



## MEMORANDUM OF SUPPORT

### **S.4158 (Krueger) / A.4870A (Simon)**

#### **SUMMARY OF LEGISLATION**

The NY Home Energy Affordable Transition Act (S.4158/A4870A), known as NY HEAT, is urgently needed to tackle the energy affordability and climate crises. The bill will free New York to pursue cost effective alternatives to costly gas infrastructure, end outdated subsidies for gas infrastructure expansion, and protect New Yorkers from unaffordable energy bills.

#### **STATEMENT OF SUPPORT**

NY-GEO, a not-for-profit trade association founded in 2014, represents the geothermal heat pump (GHP) industry in New York State. Our members include a wide range of professionals who install and advocate for the use of ground-source heat pumps throughout the state.

NY-GEO urges the NY Legislature to include NY HEAT in the budget for the following reasons:

#### **GAS PIPELINES ARE DRIVING UP ENERGY COSTS:**

New Yorkers are facing rising energy bills and extreme weather due to climate change. Heating bills are approximately 18% higher this year. While the cost of gas itself is low, the extreme costs of maintaining and replacing gas infrastructure are keeping energy bills high.

#### **WHEN UTILITIES INVEST IN GAS INFRASTRUCTURE, CUSTOMERS FOOT THE BILL:**

Utilities are raising rates to pay for billions of dollars in gas pipeline investments, even when there are cheaper, cleaner alternatives available. Gas pipelines cost between \$3 million and \$10 million per mile to construct, and these costs are passed on to customers through their energy bills. Utility shareholders also earn a return on equity for these investments, which further increases costs for consumers.

#### **ONE IN FOUR NY FAMILIES HAS AN UNAFFORDABLE ENERGY BILL:**

The impact of this unchecked investment is that 25% of households in our state see utility bills that exceed the nationally recognized energy affordability threshold of 6% of household income.

#### **NY HEAT PROVIDES COMMON SENSE SOLUTIONS**

The NY HEAT Act offers common sense solutions to New York's energy challenges. Specifically, Sections 3 and 6(1) allow for alternatives to gas pipeline investments when those options are more cost-effective and technologically feasible. Section 6(3) safeguards vulnerable customers by mandating that the Public Service Commission create a plan to ensure no household pays over 6% of their income on energy. Additionally, Section 7 eliminates the "100-foot rule," ending a subsidy that currently costs customers over \$200 million each year.

**Please support the swift passage of NY HEAT in our State's Budget**