

## **Utility Consultation Group comments on the draft recommendations from the Energy-Intensive Trade-Exposed Industries Advisory Panel**

March 3, 2021

The Utility Consultation Group appreciates the opportunity to submit input on the EITE Panel's draft recommendations. For purposes of these comments, the Utility Consultation Group includes the following companies: The Brooklyn Union Gas Company d/b/a National Grid NY; Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; KeySpan Gas East Corporation d/b/a National Grid; Municipal Electric Utilities Association of New York State; National Fuel Gas Distribution Corporation; New York State Electric & Gas Corporation; Niagara Mohawk Power Corporation d/b/a National Grid; Orange and Rockland Utilities, Inc.; and Rochester Gas & Electric Corporation. The Utility Consultation Group is supportive of helping the state meet the requirements of the CLCPA.

In summary, the Utility Consultation Group is very supportive of the EITE Panel's recommendations that near-term (first phase) opportunities should focus on energy efficiency to help industrial customers reduce usage. We recognize that this sector contains many varied industries and is very complex, not all readily electrifiable and requiring a longer transition to decarbonization as compared to other sectors. We support initiatives that will facilitate this sector's contribution to the CLCPA's emission reduction goals in a way that manages the costs of compliance and encourages the viability and growth of these companies in the state. This industry sector is ideal for the application of emerging technologies, such as hydrogen, renewable natural gas (RNG), and carbon capture / utilization / storage (CCUS); and research funds should be allocated for their application to NYS' industries.

### **Mitigation Strategy – Initiative #1**

Decarbonization of this sector can be achieved through other pathways beyond electrification, in order to avoid economic and emissions leakage from these industrial customers. We can create an economic competitive advantage for NYS by assisting these large commercial and industrial companies in meeting their CLCPA requirements while maintaining good-paying jobs, as well as tax revenues and support to local communities. As the state continues to add green jobs to its economy, this sector needs to maintain its workforce and should not bear an inordinate portion of the costs of transitioning to the new green economy. Ultimately, New York's goal should be to make these commercial and industrial companies future carbon reduction leaders in their respective industry while adding new green jobs to our New York economy.

### **Enabling initiative – Initiative #3**

This industrial sector is different from other energy end-users and will need multi-value solutions such as RNG and hydrogen systems. The utilities are supportive of immediate research investment to

develop these solutions. We encourage a significant emphasis on the proposed research funding and propose developing a scope of research work before setting the budget.

We also think that the timing for studies should be accelerated, and partnerships with industry expertise will help fast-track solutions. To this end, some of our utility companies are part of the “Low-Carbon Resources Initiative” (LCRI) launched by the Electric Power Research Institute and GTI. This is a five-year, collaborative effort supported by major electric and gas utilities to advance the low- and zero-carbon energy technologies needed for deep decarbonization within the next decade so they can be deployed in the 2030 to 2050 timeframe. Breakthrough technologies across the full energy value chain will be required to achieve decarbonization goals, and there are opportunities to combine and leverage resources across the utility industry. Advances in low-carbon electric generation technologies and low-carbon chemical energy carriers -- such as clean hydrogen, bioenergy, and RNG -- are needed to enable affordable pathways to economy-wide decarbonization.

LCRI will:

- Identify and accelerate development of promising technologies from around the world
- Demonstrate and assess the performance of key technologies and processes and identify possible improvements
- Inform key stakeholders and the public about technology options and potential pathways to a low-carbon future.

Additional information on LCRI can be found at <https://www.epri.com/lcri>. The participating utilities would be happy to coordinate a meeting with LCRI representatives if desired.

### Mitigation Strategy - Initiative #2: Low-Carbon Procurement Policies

While supportive of low carbon policies for corporate procurement that is GHG neutral, the utilities agree that this initiative should apply only to state procurement at this point. The many industrial and commercial businesses need to finalize their unique CLCPA compliance plan to continue operations. Managing the supply chain should be an independent market decision made by each company, not a mandate. By allowing the market to work initially, it will trigger a variety of possible solutions.

### Enabling initiative #4 Workforce Development

The utilities support the focus on clean energy workforce development, having experienced success with several local efforts. One example of NYS utility work in this space is National Grid’s partnership with SUNY Stony Brook and SUNY University of Buffalo to create an online energy certificate; there have been over 34,000 enrollments since its launch in September 2018. This course can be found at the following link: [https://www.coursera.org/specializations/energy-industry/?utm\\_medium=institutions&utm\\_source=suny&utm\\_campaign=UBTCIEpreenergy#instructors](https://www.coursera.org/specializations/energy-industry/?utm_medium=institutions&utm_source=suny&utm_campaign=UBTCIEpreenergy#instructors)

The utilities look forward to helping to synthesize this workforce development across the entire state, explore working with the State University of New York Community College System and consider statewide curriculum course offerings at the senior high school level as part of the already established

BOCES program. Finally, this initiative should be tied to labor, possibly the AFL-CIO Building Trades or Utility Labor Council.

#### Enabling initiative #6 Economic Incentives

Regarding economic development, the utilities are supportive of economic incentives provided by the state (i.e. Excelsior tax credits) and look forward to continuing to coordinate with the state regarding our local economic development programs that greatly help businesses within the state.

Also, the utilities support the utilization of dormant power plant sites, which could be expanded to other industrial sites that are natural hosts to clean energy development including renewable energy, energy storage, electric vehicle infrastructure, RNG and hydrogen demonstration projects, or clean energy manufacturing hubs similar to the concept being utilized with Offshore Wind ports. This could complement NYSERDA's Build Ready program for resource development and host community engagement. The utilities note that additional support will be needed for incremental distribution and transmission network upgrades.

Additionally, the utilities offer their expertise and capital to help develop new renewable resources. These additions would be part of a state-wide portfolio approach to achieving CLCLPA targets. Other utility development efforts could focus on decarbonizing projects such as RNG and green hydrogen.