reserve requirements, the reliability margin under baseline conditions is 997 MW."*

Further down in the release, however, was the statement that *"Reliability Concerns Persist Under Extreme Weather Scenarios*", followed by *"Under extreme weather scenarios, reliability margins are forecasted to be deficient…."*

"For example, …. In a heatwave with an average daily temperature of 95 degrees lasting 3 or more days, ***the capacity margin is forecasted to be -1,082 MW****. That* ***number declines further to -2,768 MW under an extreme heatwave*** *with an average daily temperature of 98 degrees."*

With extreme weather events increasing in frequency and intensity, we were lucky to avoid widespread power shortages this past summer. ConEdison reported that four of the top 10 electric peak loads of all time were reached this summer, including a new record for the greatest electricity demand ever on a June day. One major factor for maintaining grid reliability was the implementation of Demand Response and Demand Reduction programs that shed an estimated 900 MWs of load in the ConEd territory during the hottest days.

The BCW CEAC urges a rapid expansion of demand reduction and demand response programs for all sectors.

SOLAR & BATTERY STORAGE

The BCW CEAC strongly supports the inclusion of distributed solar and energy storage in the NYS Energy Plan. These areas are pivotal to achieving New York's ambitious climate and energy goals.

Distributed solar is the most successful clean energy program in New York State, representing 93% of all the state's operational solar capacity. New York surpassed the 6-gigawatt milestone mandated by the Climate Leadership and Community Protection Act (CLCPA) for distributed solar more than a year ahead of schedule. This success is attributable to smart policies and the state's successful partnership with private industry to deploy distributed solar at-scale.

Importantly, New York's nation-leading community solar programs include smart programmatic elements to ensure that utility bill savings accrue to low- to moderate-income (LMI) households, delivering on New York's legislative mandate to provide clean energy benefits to Disadvantaged Communities (DAC).

Distributed solar is the only clean energy resource being deployed ahead of schedule and under budget. Rather than chalking this up as a success and focusing solely on how to get large-scale renewables back on track, CEAC supports the New York Solar Industry (NYSEIA) in urging the NYSEPB to consider an expanded role for distributed solar + storage in achieving New York's overall clean energy mandates.

In June 2024, NYSEIA released a comprehensive roadmap for the next phase of New York's clean energy transition, *"Raising New York's Distributed Solar Goal: 20 Gigawatts by 2035".* This roadmap outlines the benefits of additional distributed solar capacity and identifies high-impact policy interventions needed to support rapid, cost-effective, and beneficial solar deployment (New York State Energy Research and Development Authority. (2023)).

Leveraging the success of distributed solar power is essential for New York to achieve its nation-leading climate goals. Key elements of this plan include Interconnection Reform.

The interconnection process for distributed solar and energy storage must be streamlined to reduce costs and timelines. Strengthening regulatory oversight of the utilities and requiring transparency into utility distribution upgrade costs will lower financing and construction costs and shorten timelines to interconnect distributed solar and energy storage.

Allowing solar and storage developers to self-build distribution upgrades, while meeting utility specifications and with high labor standards, will enable solar and storage developers to have greater control over cost and timeline, counteracting the utilities' rising costs.

Flexible interconnection, or the active management of distributed energy resources (DER) instead of traditional distribution upgrades, will unlock cost-effective hosting capacity and enable more DERs to come online sooner and at a lower cost. Proactive investments into the distribution system to create DER hosting capacity and meet New York's growing electricity demand will create cost-effective and low risk hosting capacity for the next wave of distributed solar and energy storage projects.

These interconnection reforms will be critical to the integration of cost-effective distributed solar and energy storage in the coming years. Restrictive local laws and solar moratoria are significant barriers to the development of community solar and retail energy storage projects.

CEAC joins NYSEIA in recommending state-level permitting support for community-scale clean energy projects and increased financial benefits for host communities to overcome these barriers. This approach will ensure that distributed solar + storage projects can be developed efficiently in communities across New York State while respecting local land use considerations and gaining community acceptance.

CEAC joins NYSEIA in also recommending that the NYSEPB work closely with the Department of Environmental Conservation (DEC) to ensure that the agency's efforts to protect freshwater wetlands and other ecological resources are thoughtful and balanced with New York's legislatively mandated clean energy buildout.

