

**BEFORE THE NEW YORK STATE PUBLIC SERVICE COMMISSION**

**Matter Master: 23-00902/23-G-0225**

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a National Grid NY for Gas Service.

**Matter Master: 23-00903/23-G-0226**

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National Grid for Gas Service.

**SANE ENERGY PROJECT STATEMENT OF OPPOSITION**

**May 1, 2024**

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# OVERVIEW

## OPPOSITION

Sane Energy Project opposes the Joint Proposal (“JP”) filed by Brooklyn Union Gas Company d/b/a National Grid NY (“KEDNY”), KeySpan Gas East Corporation d/b/a National Grid (“KEDLI”) (collectively referred to as “National Grid”) and the New York State Department of Public Service Staff (“NYS DPS”) on April 9, 2024.

This Statement of Opposition urges the Public Service Commission (PSC) to deny National Grid's request for billions of dollars over the next three years.

Sane Energy Project expresses concern to the PSC that the gas infrastructure replacement, refurbishment, and expansion proposed by National Grid exceeds the scope of a rational request for repairs to ensure safe and reliable service.

National Grid continues to file rate case proposals under the pretext of supporting the objectives of New York State's Climate Leadership and Community Protection Act of 2019 (CLCPA). However, it is disingenuous for the company to make such claims on the front page of a JP, as the proposal contradicts the very essence of the Act.

## THE JP VIOLATES NEW YORK LAW

This Joint Proposal falls woefully short of meeting the critical climate emissions targets mandated by New York State's Climate Leadership and Community Protection Act (“CLCPA”)

According to the latest emissions measurements as of 2021, in the 2023 Statewide Gas Greenhouse Gas (“GHG”) Emissions Report<sup>1</sup>, the state has only reduced NYS emissions 9% below 1990 levels, and we have to be 40% below 1990 levels in 6 years. The state's target of achieving a 40% reduction within the next six years will be unattainable if this Joint Proposal is accepted.

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<sup>1</sup> <https://dec.ny.gov/sites/default/files/2023-12/summaryreportnysghgemissionsreport2023.pdf>

The JP fails to adequately safeguard the well-being and interests of Disadvantaged Communities (DAC), perpetuating environmental injustices and exacerbating existing social, racial, and economic inequities.

Section 7(2) of the CLCPA requires the DPS to evaluate the potential impact on greenhouse gas (GHG) emissions and disadvantaged communities when issuing administrative approvals and decisions.

Section 7(3) and the CLCPA require the DPS to ensure their decisions do not disproportionately burden disadvantaged communities. It also requires agencies to prioritize reductions in GHG emissions in these communities.

To that end, it is unfathomable that the Greenpoint Energy Center is a line item to be awarded money to extend its life. The facility is located just 1,000 feet away from Cooper Park Houses, a low-income public housing community. Within this complex, the Frost St. Playground is an essential recreational space where neighborhood children congregate to exercise and play.

### **CONCERNS ABOUT TIMING THIS RATE CASE WITH LONG-TERM PLANNING**

The timing of this rate case and National Grid's submission deadline in case 20-G-0131 forms a too-short eclipse, with the proceedings barely intersecting. At the same time, the former approves substantial short-term spending and the latter plans comprehensively for the next two decades.

This raises concerns about allocating significant funds before completing a thorough assessment of actual needs. It would be more judicious to postpone National Grid's funding and rate hikes for at least the first year, allowing the comprehensive 20-year assessment to provide a clearer picture of the necessary investments and the alignment with New York State's emissions targets.

It is a risk of hundreds of millions of public dollars. Awarding National Grid an exorbitant sum to reinforce, refurbish, and expand gas infrastructure will ensure that New Yorkers remain shackled to a gas-dependent system well into the 2070s, considering the longevity of gas pipelines. Granting funding and permission for such projects without thoroughly scrutinizing plans for the decline and

retirement of the gas system is perilous. Failure to do so not only jeopardizes our ability to reach emissions targets but also endangers the very habitability of our planet.

### **KICKING THE CAN DOWN THE ROAD. AGAIN.**

As stated in our initial testimony, we want to see the retirement of the Greenpoint Energy Center.

We have mixed feelings about moving the detailed scrutiny and discussion of the Greenpoint Energy Center to another DPS docket. On the one hand, we appreciate the intention to thoroughly review various scenarios, potentially leading to a planned retirement date for the aging facility, which has no place in the 21st century.

