

The Path Forward



NY's Decarbonization Future



Donna L. DeCarolís
National Fuel Gas
Distribution Corporation
President

What is CLCPA?

CLCPA Goals & Targets

70%

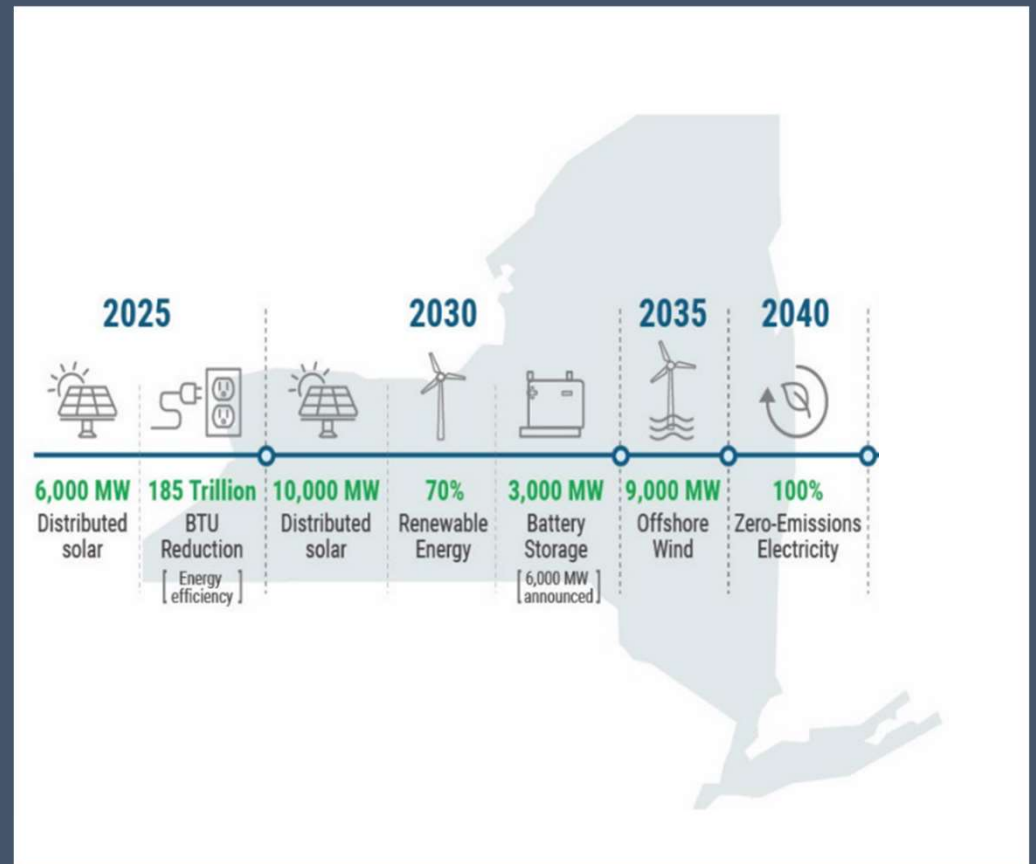
Renewable Energy
by 2030

100%

Zero-emission Electricity
by 2040

85%

GHG Emissions Reduction
by 2050 (from 1990 levels)



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CLCPA Goals & Targets

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Scoping Plan Proposed Actions

2025

No gas service for new constructed residential buildings (single-family/low-rise dwellings less than 3 stories)

2028

No gas service for new constructed multi-family or commercial buildings (4 stories or more)

2030

No gas appliance replacement (at end of usual life [EOUL]) of residential or multi-family (to 49 units) heating & hot water equipment

2035

No gas appliance replacements at EOUL for cooking & clothes drying

No gas equipment replacement at EOUL for existing commercial buildings

No gas service in large buildings of 50,000 sq. ft. for heating and hot water



Does New York's plan ensure grid reliability?

