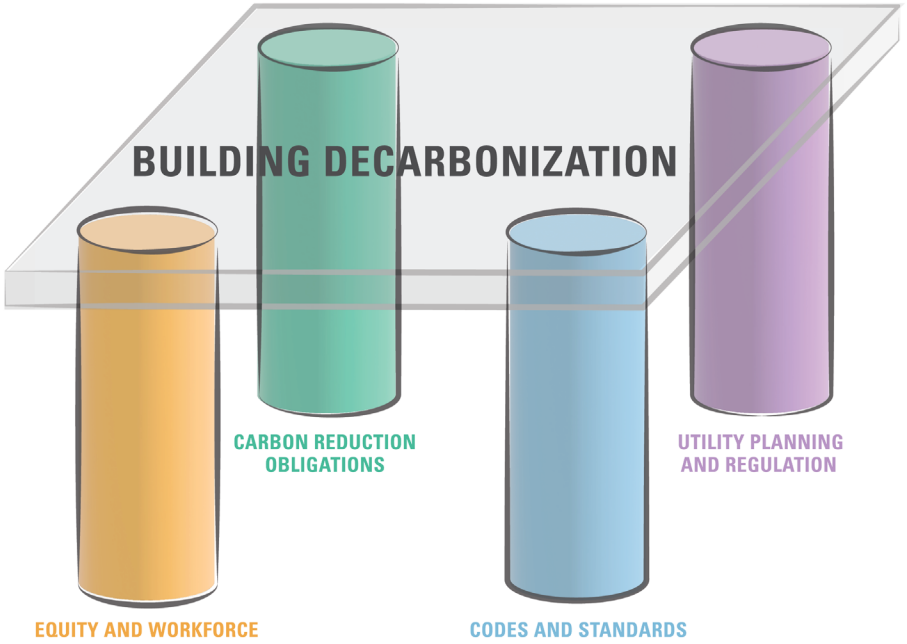
Regional Roundup

NEW YORK

NEEP's 2024 Regional Roundup provides a snapshot of New York's current policies and progress towards greater energy efficiency and building decarbonization. Policies and performance are organized across the four categories from NEEP's 2024 report, *Decarbonizing Buildings: How States can Set the Table for Success*. The categories, or "legs of the table," include Utility Planning and Regulation, Codes and Standards, Carbon Reduction Obligations, and Equity and Workforce.



- New York began energy efficiency programs in 1996. Energy efficiency programs are offered statewide by both utilities and New York State Energy Research and Development Authority (NYSERDA).
- In April 2018, NYSERDA published the New Efficiency: New York white paper that proposed enhanced energy efficiency goals of 185 TBtu by 2025 or three percent of sales for both the utilities and NYSERDA. Subsequently, the NY Public Service Commission (PSC) adopted these goals in an order, alongside a separate heat pump goals for the state, which require that five TBtu of savings come from the installation of heat pumps.
- In 2019, the state passed the Climate Leadership and Community Protection Act, which set new economy-wide carbon reduction targets and directed state agencies to deliver at least 35 percent, with a goal of 40 percent, of overall benefits of spending on clean energy and energy efficiency to disadvantaged communities.
- New York also passed the Utility Thermal Energy Network and Jobs Act in 2022, which directed the PSC to establish a regulatory structure (case no. 22-M-0429) for utility thermal energy networks and directed utilities to begin piloting thermal energy networks.
- Additionally, New York is developing an economy-wide cap-and-invest program. Businesses will have flexibility in how they meet their reduction goals under the cap-and-invest program, allowing them to reduce emissions in the most cost-effective way possible.

