January 23, 2025

Testimony

Joint Committee On Environmental Conservation and Energy

Re: Joint Public Hearing - to provide legislative committees with public input on the Executive Budget Proposal

Good afternoon, thank you for the opportunity to testify today. My name is Annie Carforo, and I'm the Climate Justice Campaigns Manager at WE ACT for Environmental Justice. Over the past 36 years, WE ACT has been combating environmental racism through community organizing in Northern Manhattan, and policy advocacy at the City, State and National levels.

We are living through precarious times. A changing federal landscape that devalues public investment leaves millions vulnerable to economic uncertainty as long standing safety nets are in jeopardy, and the cost of living continues to far outpace wages. We are now faced with an administration that does not believe in science - or systemic racism - and is committed to unraveling decades of progress at a time when human-induced global warming is accelerating at an "unprecedented" pace, greenhouse gas emissions are at an all-time high, and the window to act to avoid the most catastrophic disaster is quickly closing. We need leadership that will provide relief to those struggling to pay their bills, and deliver science-based action to protect us from this growing environmental threat that the federal government will soon ignore.

Unfortunately, the Governor's proposed budget does little to support an equitable and affordable transition away from fossil fuels. Low-income communities of color will continue to bear the disproportionate burden when it comes to energy costs, place-based mitigation, resiliency, and adaptation investments, and access to the energy transition. We need a budget that follows through on the state's commitments to frontline communities and meets the urgency and scale of the climate crisis. We urge the legislature to include the following proposals in their final budget, which will move us closer to our state's climate goals while lowering costs for New York households.

NY HEAT Act

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On Tuesday, January 22, 2025, when temperatures dipped into the single digits across the state, the Home Energy Assistance Program (HEAP) ran out of funds. HEAP is a critical lifeline that provides financial assistance to low-income New Yorkers to help cover heating costs during the winter months. Demand for assistance has far outpaced funding, putting the 1.2 million New York families struggling to pay their energy bills in jeopardy of having their heat shut off.

The depletion of HEAP funds is indicative of the broader energy affordability crisis New Yorkers are grappling with. Downstate ratepayers are contending with double digit rate hikes recently approved by the Public Service Commission (PSC). After National Grid's latest 36% rate hike that began in September 2024, NYC and Long Island customers heating their homes with gas will pay $60 more per month on average by April 2026. And as of this month, the average ConEd gas and electric customer will pay over $50 more per month. New York State's for-profit gas corporations are projected to charge New Yorkers 18 percent more for heat this winter, even though the price of gas itself is going down. This is due to increases in delivery charges that support expanding and maintaining the existing gas system. Utility arrears climbed to nearly $1.8 billion in December, 2024, burdening over 1.3 million households with ballooning debt.

Utility bills are typically the second highest cost behind shelter for New York Cityresidents. Low and middle-income families are the most impacted by volatile gas heating prices and high energy bills, spending on average 9.3 percent of their household income on energy – three times more than other households. A quarter of low-income households in New York City pay over 17 percent of their monthly incomes on utilities. If the state is serious about tackling the affordability crisis, legislators cannot ignore the spiraling costs of maintaining an aging and outdated gas system that is driving up energy costs - a burden that disproportionately harms low and middle income utility customers who cannot afford the investments needed to electrify their existing gas heating systems. Since the passage of the Climate Leadership and Community Protection Act of 2019, gas utilities have spent more than $5 billion to install and replace gas mains and service lines, prolonging the life of our gas system in direct contradiction with our climate law. Gas utilities are already planning to spend an additional $28 billion of ratepayer money replacing old gas pipelines by 2043.

That is why we are urging the legislature this session to prioritize the NY HEAT Act in this year's budget. The NY HEAT Act offers a long-term solution to address this affordability crisis by capping energy bills at 6 percent of household income for those most in need. By moving away from reliance on costly natural gas, halting the allocation of millions in taxpayer subsidies to utility companies, and focusing on improving energy efficiency and investing in cheaper, cleaner energy alternatives, the NY HEAT Act would not only provide immediate relief but also build a more sustainable and affordable energy future for all New Yorkers—ensuring no one is left out in the cold in weather like this.