Accurately compensating distributed energy resources for the value they provide to the electric system and the environment will reduce reliance on capacity-based incentives while optimizing the performance of these resources.

CEAC strongly supports siting reform, interconnection reform and rate design improvements that lower the cost and increase the value of clean energy in the State. At the same time, we believe there is an important role for targeted incentives to stimulate projects that are uniquely beneficial to New Yorkers.

CEAC joins NYSEIA in supporting targeted incentives for solar projects that have reduced land use impacts or that deliver direct utility bill savings to LMI households. One example of a policy that encourages rooftop solar is the New York Solar Energy System Equipment Tax Credit, which is a vital incentive for homeowners. This incentive is impactful; however, it is overdue for an inflation adjustment, and the incentive is currently inaccessible to many low-income households.

CEAC joins NYSEIA in recommending modernizing this tax credit by raising the per-household cap, including energy storage as an eligible expense, and making the credit refundable for low-income families. This modernization will make clean energy more affordable and accessible to all New Yorkers, supporting broader adoption of distributed solar.

Lastly, CEAC recommends that the state substantially increase funding for public education about the benefits of solar and BESS. Eleven (11) Westchester municipalities have passed Moratoriums or outright Bans on BESS and/or Community Solar. Without additional public education, the massive amount of misinformation and fear will continue to thwart the development of these critically needed electric resources.

CLEAN FUEL STANDARD & RENEWABLE DIESEL

The state legislature should pass the "Clean Fuel Standard 2025 Act" to establish a Clean Fuel Standard (CFS) program that would reduce transportation fuel greenhouse gas (GHG) emissions by 20% by 2033. The technology-neutral, performance-based standard would apply to all fuel providers and encourage the use of lower-carbon alternatives like electricity, hydrogen, and biofuels. The program would create a system of tradable credits and include provisions for investments in clean transportation to benefit disadvantaged communities.

California's similar "Low Carbon Fuel Standard" has replaced ~75% of the fossil diesel fuel consumption in their state, and generated billions of dollars of funding for transportation electrification measures.

The independent non-profit, non-partisan group CURE100 (**C**ommunities **U**nited to **R**educe **E**missions 100%) has calculated **that Renewable Diesel has less emissions than an Electric Truck in the current Westchester & New York State Electric Grid**. Until the electric grid reaches the low level of NYPA's hydropower emissions, RENEWABLE DIESEL will be a lower carbon option. And, under every scenario, there will still be tens of thousands of diesel trucks on the road by 2050. Renewable Diesel can IMMEDIATELY reduce carbon and particulate emissions in both diesel fuel and oil heat.

Key Aspects of the Proposed Clean Fuel Standard

- GHG Reduction Goal: The goal is to reduce the greenhouse gas intensity of transportation fuels by 20% by 2033, with additional reductions to follow every five years.

- Technology-Neutral: The policy is designed to be technology-neutral, providing incentives for any low-carbon transportation fuel that meets performance-based standards.
- Applicability: The CFS would apply to all providers of transportation fuels in New York, including electricity, biofuels, and other alternatives.
- Credit System: The program involves a tradable credit system where fuel providers can earn credits by providing lower-carbon fuels and bank or sell them to meet their obligations.
- Benefits to Disadvantaged Communities: A portion of the credit value from electric utilities and government agencies would be directed towards programs that benefit disadvantaged communities.

Potential Impacts

- Accelerated Transition: The standard would create a reliable investment signal to accelerate the transition to electric vehicles and the deployment of charging infrastructure.
- Job Creation: The production of renewable fuels and clean transportation technologies could create new jobs in New York.
- Environmental Benefits: The primary goal is to significantly reduce greenhouse gas emissions from the transportation sector, which is a major contributor to emissions in New York.

ADDITIONAL RENEWABLE DIESEL PROGRAMS

The US Census has stated that there are ~100,000 buildings that still heat with oil in Westchester. For these buildings, the transition to full electrification requires infrastructure investments that are beyond the means of many New Yorkers. In addition, home electrification of heating systems often requires additional costly investments in venting and other distribution systems. **RENEWABLE DIESEL can immediately reduce carbon and particulate emissions by as much as 70% for all oil heat consumers – with NO infrastructure changes.**

In addition to being a lower carbon & lower particulate emission Drop-In fuel replacement for fossil diesel in the transportation sector, **Renewable Diesel can provide the same drop-in capabilities – with any percentage blend - to replace traditional heating oil – with NO changes to tanks, burners, or furnaces.** However, Renewable Diesel is not treated the same as Biodiesel in New York State. CEAC recommends that the state enact legislation and create policies that incentivize RD as a replacement or blend for oil heat.