On the other hand, our cautiousness stems from our experience in the 2019 rate case, where we challenged the construction of new vaporizers. An independent Assessor's findings revealed that National Grid's claims of an imminent need were unfounded.

Additionally, our 2019 protest against National Grid for misleading customers about gas shortages led to proceeding 19-G-0678, which investigated the denial of service requests by National Grid. Given this history, we are concerned that spinning out yet another proceeding could delay the shutdown of these emissions-producing facilities, further harming our community. While we acknowledge the importance of a comprehensive review, we must ensure that it does not become an excuse for postponing necessary action to address the urgent environmental and public health issues at stake.

### **WE EXPERIENCE UNRECIPROCATED GOOD FAITH**

Sane Energy Project's involvement in this rate case has been challenging. As a community advocacy organization engaging with a New York State agency entrusted with upholding our laws, we recognize the complexity of the changes we seek. Our accountability lies with thousands of community members, and we tirelessly pursue genuine and heartfelt advocacy despite operating on a fraction of the resources available to opponents like National Grid.

We participate in PSC proceedings, expecting our public servants to collaborate with us to address the climate crisis. Regrettably, our experience has been marked by the agency's lack of seriousness and urgency, which often appears to advocate for National Grid's interests over the public good. Despite New York State's reputation as a climate leader, we continue to encounter climate denialism, greenwashing, and superficial actions that undermine genuine progress, as exemplified by this Joint Proposal.

## **2023 WILDFIRES AND CATASTROPHIC FLOODS**

Sane Energy Project anticipated that the devastating effects of the Canadian wildfires and subsequent flooding would serve as a wake-up call. The smoke-filled skies from forest fires hundreds of miles away adversely affected every resident, and the flooding caused deaths, loss of pets, home destruction, and road collapse throughout the Hudson Valley.

The climate crisis is a health crisis. The Center for Disease Control's ("CDC") report<sup>2</sup> highlighted the severe impact on public health, with hospital traffic rising by 46% and asthma-associated Emergency Room visits surging by 82% statewide on June 7, 2023. The study also noted that the central part of New York experienced the highest increases in ER visits, more than twice as high. Despite these alarming consequences, National Grid continues to push for gas infrastructure expansion, seemingly disregarding the potential risks and implications for the environment and public health. The proceeding continued with discussions on capital expenditure reports, seemingly detached from the reality of the climate crisis unfolding in the state.

This indifference was evident in how some parties treated those advocating for a halt to assess the fire and flood situations and understand the power and responsibility everyone held to respond to these climate change effects. They were dismissed as unrealistic or uninformed, as demonstrated through voice, tone, and mood.

This Joint Proposal neglects to enact the extensive energy efficiency and home weatherization measures imperative to curb gas demand and mitigate the worsening climate crisis. Such

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<sup>2</sup> <https://www.cdc.gov/mmwr/volumes/72/wr/mm7234a6.htm>

shortsightedness further jeopardizes our efforts to achieve sustainability and preserve our environment for future generations.

This JP would exacerbate the problem by expanding gas infrastructure and encouraging new gas hookups in downstate areas if implemented. This approach neglects the crucial need for transitioning away from fossil fuels and perpetuates our reliance on greenhouse gas-emitting sources, hindering progress toward a more sustainable energy landscape.

These combined failures not only jeopardize New York State's ability to meet its climate emissions targets but also perpetuate environmental injustice and undermine efforts to mitigate the climate crisis through necessary measures such as energy efficiency improvements and a reduction in gas infrastructure.

## **SPECIFIC GAS PROJECT ISSUES**

### **Iroquois Enhancement by Compression Project (ExC Project) Contradicts Safety & Reliability Claims**

On January 24, 2024, Mr. Thomas Berkman, General Counsel for the New York State Department of Environmental Conservation ("DEC"), issued a letter to the DPS seeking a detailed statement regarding whether the ExC Project was justified in supporting the safety and reliability of the New York gas system.

We have deep concerns regarding the DPS response letter<sup>3</sup> sent on February 26th, 2024, by Robert Rosenthal and Chris Stolicky. The letter concluded that the Iroquois Pipeline Co. ExC Project is "necessary for continued expansion of safe and reliable service" under the pretext that DPS "reviewed the ExC Project from the perspective of its core statutory obligation to ensure the provision of utility service in a manner that is 'safe and adequate and in all respects just and reasonable.'"