New York State Installed Generation Capacity Needs

2022

2040



111 - 124 GW



~27 to 45 GW
Unknown Future Technology

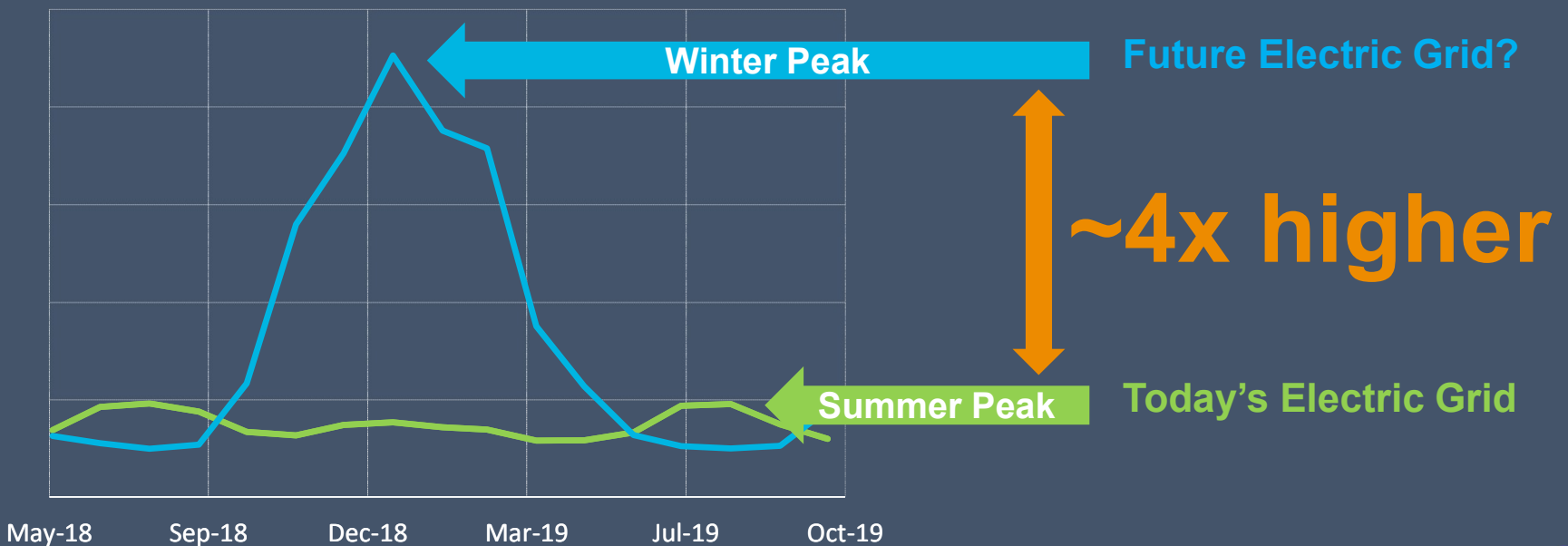


41.5x
More
Wind & Solar



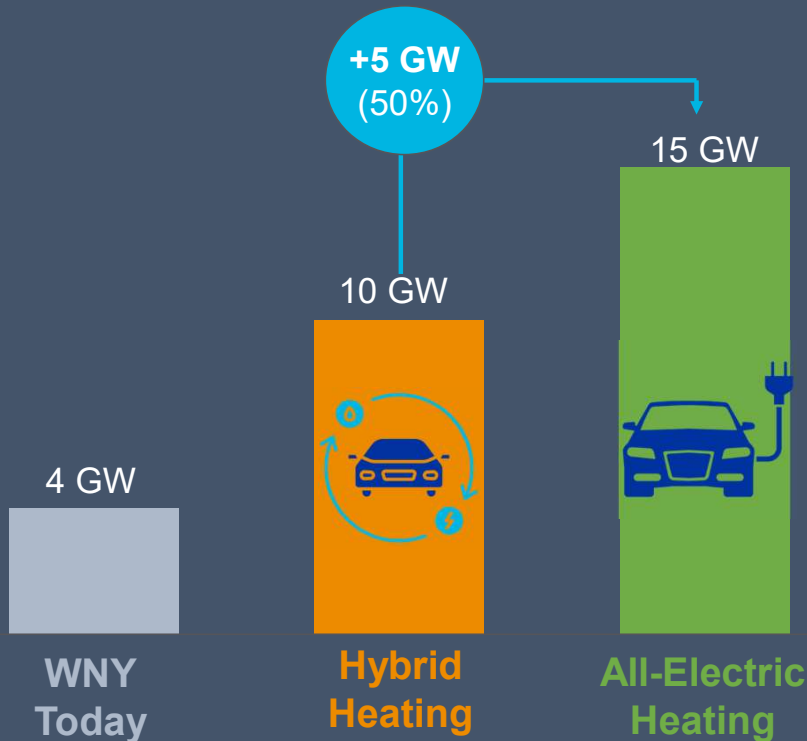
Can the grid meet WNY's winter heating demands?

