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SUBJECT Utility Thermal Energy Network and Jobs Act
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SUPPORT

The Business Council supports this legislation, which is also receiving support from a broad array of interests including industry, utility, labor and environmental organizations.

This bill would help the state meeting the building sector decarbonization goals of the draft CLCPA scoping plan while promoting the transition of utilities to new energy technologies and securing and growing utility sector jobs.

Its key provision would authorize gas and electric utilities to develop and own “thermal energy networks,” which would be utility-scaled projects providing thermal energy for multiple building heating and cooling systems. The bill directs the Public Service Commission to initiate a proceeding to support the development of thermal energy networks and assess whether the provision of this service by gas and electric utilities is in the public interest. It also directs the state’s largest public utilities to propose and implement up to five pilot thermal energy networks each (including projects to be located in disadvantaged communities), with these projects providing provide additional information to be used in the Public Service Commission’s consideration of regulations governing this sector, and in assessing this technology’s economic and environmental impacts.

Thermal energy networks are seen as a technology that would result in multiple benefits, including the reduced use of carbon-based fuels in building heating and cooling, lower customer costs, and reduced impact on the state’s electric grid resulting from increased electrification of buildings and transportation.

Importantly, this legislation provides a valuable opportunity to assure employment of current utility employees whose jobs might otherwise be lost by constrictions in the gas sector resulting from CLCPA implementation. The CLCPA statute and the draft scoping plan both devote considerable attention to assuring that our carbon reduction and renewable energy deployment efforts also provide a “just transition” for affected workers.

Finally, we see this proposal as a measured approach to authorizing the deployment of utility-scale thermal heating networks by first requiring pilot projects as the PSC conducts a detailed evaluation of their costs and benefits.

Clearly, New York State needs to identify innovative approaches to achieving CLCPA mandates for carbon emission reductions in a way that is both affordable for in-state businesses and residents and that provides reliable energy to the business and residential sectors.

For these reasons, The Business Council supports adoption of the "Utility Thermal Energy Network and Jobs Act" before the 2022 legislative session adjourns.