<u>GEOTHERMAL HEATING & COOLING</u>

Geothermal Heating and Cooling Systems must play a central role in ensuring that building electrification does not lead to affordability concerns and peak load challenges.

The New York State Scoping Plan estimated that higher adoption of geothermal heat pumps could *reduce New York system peak by 4-12 GW* compared to a scenario relying more heavily on air-source heat pumps (NYS Climate Action Council, 2022).

NYSERDA predicts $90 billion of savings in generation and transmission expenditure in New York through greater deployment of geothermal heating and cooling, saving $15,000 in avoided cost per single-family home (NYSERDA, 2022). Coincidentally $15,000 would cover the cost of the ground loop in a typical geothermal installation.

Geothermal Heating and Cooling Systems provide a broad range of benefits to New York residents:

- Yield savings of 10-20% and more compared with a highly efficient cold-climate air source heat pump. (Natural Resources Canada, 2025)
- Annual energy savings of about 5,200 kWh and GHG reductions of 3,500 lbs. of CO2e - per housing unit.
- Ground loops that last for the life of the home and heat pumps that have an expected useful life of 25 years. (NYS Technical Resource Manual)
- Efficiency across multiple climate zones.

New York can expect winter load demands to rise by as much as 1,000 MW annually through 2040 and become a winter-peaking system in the mid-2030s (New York Independent System Operator, 2024). Statewide energy supply deficiencies *"could arise as soon as winter 2029-2030 under normal weather conditions."* (New York Independent System Operator, 2024). As New York's electric grid switches to this new normal, **Geothermal offers a solution to ease that load increase that no other building decarbonization technology can, performing more than 75% more efficiently during winter peak than air-source heat pumps** (*Dandelion Energy modeling*).

For New York to reach its climate and building decarbonization goals, while keeping energy prices in check and increasing the stability of the grid, Geothermal Heating and Cooling must be a central focus of its strategic planning. The following are policy recommendations that will help to expand the growth and accessibility of geothermal heat and cooling technologies for all New Yorkers:

- Support the installation of Geothermal Heating and Cooling in New Construction
    - As discussed in Chapter 8 of Volume II, it is much more costly to retrofit an existing building with heat pumps than it is to install on a new one.
    - By increasing program and financial support across the board to support geothermal in new construction, the sector will be able to scale much more significantly and introduce savings to the retrofit market through product innovation and higher material purchasing power.

- Pave the Way for Utility-Owned Ground Loops
  - Utilities are a critical partner in decarbonizing the building sector. They (and ratepayers) can avoid $90 billion in generation and transmission costs with widespread deployment of geothermal heat pumps (NYSERDA, 2022). Unfortunately, current State Law and PSC regulations do not incentivize or allow utilities to invest directly in ground loops the way they invest in gas pipes or transmission lines.
  - Both the 100-Foot rule and the Obligation to Serve Gas put geothermal on an uneven playing field and hurt the bottom line for New Yorkers. Allowing utilities to partner with the geothermal heating and cooling industry to assume ownership of ground loops and amortize the cost over utility bills will incentivize greater investment in the technology, greater energy savings for New Yorkers, and a rapid increase in GHG reductions critical to the health and wellbeing of our climate.
  - The BCW CEAC supports exploring 3rd party ownership of ground loops by utilities and municipalities, and other forms of ownership.

- Support for continued Geothermal Heat Pump rebates under the NYS Clean Heat Program
  - By providing upfront customer incentives in new and existing buildings for geothermal heating and cooling, homeowners, renters, builders, and low- to moderate-income New Yorkers will be able to access the benefits and savings of geothermal.

- Establish a Geothermal Renewable Energy Credit (GREC) Market
  - By adding geothermal energy systems to the Tier 1 REC program, and carving out a percentage of the Renewable Portfolio, owners of geothermal energy systems will earn Renewable Energy Credits (RECs), further reducing their electricity bills.
  - When factoring GRECs into the return on investment, geothermal systems become more competitive with traditional HVAC systems.