New York State
Monthly Residential Energy Use
MMBtu/month



National Grid is promoting the hybrid heat approach

National Grid Study Western New York Required Generation Capacity by 2050



“Building an electric network capable of electrifying all heating load is not practical or cost-effective.” – National Grid

**Avoids 60GW of
New Electric Generation**

**Saves \$75 BILLION in
Infrastructure Costs**





New York ISO
Independent System Operator

“The NY ISO is concerned about declining levels of reliability beginning as early as 2023.”

“Fossil generation will likely need to be retained past the 2040 mandates to keep the system reliable.”

The Scoping Plan includes specific dates not tied to reliability milestones that will accelerate required electrification and could trigger reliability shortfalls as warned by NYISO, the State’s expert on the power grid.



Final Scoping Plan

Natural Gas System Transition

- CLCPA requires “substantial reduction of natural gas use and strategic downsizing and decarbonization of the gas system”
- NYS to identify strategic (e.g. area-based) opportunities to retire gas infrastructure
- Industrial and commercial demand reduction to consider electrification, demand response, other strategies
- Additional analysis required of feasibility and climate impact of RNG and green hydrogen use
 - Detailed Gas System Transition framework included
- PSC “gas planning proceeding” already underway, requires consideration of CLCPA GHG reduction targets



Final Scoping Plan

Electricity System Transition

- “Primary procurement mechanisms largely in place”
- Thru 2030, focus on barriers to construction and operation of renewables
- Renewable generation needed to meet projected doubling of power demand by 2025
- Statewide need for transmission and distribution system upgrades
- Requires improved demand-side management and investments in storage
- Includes distributed generation to advance social equity goals



Final Scoping Plan

Expanded Recognition of “Alternative Energy” Sources

- Community thermal energy networks
 - Utility thermal system pilots approved in 2022
- Green Hydrogen
- “Enhanced” geothermal
- Advanced nuclear
- Biofuels
 - Emphasis on the on-site usage



Scoping Plan Industry Provisions

Legislative and Regulatory Recommendations

- The DEC should develop expanded GHG emission reporting regulations, as authorized by the CLCPA.
- The state should offer economic incentives to develop an “in-state supply chain of green economy businesses.”
- NYSERDA should issue a solicitation for research “on the most appropriate areas for investment in emerging industrial decarbonization solutions.”
- Adopt state procurement incentives for low emission goods to increase demand for such goods specifically building materials (e.g. cement, steel, aluminum).
- General recommendations on workforce development training and research and development efforts.
- The state should monitor and evaluate energy intensive “emerging industries” (data centers, crypto currency mining) that could interfere with meeting the state’s GHG objectives.



