

# RENEWABLE HEAT NOW LEGISLATIVE PACKAGE

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## GREEN AFFORDABLE HOUSING BUDGET

### 2022 STATE BUDGET

New York State Budget should provide for \$1 billion annually (from existing and new funds) for grants and financing to fund all-electric and electric-ready affordable housing in and for Disadvantaged Communities. Necessary to ensure equitable transition to all-electric housing and to improve housing conditions for the state's most vulnerable residents.



## ALL-ELECTRIC BUILDING ACT

**S6843A|A8431**

*Sponsors: Senator Kavanagh and Assemblymember Gallagher*

Requires new buildings to have all-electric space and water heating and appliances, except where infeasible technologically. Building permits for new buildings with fossil fuel systems cannot be issued after December 31, 2023. Requires state agencies to identify policies to ensure affordable electricity for all-electric buildings.

## ADVANCED BUILDING, APPLIANCE AND EQUIPMENT STANDARDS ACT

**S7176|A8143**

*Sponsors: Senator Parker and Assemblymember Fahy*

Saves consumers over a billion dollars by updating appliance efficiency standards to reduce energy use. Authorizes the NYS Codes Council to incorporate greenhouse gas emissions reduction standards into building codes.



## GAS TRANSITION AND AFFORDABLE ENERGY ACT

**S8198**

*Sponsors: Senator Krueger, Senator May and Assemblymember Fahy*

Requires the Public Service Commission to develop and for utilities to implement a plan for an orderly and equitable transition from gas utilities to renewable heating, cooking, and hot water services. Necessary to stop gas expansion and achieve the state's climate mandates.

## FOSSIL-FREE HEATING TAX CREDIT AND SALES TAX EXEMPTION

**S3864|A7493 & S642A|A8147**

*Sponsors: Senator Kennedy, Senator Sanders, Assemblymember Rivera*

Bills to enact a tax credit for geothermal heat pump systems and exempt the sale of geothermal heat pump systems from sales tax. Necessary to incentivize the most efficient systems for heating and bring heat pump manufacturing and workforce to scale.



# LEGISLATIVE PACKAGE

# TALKING POINTS

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## CLIMATE:

- **Buildings account for one-third of New York's greenhouse gas emissions** because most of us still warm our spaces, cook our food, and heat our water by burning fossil fuels inside our buildings.
- **"Natural" gas is not a "bridge fuel,"** and methane is 86x worse for the climate than CO2 over a 20-year period.
- Analysis for the Climate Action Council has estimated that **1-2 million homes need to transition** to heat pumps in order to meet the State's legally mandated greenhouse gas emissions targets.
- The funding and policies in our package are necessary to **stop fossil fuel expansion**, transition buildings off fossil fuels, and make renewable heating, hot water, and cooking technologies affordable and available.

## PUBLIC HEALTH:

- **New York leads the nation in premature deaths resulting from the air pollution** caused by burning fossil fuels in buildings for heating, hot water, and cooking.
- Indoor air pollutants are often **2-100 times greater** than outdoor air pollutants.
- Worldwide, **1 in 5 people will die early** because of fossil fuel air pollution.
- Gas stoves can cause and trigger **asthma and worsen respiratory illnesses** like COVID-19.
- **Too many of our neighbors** have had to call the fire department because of the smell of gas, go to the hospital because of the fumes, or died in a gas explosion, from a fire, or of carbon monoxide poisoning.
- **New York meets its climate targets** in a way that ensures everyone has a safe, warm, healthy home!

## COST:

- This winter, homes that heat with fossil fuels are projected to see an **increase in their fuel bills** ranging from 22% - 94%, while homes that heat using electricity (such as those using heat pumps), are projected to see an increase of just 4% - 15%.
- The **operating cost of heat pumps is often much lower** than the operating cost of fossil fuel heating systems. A rapid, just, affordable transition to electric heat pumps is urgent.



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# GREEN AFFORDABLE HOUSING BUDGET



## 2022 STATE BUDGET

Provides \$1 billion annually for all-electric and electric-ready affordable housing in and for Disadvantaged Communities. Necessary to **ensure equitable transition** to all-electric housing and to improve housing conditions for the state's most vulnerable residents.

### What is it?

A major investment in all-electric and electric-ready affordable housing in and for Disadvantaged Communities. This fund should pay for tightening the building envelope, improving heat pump and induction stove incentives, upgrading electrical panels, and developing new high performance affordable multifamily buildings.

It should also provide weatherization and pre-electrification funding and financing to address the health hazards, structural issues, and electrical requirements needed for efficiency and electrification. Not everyone can afford to electrify or get their homes electrification ready, and we need a fund to help people pay for the necessary work remediating mold, asbestos, and lead.