- Sales Tax Exemption
  - In 2015, the Legislature passed a Sales Tax Exemption bill (S4279/A5508) with bipartisan sponsorship and support for geothermal equipment modeled on the existing exemption for solar equipment. Governor Cuomo vetoed this bill because it was passed outside of the budget. This policy will further bring down costs of geothermal installations while providing community-wide benefits: grid stability, no noise pollution, and no waste heat blowing out into the air contributing to a heating environment.

- Facilitate Third Party Ownership
  - Recent federal legislation makes third party ownership of geothermal systems possible. This will make geothermal heating and cooling accessible to a broader range of people. New York's rules for bonus depreciation are different from the federal rule. Bringing them into sync would be a major step to introducing third party ownership in New York.

- Invest in Workforce Development
  - Fund training programs to transition gas utility workers into geothermal installation and maintenance similar to what the New York Power Authority is doing under its Clean Energy Workforce Training program.
  - Create a dedicated Office of Just Transition for geothermal and clean energy jobs like the Governor's Office of Semiconductor Expansion, Management, and Integration (GO-SEMI).

- Expansion of the New York Green Bank under NYSERDA
  - Despite robust support for geothermal heating and cooling in New York, installation of systems remains nascent. The New York Green Bank can de-risk these projects by offering geothermal specific financing options.
  - We would encourage the Green Bank and NYSERDA to engage with industry stakeholders to explore models that will work for industry, but more importantly that would make geothermal heating and cooling accessible to all. This should consider mortgage rate buy-downs, preferred interest rate construction loans for inclusion of geothermal, on-bill repayment structures, Property-Assessed Clean Energy, credit enhancements, and other strategies to ease costs for builders and consumers.

INCREASE TRANSMISSION

The BCW Clean Energy Advisory Council (CEAC) affirms that transmission infrastructure constitutes the backbone of New York's energy system and is essential to ensuring reliability, resiliency, and affordability across the state. Transmission lines enable the efficient movement of electricity over long distances, from generation sites to the communities and businesses that depend upon it.

However, much of New York's transmission network was constructed decades ago, well before the advent of electric vehicles, electrified heating, data centers, and the widespread use of wireless technologies. While prior generations' investments have served the state effectively for many years, energy demand is now rising sharply, and increasingly severe weather events are placing additional strain on an aging system.

Many communities throughout the state lack sufficient transmission capacity to accommodate growing demand. Without timely and significant investment, New Yorkers face an elevated risk of system outages, economic disruption for local enterprises, and delays in achieving the state's clean energy and climate objectives.

For these reasons, the CEAC strongly supports major transmission initiatives such as Propel NY Energy and Clean Path New York. The Propel NY project will deliver approximately 90 miles of new underground and submarine transmission lines, reinforcing the downstate electric grid, including critical infrastructure in Westchester County. This initiative will function much like expanding an overburdened highway: it will enhance the flow of electricity, reduce costly congestion that contributes to higher utility rates, and improve grid reliability and storm resilience.

Such investments are vital to maintaining a dependable power supply, integrating additional clean energy resources, and sustaining New York's long-term economic growth and competitiveness. They help support our communities with clean, reliable energy while simultaneously granting our communities the stability they need to flourish.

In addition to endorsing the Propel NY project, the **CEAC urges that the New York State Energy Plan overturn the Public Service Commission's decision to cancel the Clean Path project, as that determination was made based on material errors and omissions.**

Errors and Omissions from the NYPA Clean Path PTP Petition Denial

"The Project cannot be justified as a solution to near term reliability issues affecting New York City."

These statements and conclusions are factually incorrect and demonstrate a fundamental misunderstanding that the potential reliability shortfall in NYC is driven by the transmission security limit (TSL) into NYC, for which new transmission into NYC is most certainly a solution. In addition, the related studies do not show a near term resource adequacy shortfall (as opposed to a TSL deficiency), so there is no need for a project to add incremental generation capacity in order to address the growing NYC reliability concern.

"NYISO studies and the Coordinated Grid Planning Process (CGPP) do not support designation of the Project as one that is needed expeditiously."