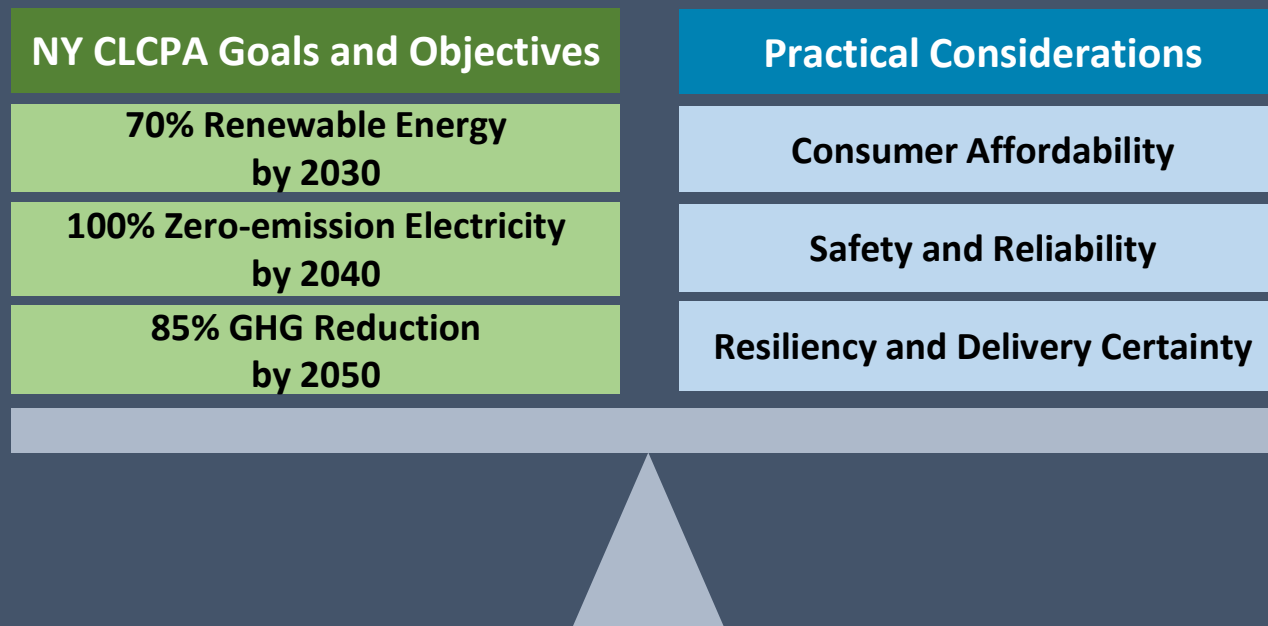
Final Scoping Plan

Major Legislative & Regulatory Proposals for 2023

- Prohibit fossil fuel use in new buildings for heat, cooling, hot water and cooking
 - By 2025 for single family and low-rise multi-family residential buildings
 - By 2028 for high-rise residential and all commercial buildings
- Expanded producer responsibility programs
 - Packaging/paper, refrigerant-containing appliances, solar panels, others
- Benchmarking, reporting and performance standards for existing buildings
- Updated building codes with component-specific upgrade mandates
- Public Service Law (PSL)
 - Eliminate the existing requirement that gas service be supplied on application of a building owner or occupant
 - Move away from promoting gas system expansion by marketing natural gas to prospective customers or providing gas service lines and extensions of gas mains at no cost to new customers (e.g., the “100-foot rule”).



