



AMERICAN PUBLIC GAS ASSOCIATION

May 9th, 2022

Submission via email: roellt@nyassembly.gov; Cc: cusickm@nyassembly.gov, zebrowskik@nyassembly.gov, and engles@nyassembly.gov

Re: Written Testimony for public hearing on All-Electric Buildings to be conducted by the Assembly Committees on Energy, Governmental Operations, and Environmental Conservation, and the Assembly Climate Change Work Group on May 12, 2022

Dear Members of the Committees:

The American Public Gas Association (APGA) is pleased to provide comments to the Assembly Standing Committees on Energy, Governmental Operations, and Environmental Conservation, and the Assembly Climate Change Work Group. The subject of all-electric buildings and the feasibility and timing of requiring new construction to be all electric is very important to the public natural gas utilities in New York.

APGA is the trade association representing more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities. These include not-for-profit gas distribution systems owned by municipalities and other local government entities, all accountable to the citizens they serve. They provide safe, reliable, affordable, and clean energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

APGA's members in New York, the Village of Hamilton and Woodhull Municipal Gas Company, along with every APGA member, are good stewards of the environment, evidenced by the way they maintain and operate their utilities, and they recognize that natural gas can provide energy affordably and reliably to New York's residents and all Americans, in addition to proven environmental benefits. Natural gas has been a big driver behind the declines in carbon emissions in New York and our country as a whole, and the existing pipeline infrastructure should continue to play an integral role in reducing greenhouse gas (GHG) emissions.¹

APGA is especially concerned with the direction of policymakers in New York. There will be negative impacts to energy infrastructure and natural gas customers if all-electric building

¹ United States Environmental Protection Agency, "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020," <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>.

requirements are implemented. Additionally, New Yorkers will miss out on opportunities to keep the valuable public utility workforce employed and effectively utilize the infrastructure they operate. APGA hopes you will take the following into consideration as you debate all-electric policies and find the appropriate path to a clean energy future in New York.

1. Community-Owned Gas Utilities Ensure Energy Resiliency

Energy supplied by public natural gas utilities, like the Village of Hamilton and Woodhull Municipal Gas Company, play a critical role in ensuring energy resiliency in the communities they serve. A report by the Natural Gas Council reveals:

The operational characteristics of the natural gas transportation network, in combination with the physical properties of natural gas, effectively minimize the likelihood and severity of service disruptions. In the rare event of a disruption, impacts are typically localized and brief. History demonstrates that disruption of firm pipeline transportation and/or storage services resulting from severe weather events are extremely rare.²

Also, GTI Energy found:

Natural gas service disruptions are rare. On average, only 1 in 800 natural gas customers experience an unplanned outage in any given year. In comparison, electric system customers experience an average of one unplanned outage per year per customer.³

Reliable natural gas is needed for New York's households and businesses.

As well, natural gas generators provide numerous families and essential services with a dependable source of power when electricity is unavailable. While a natural gas generator is already cleaner than one powered by diesel, innovation is being explored to lower emissions even further. A Micro-CHP system, typically used in homes or smaller commercial applications, generates electricity by converting natural gas to power with minimal emissions.

A trustworthy and diverse energy supply is critical to both national and domestic security, and we urge the state to be mindful to protect New York's energy resiliency through the continued utilization of natural gas and the pipeline infrastructure.

2. Community-Owned Gas Utilities Deliver Affordability

² Natural Gas Council, "Natural Gas: Reliable and Resilient." <http://naturalgascouncil.org/wp-content/uploads/2019/04/Natural-Gas-Reliable-and-Resilient.pdf>

³ Gas Technology Institute, "Assessment of Natural Gas and Electric Distribution Service Reliability," <https://www.gti.energy/wp-content/uploads/2018/11/Assessment-of-Natural-Gas-Electric-Distribution-Service-Reliability-TopicalReport-Jul2018.pdf>.

Natural gas is a key component in maintaining affordability in the communities served by public gas systems, such as the Village of Hamilton and Woodhull Municipal Gas Company. Currently, consumers pay relatively low prices for the direct use of natural gas for their cooking, home or water heating, and clothes drying needs. Earlier this year, the Department of Energy (DOE) published its “2022 Representative Average Unit Costs of Energy,” acknowledging electricity is around \$42 per million Btu, and natural gas is about \$12 per million Btu.⁴ A study also shows households with all-electric appliances pay almost \$900 a year more than those that have the traditional mix of natural gas and electric homes.⁵ There is recent fluctuations in the market given global events, but natural gas is still proving to be the most inexpensive fuel.

The affordability of natural gas is a key tool in addressing the social equity concerns posed by household energy burdens. A report by the American Council for an Energy-Efficient Economy (ACEEE) noted:

“energy insecurity — the inability to meet basic household energy needs over time — is gaining attention as a major equity issue. Examining energy burden gives an idea of energy affordability and which groups could most benefit from energy justice and energy affordability policies and investments.”⁶

ACEEE’s report further highlighted that low-income, African American, Hispanic, and Native American households are the demographics most impacted with higher energy burdens. Therefore, New York should not discount natural gas as a key resource in decreasing energy burden. Ensuring residents have access to the energy needed to heat their homes or water needs to be a focus of any state policy, especially in light of the necessity for equity and justice.

3. Community-Owned Gas Utilities Play an Important Role in a Low Carbon Future

Renewable natural gas (RNG) is pipeline-compatible, ultra-clean, and low-carbon. It is derived from the breakdown of organic wastes and can be processed to be used in existing natural gas infrastructure interchangeably with geologic natural gas in homes and businesses. Hydrogen has the capability to be blended with natural gas or possibly used exclusively; both have decreased emissions. In the future, blended hydrogen or hydrogen exclusively may be safely utilized in homes, businesses, and commercial applications. By preserving the natural gas infrastructure of today, New York’s public gas utilities can be a critical partner in delivering the low carbon fuels of tomorrow, ensuring sustainable energy for many years to come.

⁴ Department of Energy, “Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy,” <https://www.federalregister.gov/documents/2022/03/07/2022-04765/energy-conservation-program-for-consumer-products-representative-average-unit-costs-of-energy#:~:text=Table%201%E2%80%9494Representative%20Average%20Unit%20Costs%20of%20Energy%20for,%20%20240.00002446%2FBtu.%20%2011%20more%20rows%20.>

⁵ American Gas Association, Implications of Policy-Driven Residential Electrification, <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification/>

⁶ American Council for Energy-Efficient Economy, “How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burdens across the U.S.

APGA would like to reiterate that the Village of Hamilton, Woodhull Municipal Gas Company, and all our members are committed to providing reliable and affordable energy, while protecting the environment with minimal disruption to consumer choice. As the state pursues its GHG reduction policies, APGA requests consideration of the unique operating circumstances of New York's public gas utilities and encourages the continued utilization of their valuable infrastructure and experienced workforce in achieving the state's clean energy goals.

If you would like to talk more, don't hesitate to reach out to my staff, Stuart Saulters (ssaulters@apga.org, 202-802-0493).

Respectfully submitted,



Dave Schryver
President & CEO
American Public Gas Association