

New Yorkers for Clean Power Testimony Ignores the Costs

This is the full version of the shorter [published version of an article](#) that was too long but is available because it provides more detail and documentation.

On October 19, 2026 New Yorkers for Clean Power released a [video](#) of testimony it submitted at the Joint Legislative Public Hearing on the 2026 Executive Budget Proposal for Environmental Conservation and Energy held in Albany on January 28, 2026. Anshul Gupta, the policy and research director for the organization, laid out their position on implementation of the Climate Leadership & Community Protection Act (Climate Act or CLCPA). The testimony is a good summary of the arguments that clean energy advocates make about affordability, health, funding, building electrification, and distributed solar. This post responds to six claims in that testimony using analyses I have already published.

Overview

The testimony argues that "affordability is the dominant theme of today's energy zeitgeist" but that "the fossil fuel industry and their business partners are deceptively exploiting this to stall New York's progress towards a clean, sustainable, and ultimately more affordable energy future." It goes on to blame high bills on "the fossil fuel status quo and an aging energy infrastructure," and asks the Legislature to renew the \$1 billion Sustainable Future Program, fund building electrification programs, and lower the hurdles for distributed solar and batteries.

Note that the testimony was given before the FY2027 budget was enacted. The final budget included another \$1 billion for the Sustainable Future Program, but it also included major rollbacks to the Climate Act. The advocates got their money, but the Hochul Administration has now admitted that the original schedule was unaffordable. That admission makes the claims in this testimony worth checking.

What Is Affordable?

I agree that affordability is the dominant energy issue today. Where I disagree is the claim that anyone raising affordability concerns is deceptively exploiting the issue. The fundamental problem is that the Hochul Administration has never documented the costs of the Climate Act, and the State has never defined what is affordable. It is rich to claim that critics are exploiting affordability when the State has yet to establish an affordability metric for the safety valve in Public Service Law (PSL) §66-p(4).

PSL §66-p(4) allows the Public Service Commission (PSC) to "temporarily suspend or modify the obligations" of the renewable energy program after a hearing if it finds "a significant increase in arrears or

service disconnections that the commission determines is related to the program." In my Climate Act affordability status article I explained that there are no criteria defining acceptable affordability bounds for Climate Act implementation. The PSC has never defined "safe and adequate electric service" or a "significant increase in arrears or service disconnections." My review of the 2026 Draft Clean Energy Standard Biennial Review found that the draft does not advance the issue. Without defined criteria, the safety valve is a theoretical option that cannot be triggered in practice.

The only affordability metric the State uses is the PSC target that the energy burden should be at or below 6 percent of household income for low-income households. That target only covers electricity and natural gas utility costs. It does not include people who heat with fuel oil, propane, or wood, and it does not include transportation energy, even though the Climate Act requires electrification of both. Worse, I have been unable to find any documentation describing how many customers meet the 6 percent criterion, much less how those numbers are changing.

Meanwhile the evidence that there is an affordability problem keeps piling up:

- As of December 2025, more than 1.3 million New York households were at least 60 days behind on their energy bills, collectively owing more than \$1.8 billion.
- The State Energy Plan estimated that the energy system will require \$120 billion in annual investments through 2040, equivalent to \$1,282 per month per household.
- Department of Public Service staff estimate that Climate Act residential impacts range from 4.6 percent to 10.3 percent of 2023 monthly electric bills, and those estimates are conservative because most of the costs have not yet hit bills.
- NYSERDA's own analysis shows that, for an upstate moderate-income household heating with natural gas, Climate Act compliant equipment adds about \$594 per month, roughly a 43 percent increase or about \$7,000 per year, compared to a conventional replacement path.
- The leaked NYSERDA memo said that full compliance with the original law could cost upstate oil and natural gas households more than \$4,000 a year.
- When I added up the State's own cost estimates, I found that the total cost of the Climate Act will likely exceed \$1 trillion between now and 2050. If my estimate is wrong, it is incumbent on the State to provide the correct value.

I have proposed objective triggers for the safety valve. In an April 2025 filing I suggested that a hearing should be held if the low-income energy burden exceeds 8.6 percent statewide, utility arrears or disconnections rise by 15 percent or more year-over-year, or Climate Act-related riders push average residential bills 10 percent above the five-year trend. Those numbers can be debated. What cannot be defended is having no numbers at all. As I said in my affordability presentation, without a clear affordability boundary there is no real cost constraint, and affordability becomes a political slogan instead of a measurable requirement.

So, what is affordable? Until the State defines affordability, tracks it, and reports on it, New Yorkers for Clean Power cannot claim that their vision is "ultimately more affordable" because that claim cannot be checked.