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UTILITY PLANNING AND REGULATION

UTILITY PLANNING AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers

	New York	Regional Average
Savings as a Percent of Retail Sales in 2021*	Electric: 1.41% Gas: 0.68%	Electric: 1.13% Natural Gas: .43%
Low Income Spending Per Qualified Resident in 2021*	$22.33	$36.00
Current Portfolio Goals	Portfolio-Wide Fuel-Neutral Goal†: 31 TBtu from 2021-2025	

* Data from 2022 ACEEE State Scorecard.
† Goal from the New Efficiency: New York white paper and the New York Statewide Energy Efficiency Plans: 2021-2025 Portfolio

Climate-Forward Energy Efficiency

Energy Efficiency Program Administrator	New York offers energy efficiency programs through its utilities and the New York State Energy Research and Development Authority (NYSERDA). New York's Energy Efficiency and Building Electrification Portfolios run in five-year cycles. New York utilities are currently implementing the 2021 to 2025 Portfolio, and the next cycle, the 2026-2030 Portfolio, is in development.
Program Goals	NYSERDA and the New York utilities are currently implementing the 2021 to 2025 Portfolio, which has a fuel neutral savings goal and separate heat pump deployment goals established as part of New Efficiency: New York. • 2021 – 2025 Overall incremental energy savings: 31 TBtu – Gas Savings Target: 11,629,450 MMBtu – Electric Savings Target: 3,597,720 MWh – Heat Pump Deployment Savings Target†: 5 TBtu • Annual reduction of 3% in electricity sales by 2025 and 1.3% for gas sales.
Benefit Cost Analysis	*Base test: Societal Cost Test* • Non-energy impacts: social cost of carbon, water savings, avoided land impact, avoided restoration costs, grid benefits • Low- and moderate-income programs are exempt from the BCA. Secondary tests: Utility Cost Test and Rate Impact Measure test
Utility Performance Incentives	Utilities can earn performance incentives for achieving goals in peak reduction/system efficiency, energy efficiency, interconnection, customer engagement and information access, Clean Energy Standard achievement, and affordability. The specific metrics vary by each utility.

† Goal from the New Efficiency: New York white paper and the New York Statewide Energy Efficiency Plans: 2021-2025 Portfolio

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Climate-Forward Energy Efficiency

Fuel Switching Policies	• Following the proposal of fuel-neutral energy efficiency goals in the New Efficiency: New York white paper, New York's energy efficiency programs measure fuel-neutral energy savings in MMBtu. This is reflected in the order authorizing the current program cycle (2021-2025). The sub-goal of five TBtu reduction through heat pump deployment further incentivizes fuel switching. • A 2018 PSC order specified that utility programs can target customers who primarily heat with delivered fuels as long as they achieve cost-effective Btu savings and produce year-over-year efficiency gains. • The New York Department of Public Service issued an order in July 2023 prohibiting ratepayer-funded customer incentives for natural gas-fired equipment after 2025.
Statewide Qualified Contractor Network	The New York Clean Heat Contractor Network is a statewide network of contractors that have completed training courses for heat pump installation. Contractors must participate in this network to offer NYS Clean Heat rebates.

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Climate-Forward Energy Efficiency

Centering Equity in Climate-Forward Efficiency Programs	• New York's statewide low- to moderate-income (LMI) portfolio tracks metrics including energy savings, customer bill savings, number of customers served, implementation costs, customer portfolio awareness, and customer satisfaction. • In 2018, the PSC ordered the development of a statewide LMI portfolio. It mandated that low- and moderate-income programs be exempt from the BCA and that program administrators must spend at least 20% of energy efficiency funding on low- and moderate-income programs. • The state's Climate Act requires that disadvantaged communities receive at least 35%, with a goal of 40%, of the benefits of clean energy and energy efficiency projects.

Long-Term Planning

Clean Heat and Building Decarbonization Programs	New York's Clean Heat Program is a program targeted at accelerating heat pump deployment in the state. It sets targets for heat pump deployment for each utility and establishes a statewide platform where customers can find available financial incentives, connect with participating contractors, and learn more about heat pump technologies. The NYS Clean Heat Implementation Plan describes the mandatory MMBtu savings target for every electric utility (total of 3,566,590 MMBtu from 2020-2025).