The NY HEAT Act is common sense legislation that enables utilities and the state to work towards a planned transition off of the gas system in a coordinated way that does not exacerbate disproportionate burdens on low-income communities. When it comes to protecting rate payers, the NY HEAT Act simply codifies an existing 2016 state goal that no low or moderate income household pays more than 6% of their monthly income on utilities. It enables the PSC and utilities to evaluate existing bill saving programs alongside weatherization and energy efficiency services for low to moderate income customers, including but not limited to the Energy Affordability Program (EAP), HEAP, NYPA Renewable Energy Access and Community Help Program (REACH) credits, Weatherization Assistance Program (WAP), Empower +, AMEEP, Low-Carbon Pathways, Regional Greenhouse Gas Initiative (RGGI) program funding and more to make sure they are working cohesively to bring down energy costs for over-burdened customers. It would also allow the PSC to consider other cost saving measures such as more equitable rate making strategies to better distribute cost burdens. With enhanced coordination, it is completely feasible to assume the state can accomplish its affordability goal, which will help 1 in 4 households across the state.

Green Affordable Pre-Electrification (GAP) Fund

Improving access to energy efficiency programs is another cost saving measure to help lower utility costs. We urge the legislature to fund theGreen Affordable Pre-Electrification Fund, which would allocate $200 million to help low-income households address the barriers that prevent many households from accessing energy efficiency programs due to environmental hazards in their homes. The $200 million Green Affordable Pre-Electrification (GAP) Fund is a proposed program that will help households address deferred maintenance issues and eliminate legacy environmental hazards like lead, mold, old roofs, and poor ventilation. By eliminating the overlapping physical and economic structural barriers to electrification, the GAP Fund is an essential first step to ensuring vulnerable New Yorkers have access to healthy and affordable electrified homes.

Low-income households often face the biggest barriers to energy efficiency, weatherization, and electrification due to living in older housing stock with deferred maintenance. In 2018, New York's Public Service Commission (PSC) reported that efforts by the New York State Research and Development Authority (NYSERDA), gas utilities, and the Weatherization Assistance Program (WAP) have only reached 12% of eligible low-to-moderate income households over the last 12 years, "leaving much to be accomplished" (PSC 2018, 53). The PSC acknowledged that low-income customers face unique barriers that prevent program participation that will require more prioritized attention. The 2021 Disadvantaged Communities Barriers and Opportunities Report identified the physical structure of an aging housing stock that cannot support new technologies as a barrier to reach of energy efficiency programs in disadvantaged communities.

Disbursement of Sustainable Futures Program

Governor Hochul's proposed $1 billion capital investment in climate over five years falls far short of the investments from a robust Cap-and-Invest program, where the lowest scenario modeled would produce $3 billion a year for climate action. After years of effort, the Scoping Plan is clear: cap and invest is the most cost-effective way to transition our state to a clean energy economy. We need strong leadership, not half measures. A robust Cap-and-Invest program can unlock billions for investments that drive economic development, cleaner air, and energy affordability in local communities—without placing burdens on the state's broader economy.

Without a robust Cap-and-Invest program, the legislature should direct the disbursement of the Sustainable Futures Program proposed by the Governor to holistic climate mitigation, adaptation, and resilience investments that directly improve the lives of disadvantaged communities, low-income communities, and communities of color, Specifically, we would prioritize investments that contribute to:

1. The reduction of co-pollutant emissions in environmental justice and disadvantaged communities;

2. The reduction of physical barriers to enable more comprehensive whole house retrofit readiness, energy efficiency, and electrification work

Specifically, these investments should provide direct benefits to these communities and result in tangible impacts while avoiding false solutions that fail to address the root causes of climate change and environmental injustice. To do this, the state could create a specific place-based program to intentionally direct these funds towards planning initiatives and projects with the highest impact for disadvantaged communities.

Sincerely,

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