### Where will the money come from?

According to NYSERDA, New York currently provides \$250 million annually in energy efficiency and electrification grants, incentives and free technical assistance for low-to-moderate income housing (both subsidized and unsubsidized), and is reaching 20,000 to 25,000 homes

- NYSERDA analysis shows that New York must electrify at least 250,000 homes per year to meet our climate goals.
- The Energy Efficiency and Housing Advisory Panel to the NY Climate Action Council estimated that a minimum of \$1 billion in annual grants and incentives will be required to make the necessary improvements to existing affordable housing on an on-going basis. This will require a quadrupling of current funding levels. The Fund should build on existing funds already earmarked for efficiency and electrification and add federal and more state funding. The Green Bank alone could invest \$500 million in this sector, and if New York deployed just 5% of its American Rescue Plan funds to upgrade affordable housing, as Maine has done, we could invest another \$600 million. The hundreds of millions of dollars that annually funds fossil fuel subsidies and utility gas expansion is another source of funding.

### Why do we need it?

Without these investments in pre-efficiency and pre-electrification measures, many buildings – particularly those in Disadvantaged Communities – will not be able to electrify, which will deepen existing inequities.

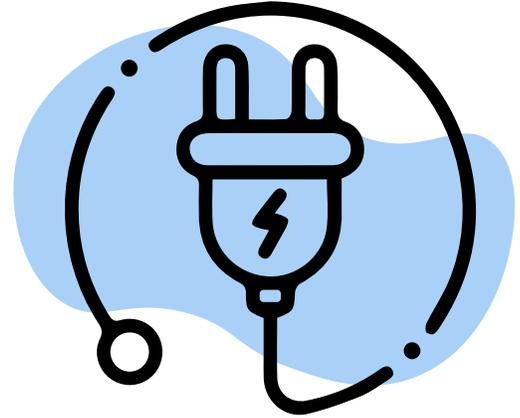


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# ALL-ELECTRIC BUILDING ACT

**S6843A/A8431**

*Sponsors: Senator Kavanagh and Assemblymember Gallagher*



Requires new buildings to have all-electric space and water heating and appliances, except where infeasible technologically. Building permits for new buildings with fossil fuel systems cannot be issued after December 31, 2023. Requires state agencies to identify policies to ensure affordable electricity for all-electric buildings.

## Details:

- Construction permits for new buildings that are not all-electric cannot be issued by cities, towns, or villages after December 31, 2023
- If an all-electric building is determined to be physically or technically infeasible by the permitting body of a city, town, or village, a mixed-fuel building permit may be issued.
- To qualify for this exemption, sufficient evidence must be submitted to prove that an all-electric building is infeasible either because the building cannot satisfy building code requirements without the use of fossil fuel infrastructure, or that the building includes a commercial kitchen that cannot feasibly operate with all-electric appliances. Exemptions will not be granted for financial considerations.
- For exempt mixed-fuel buildings, the installation of fossil fuel infrastructure must be limited to the system and area of that building, that building must be all-electric ready, and the project's modified design must provide equivalent health, safety, and fire protection as an all-electric building design would.
- Construction permits for converting all-electric buildings into mixed-fuel buildings cannot be issued after December 31st, 2022.
- Requires state agencies to identify policies to ensure affordable housing and affordable electricity (meaning that electricity costs no more than 6% of a residential customer's income) for all-electric buildings by February 1st, 2023.

[\*\*Read the full S6843A/A8431 bill here.\*\*](#)



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# ADVANCED BUILDING CODES, APPLIANCE AND EQUIPMENT EFFICIENCY STANDARDS ACT

**S7176|A8143**

*Sponsors: Senator Parker and Assemblymember Fahy.*



Saves consumers billions of dollars by updating appliance efficiency standards to reduce energy use. Authorizes the NYS Codes Council to incorporate greenhouse gas emissions reduction standards into building codes. Enables building code changes to phase out fossil fuels from existing buildings.

## Details:

Focuses on modernizing the state's building codes and expanding the state's appliance standards in three ways:

- 1. Creates strong efficiency standards** for a number of appliances and equipment that are not currently regulated by the Department of Energy.
- 2. Updates the process** for establishing the next state building and energy conservation code by incorporating an analysis of life cycle cost based on the actual useful life and cost effectiveness of measures that reduce GHG.
- 3. Removes automatic exemptions** from the code, requiring instead that the Code Council determine if any exceptions should be included.

This bill applies to the codes governing the construction and operation of any new commercial, industrial, agricultural, and residential buildings, and in the rehabilitation of existing structures through heating, cooling, ventilation, lighting, insulation, design techniques, energy audits and life-cycle costing analysis. The passage of this bill would also introduce new energy and water standards for commonly used products such as televisions, computers, and lighting, all of which were not previously included in state energy efficiency standards.