We strongly believe that this conclusion is misguided and imprudent. At least five more years of gas demand growth in downstate New York, as found to be "reasonable" by the DPS, directly contradicts

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<sup>3</sup> <https://dec.ny.gov/sites/default/files/2024-02/dpsresponseletter.pdf>

New York's Climate Action Council Scoping Plan and is also out of step with multiple local and state laws aimed at curbing gas use and bringing down greenhouse gas emissions and air pollution, which were even mentioned in the very same letter.

The EXC project proposes to pump double the gas pressure through a 40-year-old, 414-mile-long pipeline by expanding compressor stations in Dover, NY, and Athens, NY, adjacent to elementary schools, Disadvantaged Communities, and small farm businesses.

This poses a significant infringement on the communities of Dover and Athens, particularly when the gas market is mandated to slow down by law.

Expanding a pipeline that must be retired to maintain safety is an incredibly irresponsible and expensive project. It contradicts National Grid's commitment to reliability, as it is not reliable to pump fuel from a distant source for just a few cold days a year.

Additionally, the letter from the DPS appears to be giving a subtle signal to the DEC, serving as a statement rather than a study and coming before National Grid has even conducted its Long-Term Plan.

### **LEAK PRONE PIPELINE COSTS**

It is deeply concerning to consider the allocation of billions of public dollars to replace aging infrastructure with the same technology that has demonstrated significant vulnerabilities. This not only perpetuates the risks of leaks and explosions but also represents a poor use of resources.

We must reconsider this approach and seek more innovative solutions.

Thermal Energy Networks have garnered support from unions, offering a path toward a more sustainable and efficient energy system. It is crucial that we embrace these forward-thinking alternatives and leave behind the technologies of the past. It is time for us to take a decisive step into the 21st century and work collaboratively to find a responsible and effective solution for the people of New York.



## GREENPOINT ENERGY CENTER, LONG-TERM PLANNING, AND RATE YEAR 1

As mentioned above, we appreciate the intention to thoroughly review various scenarios, potentially leading to a planned retirement date for the aging facility.

However, we are concerned about the decision to provide National Grid with over \$58,706,000 in Rate Year 1 without fully understanding the Greenpoint Energy Center's future plans. This allocation of funds seems premature, given that National Grid will not file its Long-Term Plan until May 31, 2024.

A more cautious and informed approach is necessary to ensure the project aligns with state climate laws and environmental regulations.

LNG - Barge Piping Decommissioning	-
LNG - Blanket	2,764
LNG - Boiloff Heaters/Steam Boiler Upgrade	175
LNG - Bulkhead Upgrade	100
LNG - Controls System Upgrade	1,038
LNG - Cyber Security Upgrade	1,452
LNG - Dike Stabilization Tank 1 East	-
LNG - Fire Protection System Upgrade	500
LNG - Flare Heater Refurbishment	50
LNG - Flare Refurbishment	1,500
LNG - Generators Upgrade	350
LNG - Hydrant & Deluge Piping Upgrade	595
LNG - New Control Room	200
LNG - Nitrogen System Refurbishment	1,239
LNG - Piping Insulation Replacement & Inspection	1,000
LNG - Plant Outlet Drip Leg	639
LNG - Pump Upgrade (Tank 1)	1,270
LNG - ReGen Heater Replacements	-
LNG - Relocate Maintenance Area & New Control Building	15,582
LNG - RNG Blanket	200
LNG - Salt Water Pump House Upgrade	15,506
LNG - Security System Upgrade	2,000
LNG - Solar Panels	-
LNG - Stormwater Drainage	100
LNG - Sub M - Sub L Interconnect	100
LNG - Tail Gas Compressor Upgrade	721
LNG - Tank 2 Foundation Heaters	600
LNG - Tank 2 Upgrade	-
LNG - Tank IPC Coating Upgrade	3,000
LNG - Truck Load/Unload Station - Long Term Supply	6,490
LNG - Turbo Expander Generator	-
LNG - Vapor Suppression System	1,290
LNG - Vaporizers 3 & 4 Replacement	1,610
LNG - Vaporizers 7 & 8 Replacement	435
LNG - Vaporizers 9 & 10 Replacement	-

**THIS IS NOT NORMAL.**



Drivers battling strong floodwaters during the storm.  
New York State Police