Health Benefits Claims Are Weak

The testimony claims that "prolonging our dependence on fossil fuel sets the stage for costlier and more volatile energy, not to mention higher pollution and healthcare costs." This is a common claim, and it is a subject I know well. My analysis of the Draft State Energy Plan Health Benefits chapter found that the health benefits claims are not supported by the observed data.

The Draft Energy Plan claimed that the Additional Action scenario would produce nearly \$65 billion in societal value between 2025 and 2040, including thousands of avoided premature deaths and asthma emergency room visits. If those benefits are real and substantial, then the historical air quality improvements should show up in the health records. They do not.

I compared observed PM2.5 concentrations with county asthma emergency department visit rates for the monitoring stations NYSERDA used in its own analysis. Only two of the 16 comparisons showed a positive relationship between pollution and asthma visits, and most of the correlations were negative. Correlation does not prove causation, but no correlation means there cannot be causation. Asthma emergency visits are affected by many factors, including access to primary care, socio-economic conditions, and other confounding factors, so it is not surprising that changes in air quality do not explain them.

I also put the projections in context with observed variability. The projected PM2.5 reductions for every scenario are smaller than the range of observed year-to-year concentrations. The largest projected reduction of 3,600 asthma emergency room visits is only 24 percent of the standard deviation and 7.6 percent of the range of observed visits before Covid. In other words, if the projections are correct, nobody

will be able to see the benefit in the observed data. Furthermore, the modeling approach over-simplified the source-receptor relationships by using only four wind directions, and the alleged model verification compared future projections to past observations, which is not a valid verification at all. David Dibbell made the same point in his Draft Energy Plan comments: given the regional trends, there is no conceivable way to confirm a cause-and-effect relationship for whatever health outcomes emerge in the State.

I am not saying there are no health benefits to reducing air pollution. My point is that New York's air quality has already improved dramatically, the remaining benefits from eliminating fossil fuels are small relative to natural variation, and they do not justify the costs. If there is a pollution problem from the electric sector, there is a cheaper solution. NYISO found that during the June 2025 heat wave old New York City gas turbines produced about 2.5 percent of in-city energy but caused 28 percent of the NOx emissions, and replacing that output with modern combined-cycle units would cut those emissions by 89 percent. That kind of practical fix is not possible in a policy framework that treats any new fossil investment as off limits.

What Caused the Unaffordability Crisis

The testimony states that "our energy unaffordability crisis is the product of the fossil fuel status quo and an aging energy infrastructure." There is some truth in the second half of that statement. Natural gas prices did increase wholesale prices in 2025, and there is an aging infrastructure problem. However, the testimony ignores that state climate policy is a cause of both problems.

My recent article on what Blakeman could do and what Hochul did to New York utility costs documents how the Climate Act and RGGI have increased costs:

- The System Benefit Charge and related clean-energy charges total about \$1.3 billion a year.
- I estimate RGGI direct allowance costs in New York at \$0.7 to \$1.1 billion a year at current prices, and total ratepayer costs including the wholesale price effect at \$1.6 to \$2.2 billion.
- When Governor Hochul took office the RGGI allowance price was \$9.30. Auction 73 in September 2026 cleared at \$37.65, and the Cost Containment Reserve that was supposed to protect consumers is not containing prices.
- The typical residential customer cost of RGGI at the Auction 73 price is \$91 to \$125 a year, a cost that has nearly quadrupled since 2021.

- NYSERDA's memo estimated that complying with the original law through cap and invest would push allowance prices to \$179.80 per ton in 2031. At \$120 per ton, I estimate cap and invest would add 6 to 7 cents per therm to gas, 1 to 2 cents per kWh to upstate electricity, and 4 to 5 cents per kWh downstate.

The NYISO market monitor agrees that retail bills are rising mainly because of transmission and distribution charges, but no one asks how much of that spending exists because of the Climate Act mandates. The same market monitor identifies RGGI compliance costs, along with gas prices, as the primary reasons wholesale charges have risen.

The "aging energy infrastructure" problem is also a product of state policy. State policy has caused 3.7 GW of fuel-secure retirements since 2019, while the 12 GW of 40-plus-year-old fossil units still in service have seen capacity factors rise 84 percent and time on outage rise 29 percent. The State has made it nearly impossible to build or repower fossil units, so the old ones are run harder. The testimony also says that "New York has seen little reduction in fossil fuel pollution since the enactment of the CLCPA." That is true, but one reason is the State's decision to shut down Indian Point. In New York, RGGI source emissions had been reduced 47 percent until Indian Point closed but the reduction dropped to 39 percent afterwards. The volatility the advocates complain about would be reduced by more pipeline capacity into downstate, but the testimony treats gas pipeline spending as part of the problem rather than part of the solution.