## Why is it important?

Implementation of advanced building codes is expected to reduce GHG emissions by 21 mmtCO<sub>2</sub>e and reduce utility bills by an estimated \$2.5 billion by 2030 (NYSERDA). Implementation of advanced efficiency standards is expected to reduce GHG emissions by 17 MMCO<sub>2</sub>e by 2035 and save an additional \$15 billion (NYSERDA).

This bill is foundational to implementing the Legislature's nation-leading climate law, and allows New Yorkers to benefit from the cost savings associated with highly efficient buildings, appliances, and equipment. It will reduce energy use and greenhouse gas emissions for decades to come, while saving New Yorkers billions of dollars on their utility bills.

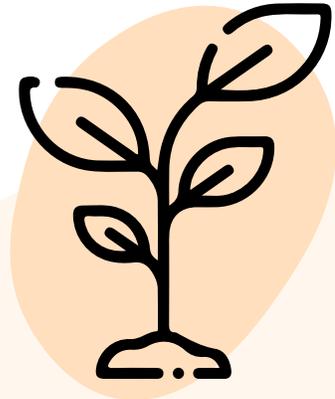


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# GAS TRANSITION AND AFFORDABLE ENERGY ACT

**S8198**

*Sponsors: Senator Krueger, Senator May and Assemblymember Fahy*



Requires the Public Service Commission to develop a transition to renewable heating, cooking, and hot water services. Removes subsidies for new gas hookups. Allows the Public Service Commission to limit gas service where necessary to comply with the CLCPA while ensuring affordable access to heating, cooling and other necessary services.

## Details:

- The bill **aligns Public Service Law** regarding regulation and oversight of gas utilities with the climate justice and emission reduction mandates of the CLCPA to enable the timely and strategic retirement of the gas distribution system in a just and affordable manner.
- It **ends ratepayer-subsidized utility incentives** for fossil fuel expansion while ensuring the equitable provision of electric service and efficient heating, cooling, cooking, and hot water services.
- It requires the Public Service Commission, within one year, to **develop a state-wide gas utility services decarbonization plan** based on clear bi-annual gas sales reduction targets, robust analysis, and consideration of several electrification pathways.
- It **ensures affordable access** to electric heating and cooling services and to protect low-income and moderate-income customers from undue burdens as they electrify their buildings.
- **Necessary to stop gas expansion, achieve the state's climate mandates, and avoid the utility death spiral that will raise gas utility customer costs.**

## Why is it important?

Decarbonization of buildings will require changes to the utility gas regulations and gas planning processes in order to ensure an equitable transition and manage economic risks to gas customers, municipalities, and the utilities as electrification proceeds. This bill provides clarity and direction to the Public Service Commission and to gas utilities that they must plan for and execute a strategic and equitable transition to building electrification. The bill also removed the legal barriers that the Public Service Commission now faces when attempting to implement the CLCPA as it relates to gas utilities.

[Read the full S8198 bill here.](#)



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# FOSSIL-FREE HEATING TAX CREDIT AND SALES TAX EXEMPTION

**S3864|A7493 & S642A|A8147**

*Sponsors: Senator Kennedy, Senator Sanders, Assemblymember Rivera.*



Bills to enact a tax credit for geothermal heat pump systems and to exempt geothermal heat pump systems from sales tax. **Necessary to make renewable heat options more affordable.**

## Details:

Geothermal heat pump (GHP) technology is New York's best renewable heating choice to achieve our net zero energy goals. GHPs draw up and boost heat from the ground in winter, and deposit it in summer to provide a comfortable temperature year-round.

- **S3864/A7493** provides a 25% income tax credit for a residential GHP project's cost, capped at \$5,000.
- **S642a/A8147** provides an exemption from sales tax for GHP installations.

## Why is it important?

- **Reduces the adoption barrier.** The cost of installing GHPs is the key barrier to transition.
- **Good for the environment.** Energy efficient, all-electric GHPs produce no onsite CO<sub>2</sub> or other GHGs that contribute to the climate crisis.
- **Protects against volatile fossil fuel prices.** Electricity rates are more stable than fossil fuel rates so heating with it will be more affordable and predictable.
- **Good for the economy.** Almost half of the dollars New Yorkers pay for energy flows out of state for fossil fuels. As we adopt GHPs more heating dollars will stay in-state. Installing and maintaining GHPs creates jobs impossible to outsource.
- **Shaves peak electricity demand.** GHPs use half the electricity of an air conditioner.
- **Reduces overall energy bills.** When a GHP replaces fossil fuel heating, electricity usage increases, but fossil fuel costs are slashed, so the overall yearly energy bill can be reduced by 40-70%.
- **Comfort & safety.** Fossil fuels are dangerous: gas leaks, fires, explosions and carbon monoxide poisoning. GHPs heat and cool more evenly and dehumidify better in summer.
- **Great investment in the future.** GHPs are as green as the electric grid, so as the grid shifts to more renewables, the heat pumps automatically become greener.

[Read S3864/A7493 here](#), and [S642a/A8147 here](#).