None of the NYISO studies referred to consider any reduction in deployment of offshore wind despite recent events that severely limit the amount of OSW likely to be realized in the foreseeable future. **Neither the Order nor the state planning processes have confronted current reality.**

"NYISO studies suggest that the Project would reach only a 47% utilization level by 2042 and that the Project does not address any urgent near-term need."

The Commission's position on the NYISO studies relies upon a flawed comparison with CHPE, and a flawed reliance on offshore wind assumptions that are already factually incorrect. Perhaps more importantly, the PSC's analysis did not address or even acknowledge that CHPE has not committed to provide capacity or energy during the winter capability season. Other aspects of the studies reflect inaccurate forecasts regarding onshore wind, solar and battery projects.

"Initial results published under the CGPP also indicate that the Project does not address any urgent near-term need. Rather, the results indicate that the same quantity of renewable resources are built with or without the Project through the 2040 horizon."

These statements are factually incorrect. The no-Clean Path sensitivity results in 400 MW more offshore wind, 600 MW less upstate wind and solar, and most critically, 1,300 MW more storage being built in Zone J. And as previously stated, none of the Sensitivity analyses modeled the system with the significantly reduced OSW generation that is now expected.

Finally, without Clean Path or OSW, Zone J storage is likely to be primarily charged by fossil fuel generation, increasing NYC emissions and burdens on disadvantaged communities. *"In the case of a proposal such as the Project, which does not resolve congestion affecting existing generation in the first place, we will not base a PTP on the number of queued projects in development. In other words, a project whose rationale is serving future generation is not "needed expeditiously," unless it also, like the NNY project, relieves system constraints impacting existing resources."*

The Commission has erred in establishing such a stringent criterion compared to the broad intent of the underlying law of the Accelerated Renewables Act, which directs the Commission to refer to NYPA "those projects for which the Commission has determined there is a need to proceed expeditiously to promote the state's public policy goals." This criterion and finding also conflict with past Commission decisions determining that meeting state policy goals will require developing and building new generation and transmission in parallel, rather than one before the other. In addition, the original PTP order noted that an additional consideration should be the ability of the project to leverage recent system investments. Recent Phase 1 and Phase 2 upgrades build onramps to the bulk power system but do nothing to increase the transfer capacity of that bulk system into NYC, which this Project would do.

"Similarly, in line with CLCPA §7(3), we further note that our denial will not disproportionately burden disadvantaged communities, as it does not directly impact greenhouse gas emissions or otherwise burden disadvantaged communities – especially given the absence of renewable energy resources and the shifted need date."

This statement fails to consider the obvious burden that disadvantaged communities in NYC bear from air pollution emissions from 60–70-year-old in-City fossil generators, and the relief that would be provided by building new transmission to access the much cleaner upstate grid.

Omissions in the Order:

- **The Order completely fails to acknowledge or consider the legislative mandate to close NYPA Peaker Plants by the end of 2030.** The Project would enable that legislative mandate to be achieved. NYPA and the Hochul Administration will face intense legal and political pressure from front line communities and their representatives for this failure to act when they had the opportunity to do so.

- The discussion in the Order fails to acknowledge or consider the significant capacity benefits and rate payer cost savings of the Project - $1.4B in capacity benefits to ratepayers in 2030-2032. This demonstrates a near term need for the Project, contrary to many statements in the Order.

New Information Since the Petition was Filed:

- Cessation of offshore wind permitting and development: **offshore wind is no longer a viable option for the near or medium term**, leaving Clean Path as the only available opportunity to decarbonize New York City.'

- **Cancellation of the NYC PPTN:** Which further delays and limits the future availability of offshore wind and avoided $10-15B in ratepayer costs.

- **Threat of tariffs precluding the ability to import power from Canada:** In March, Hydro Quebec stopped exporting electricity to New England shortly following tariff announcements, which could be a harbinger of things to come.

- **Energy and capacity shortfalls in Quebec threatening the availability of power: Quebec** is projected to face up to 10 GW winter deficits, which could cause curtailments of CHPE and exacerbate threats to NYC reliability.

- Announced plans to build at least 1GW of nuclear generation: new nuclear generation must be sited upstate and therefore will increase the need to transfer energy and capacity downstate.

Thank you for the opportunity to submit comments on the NYS Energy Plan.

Sincerely Yours,

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