

Pass the New York HEAT Act!

Gas Bills Are Out of Control

Gas use by buildings in New York is down 15 percent since its peak in 2018.¹ However, New Yorkers pay on average 34 percent *more* per unit of gas than in 2018. This is despite “city-gate” prices (those paid by local distribution companies for gas) being the same in 2023 as in 2018 — and even lower when accounting for inflation.² This apparent paradox is the result of utilities increasing the fixed “delivery” cost portion of the gas bill, which keeps revenues (and therefore profits) high, despite falling demand.³

While gas bills are up on average statewide, some utilities have increased delivery charges and gas bills at a far faster rate than others. For example, Consolidated Edison Company of New York (Con-Ed) — which covers New York City and Westchester (20 percent of gas customers statewide) — has raised delivery costs by 57 percent since 2018. This resulted in 2023 bills that were 47.5 percent higher than 2018, making them the highest in the state.⁴ New York City has long had some of the highest fixed charges for natural gas service in the country, but recent proposals would further increase those costs.⁵ For example, Con-Ed’s most recent proposal would raise the typical gas bill by \$46 per month — triple the proposed increase for electricity.⁶ Not only do Con-Ed customers pay exorbitant delivery fees; they also get a bad deal on the gas itself, paying a third more than the statewide average.⁷

Con-Ed is not alone in raising delivery charges. National Grid Long Island raised rates 22.3 percent in September 2024 (at least 90 percent of which were for delivery costs to pay for natural gas infrastructure). However, National Grid is raising rates again by 4.4 percent in April 2025, with another 9.7 percent rate increase scheduled for April 2026.⁸ All told, these increases will cost the typical customer \$60 per month.⁹

The NY HEAT Act Is an Essential Protection Against Unaffordable Bills

This rise in fixed costs causes bills for the typical household to increase faster than the bills paid by wealthy households, who burn far more natural gas.¹⁰ This means fixed charges disproportionately impact low-income households. (Low-income households also tend to use more energy per square foot, as landlords refuse to install basic energy efficiency technologies.)¹¹ This bill structure likely contributes to the fact that 28 percent of New York households are classified as “energy insecure” by the U.S. Energy Information Agency (EIA) — more than in any neighboring state.¹²

Without the NY HEAT Act, this situation is likely to worsen. As households go electric and end gas service, utilities are authorized to recover the same investment costs from a smaller customer base, resulting in potentially dramatic increases in delivery costs.¹³ In states with faster paces of household electrification, wealthy households have had the upfront money to switch first.¹⁴ The NY

HEAT Act will ensure that no household will pay more than 6 percent of its household income in energy bills.¹⁵ This is a critical protection to ensure that if low-income households are slower adopters during a transition from gas to electricity (as has historically been the case), they do not pay exorbitant bills.¹⁶

The NY HEAT Act Is Necessary to Stop the Costly Overbuilding of Gas Infrastructure

Despite falling demand, New York has continued to approve costly gas transmission infrastructure such as the Iroquois compressor station upgrade.¹⁷ New gas infrastructure not only costs money to build, but also contributes to the long-term crisis of stranded assets that generate no revenue after a switch to electricity.¹⁸ Limiting investments in gas infrastructure now is necessary to protect ratepayers from the cost of overbuilt distribution systems that are not consistent with the Climate Leadership and Community Protection Act (CLCPA).¹⁹ Despite this, gas utilities in New York continue to add more than 10,000 households a year to the natural gas system.²⁰

One cause of overbuilding and runaway delivery charges is the current mandate that utilities provide service to new customers within one hundred feet of the current natural gas distribution system, spreading the cost across the existing base of ratepayers.²¹ For example, in 2022 and 2023, National Grid's Long Island utility spent over \$145 million on gas infrastructure to add new customers to the system.²² Statewide, such hookups cost \$400 million in 2022 and 2023, according to a Synapse review of New York Public Service Commission filings, commissioned by the Natural Resources Defense Council.²³ These new line extension costs only represent the initial investment; expanding the gas system also creates additional maintenance obligations that will be passed on to ratepayers for decades to come. The NY HEAT Act would end this costly expansion by repealing the "hundred-foot rule."²⁴

Gas utilities have also justified spending billions on maintenance in the name of reducing methane emissions, while largely unsuccessful at combatting the dangerous climate emissions that appear endemic to gas use.²⁵ According to the Synapse study, utilities spent \$2 billion on "leak prone pipeline" replacement in 2022 and 2023.²⁶ In documentation submitted to the U.S. Department of Energy, investor-owned utilities in New York report that leaked gas increased 57 percent from 2018 to 2023.²⁷ A 2022 analysis of six U.S. cities found that, despite eight years of repair efforts, methane leakage remained high, largely from undetected sources.²⁸

Even if pipeline emissions were reduced, households would still face emissions from natural gas-powered appliances that emit methane and other carcinogens.²⁹ Modern water heaters have been shown to leak substantial quantities of natural gas (about 0.4 percent of gas that is combusted).³⁰ Gas stoves also emit unburned methane, even when not in use, resulting in the escape of about 0.8 to 1.3 percent of the gas used for the stove.³¹

The NY HEAT Act Is Critical to Ensuring no One Is Left Behind in the Electric Transition

The New York HEAT Act creates a pathway for an affordable neighborhood transition program that includes installation of new customer owned appliances and energy efficient materials.³²

Electrification would eliminate gas appliance emissions and the dangers of gas leaks, resulting in significant indoor air quality improvements.³³ A study of a WE ACT for Environmental Justice electrification pilot program in New York found a 56 percent decrease in average household nitrogen dioxide levels after swapping gas stoves for induction.³⁴

The affordable neighborhood transition program would help address the current disparity in heat pump adoption. As a result of inequitable access to energy efficiency technologies, renters and households in communities of color are less likely to use heat pumps, thereby paying more per square foot of heating.³⁵ As of 2023, less than 3 percent of New Yorkers have heat pumps.³⁶ About 75 percent of New Yorkers likely use heating equipment that is at least 15 years old.³⁷

This represents an opportunity to retrofit buildings with more efficient electric heating technology. A 2024 academic study found that 95 percent of New York households would have had lower energy bills in the winters of 2021 and 2022 if they had converted to all-electric energy use with a medium efficiency heat pump.³⁸ The remaining 5 percent would have had cheaper bills if they used a high efficiency cold-climate heat pump.³⁹ These savings increase as bills rise (even in cases where both electric and gas prices increase).⁴⁰

Endnotes

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