Meeting Climate Goals will Require a Balanced, All-of-the-Above Approach



That Includes Natural Gas

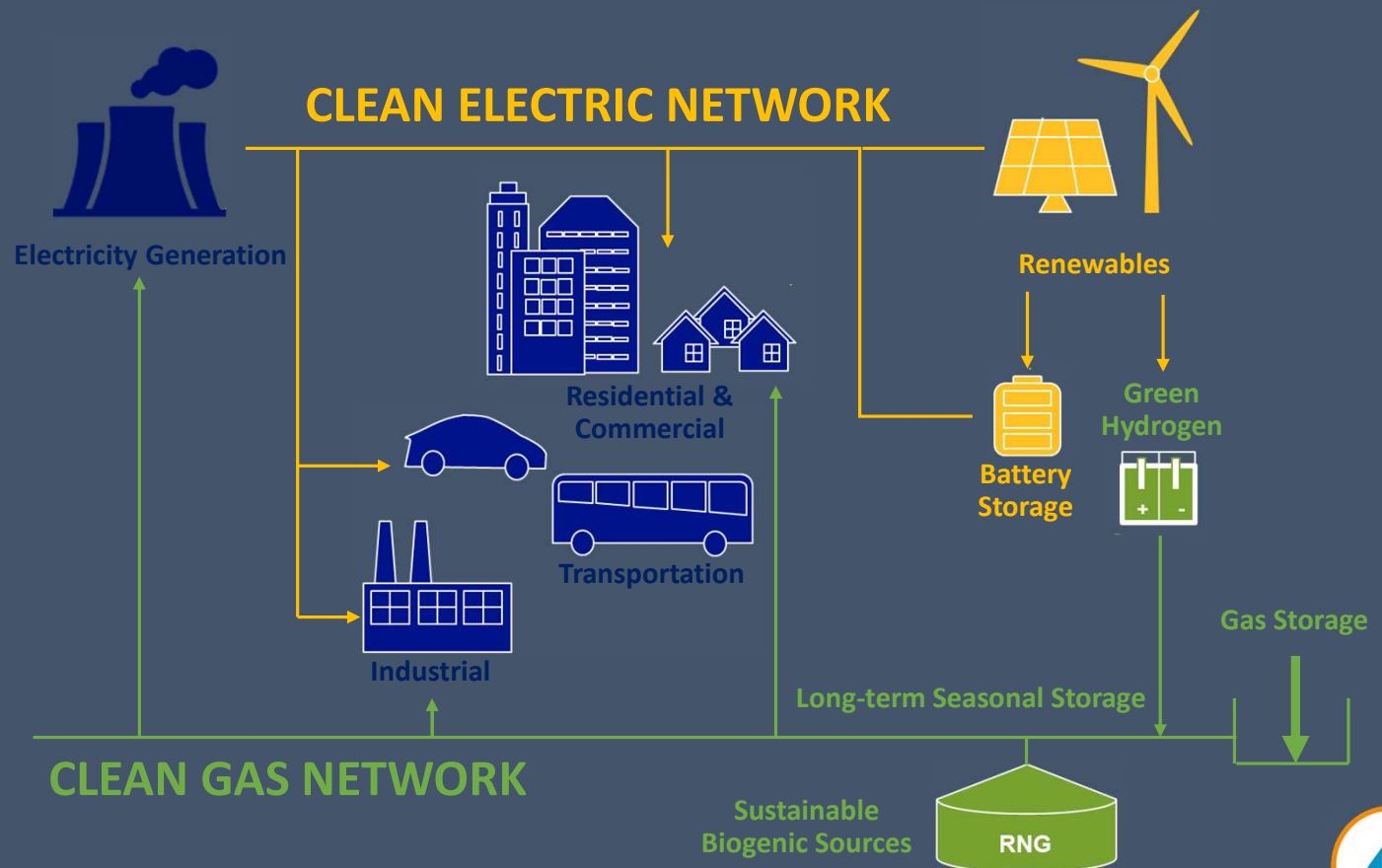


A Shared Vision of a 2050 Energy Network

A deeply decarbonized, integrated gas & electric system

THE WALL STREET JOURNAL.

“Natural gas is central to a smart and achievable policy to cut greenhouse-gas emissions today. In the near term, that means pairing with renewables to clean up electricity. In the next decade, it also means abating emissions from gas itself.” – John Kerry



What's Next

- DEC to promulgate regulations by January 1, 2024
- PSC to establish a program to reach 100% zero emissions target by 2040
 - PSC also needs to decide what is a zero emissions dispatchable technology
- By July 1, 2024, PSC to review progress to meeting both 70 by 30 and 100 by 40 targets
- The Council will update the Scoping Plan at least once every 5 years





TAKE ACTION

ONE-CLICK TOOL

**Urge State Leaders to Proceed with
Caution on Climate Plan**



**Advocacy
Alerts**