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Long-Term Planning

Long-Term Utility Planning	• The New York Department of Public Service has an active docket in long-term planning for gas utilities (Case no. 20-G-0131). This proceeding requires gas companies to file plans for different scenarios of long-term operations and include at least one scenario in which they do not build new pipeline infrastructure. The plans must include planned investment portfolios, expected emissions impacts, and expected bill impacts under each scenario. • New York passed the Utility Thermal Energy Network and Jobs Act in 2022. The law removed legal barriers to establishing utility-scale thermal energy networks, directed the PSC to establish a regulatory framework for thermal energy networks, and required the PSC to direct New York utilities to pilot thermal energy network projects. In 2024, the PSC (in case no. 22-M-0429) issued an order adopting initial rules for utility thermal energy networks. As of July 2024, twelve pilot projects were in active development, and the PSC is working with the New York Department of Labor to promote the job creation opportunities of these projects.

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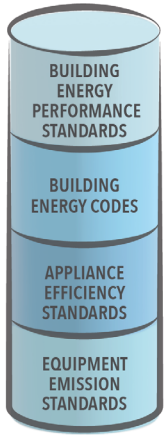
CODES AND STANDARDS



CODES AND STANDARDS

Codes and standards establish a clear timetable for improving the energy performance of new and existing buildings, appliances, and equipment, spurring changes in technologies and building practices. The Regional Roundup provides additional information on policies in this area that operate at the city level to highlight how communities are taking the lead. Programs such as benchmarking and home energy labeling programs are also included, even when just voluntary, as they can be a precursor for BPS or mandatory home energy score programs.

Building Energy Codes	New York adopted the 2018 IECC and ASHRAE 90.1-2022, including a new section that establishes a ban on fossil fuel equipment and building systems.
Stretch Energy Codes	No current policies in place.
Building Performance Standards	• New York City has a local building energy performance standard ordinance called Local Law 97 which requires most buildings over 25,000 square feet to meet energy efficiency and greenhouse gas emissions limits. • New York has minimum energy performance standards for state-housing-agency funded projects.
Benchmarking	Executive Order No.88 requires all state-owned and managed buildings of greater than 20,000 sq ft to benchmark their energy consumption annually. New York City has a local benchmarking ordinance called Local Law 84 which requires buildings over 50,000 square feet (or campuses with a total square footage of over 100,000) to benchmark their energy usage.
Home Energy Labeling	New York does not have a statewide home energy label, but the Truth in Heating Law mandates that home sellers must provide two years of heating and cooling bill information to prospective buyers and tenants.

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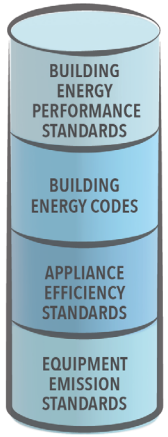
CODES AND STANDARDS



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Appliance Efficiency Standards	The Advanced Building Codes, Appliance and Equipment Efficiency Standards Act of 2022 establishes appliance standards and allows NYSERDA to adopt them. NYSERDA developed these efficiency standards for products and appliances that reduce energy and/or water consumption. For more information on which appliances are covered, see NEEP's Federal and State Appliance Standards Tracker.
Equipment Emission Standards	No current policies in place.

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CARBON REDUCTION OBLIGATIONS

CARBON REDUCTION OBLIGATIONS

Carbon reduction obligations set performance requirements for obligated parties, such as energy providers, to reduce carbon emissions or install clean heating systems. This section also includes any policies that articulate statewide climate goals and involvement in a regional cap and invest program because both programs are aligned with the policies under carbon reduction obligations and can be a part of a future clean heat standard or statewide cap and invest.

Climate Goals	In 2019, the legislature passed the Climate Leadership and Community Protection Act (CLCPA), requiring the state to achieve 40% GHG emissions reduction by 2030 and 85% GHG reduction by 2050 (1990 baseline).
Clean Heat Standard	No current policy in place.
Regional Cap-and-Invest	New York participates in the Regional Greenhouse Gas Initiative (RGGI), which caps power-sector carbon emissions. New York uses RGGI proceeds to fund residential energy efficiency programs, residential electrification programs, and GHG abatement measures.
State Cap-and-Invest	NYSERDA and NYS Department of Environmental Conservation (DEC) are developing an economy wide New York Cap-and-Invest (NYCI) program. The cap-and-invest plan will impose a declining cap on greenhouse gas emissions to meet the climate goals in the CLCPA. The funds generated from this system will be invested in New York's disadvantaged communities and in further reducing emissions across the state.
Centering Equity in Carbon Reduction Obligations	• The Climate Leadership and Community Protection Act directs state agencies to invest programmatic resources to deliver at least 35%, with a goal of 40%, of overall benefits of spending on clean energy and energy efficiency to disadvantaged communities. • The Climate Leadership and Community Protection Act (CLCPA) created a Climate Justice Working Group (CJWG) composed of representatives from environmental justice communities and state agencies. The CLCPA also established a Just Transition Working Group. This group will offer recommendations on environmental justice policies and assist state agencies in creating agency-specific environmental justice plans.

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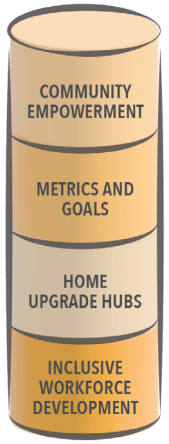
EQUITY AND WORKFORCE



EQUITY AND WORKFORCE

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

Statewide Equity Initiatives

Community Empowerment	• The Climate Leadership and Community Protection Act (CLCPA) created a Climate Justice Working Group (CJWG) composed of representatives from environmental justice communities and state agencies. The CLCPA also established a Just Transition Working Group. This group will offer recommendations on environmental justice policies and assist state agencies in creating agency-specific environmental justice plans. • The CLCPA defined disadvantaged communities using multiple criteria, including environmental risk factors and historical discrimination and disinvestment. New York also has a map of these communities.
Metrics and Goals	• The Climate Leadership and Community Protection Act directs state agencies to invest programmatic resources to deliver at least 35%, with a goal of 40%, of overall benefits of spending on clean energy and energy efficiency to disadvantaged communities. • In 2018, the PSC ordered New York's utilities to spend 20% of energy efficiency funding on low- and moderate-income programs.
Home Upgrade Hubs	No current policies in place.

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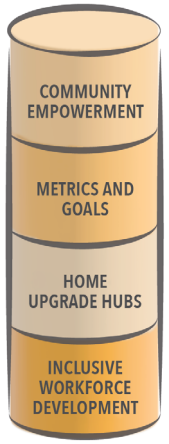
EQUITY AND WORKFORCE



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Inclusive Workforce Development

Inclusive Workforce Development	New York's Clean Heat Connect Program supports trainees and businesses throughout the state. The program allows heat pump contractors to sponsor trainees and offers training, wage subsidies, and support for advertising and equipment. The recipients are required to collect and report metrics back to NYSERDA on the number of workers trained, certified, and placed in jobs.
Engagement with Businesses	NYSERDA's Entrepreneurs-in-Residence (EIR) Program guides early-stage companies through management projects and issues. Climate technology startups are provided with executive-level mentors.

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NEW YORK'S BUILDING DECARBONIZATION TABLE

UTILITY PLANNING AND REGULATION

Energy Efficiency and Building Electrification Portfolios

Utility Thermal Energy Networks and Jobs Act of 2022

EQUITY AND WORKFORCE

Climate Leadership and Community Protection Act

Climate Justice Working Group

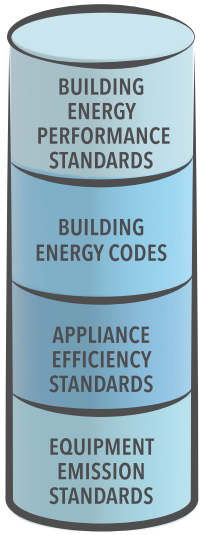
CARBON REDUCTION OBLIGATIONS

RGGI

Climate Goals

New York Cap and Invest (NYCI)

CODES AND STANDARDS



2018 IECC

Appliance Standards