Sustainable Future Program and Cap-and-Invest

The testimony's first and foremost recommendation was that "it is absolutely critical that the \$1 billion sustainable future program is renewed each year with at least the same level of funding until the cap and invest regulations go into effect." Two questions need to be asked: where is this money coming from, and why should we expect it to provide emission reductions?

The answer to the first question is that it comes from New Yorkers. The Sustainable Future Program is a capital appropriation in the State budget, and capital spending is funded from State bonds, State pay-as-you-go taxes and fees, and federal funds. When I reviewed the FY2026 Executive Budget climate funding, I noted that what was missing was any specifics about the expected results of the expenditures. The [plan for the second \\$1 billion installment](#) allocates \$500 million to building decarbonization, \$300 million to renewables including \$200 million for NY-Sun solar incentives, and money for schools, forests, parks, and recycling. The announcement describes how the money will "save New York families money" and "reduce building emissions," but there is no accounting of how many tons will be reduced or at what cost per ton.

Calling taxpayer money an "investment" does not make it free, and a billion dollars a year is a billion dollars that could have been left with taxpayers.

The second question is easier to answer because New York has a long track record investing climate program revenues. RGGI is a cap-and-invest program, and the results of the investments are not encouraging. In my article on [Hochul and RGGI affordability](#) I used the State's own reported program benefits to estimate a cost of approximately \$583 per ton of CO2 reduced, and found that RGGI-funded investments accounted for only about 4.7 percent of the New York electric-sector emission reductions observed since the program began. Regionally, my [June 2026 review of the RGGI investment proceeds report](#) found that RGGI-funded programs accounted for only 8.7 percent of the observed reductions. The main reason for the reductions was [fuel switching from coal and oil to natural gas](#) that would have happened anyway because of low natural gas prices. In my comments on the [2026 RGGI Operating Plan](#) I also showed that NYSERDA has allocated \$178.5 million to programs that will increase utility emissions. NYSERDA does not prioritize emission reductions when it spends this money, and there is no reason to expect the Sustainable Future Program will be any different.

There also is no reason to expect a New York Cap-and-Invest program to provide emission reductions just because it has a declining cap. RGGI is now testing that theory. The RGGI states approved a cap trajectory that [cuts allowances by more than 10 percent of the 2025 budget each year from 2027 through 2033](#), a pace the region has never sustained. Emissions have been flat since 2019. My analysis shows that the allowance bank [could run out as early as 2032](#), at which point affected generators must shut down or operate out of compliance. A cap does not create zero-emissions alternatives. When the alternatives are not available, a cap only raises prices until there are no allowances left. The [lessons from RGGI for cap-and-invest](#) are that these programs are good at raising money and poor at reducing emissions cost-effectively. The NYSERDA memo that convinced Governor Hochul to postpone cap and invest projected \$4,000 a year cost increases for upstate households precisely because the economy-wide cap would have to be met without the necessary alternatives in place.

Two Million Homes by 2030

The testimony claims that "with adequate and stable funding for Empower Plus, green affordable pre-electrification, weatherization assistance program and clean heat programs with heat pump assistance for oil and propane customers, we can lower energy bills and meet our target of 2 million electric or electric ready homes by around 2030." This is not a reasonable expectation.

Governor Hochul's goal is one million electrified and one million electric-ready homes by 2030. When the goal was announced, the plan called for increasing the annual heat pump installation rate from about 20,000 units to more than 200,000 units by 2030. In 2025, the Clean Heat Program and LIPA together supported 28,608 heat pump projects statewide. At that rate New York would add fewer than 150,000 heat pump projects between now and 2030. In my 2023 article on all-electric homes I noted that HeatSmart CNY had only helped about 150 Central New York homeowners replace their heating systems in four years. NYSERDA's own Energy Plan Pathways analysis says that under current policies the State will have about 1.4 million residential heat pumps in the stock in 2040, ten years after the target date for one million electrified homes. The State's own planning agency does not think the target will be met.

The claim that these programs will "lower energy bills" also needs to be checked. I agree that heat pumps make the most sense for homes heated with oil, propane, or electric resistance, and that weatherization lowers bills. However, most New York homes heat with natural gas, and the costs to convert them are high:

- The Empire Center estimated that the cost of installing a heat pump and weatherizing a home ranges from \$14,600 to \$46,200, 20 to 70 percent of median household income in lower-income counties, with payback periods of 8 to 19 years.
- Richard Ellenbogen's analysis of Con Ed prices found that heat pump customers pay about 35 percent more per therm than gas customers over the heating season, 46 percent more in the core winter months, and 56 percent more on the coldest days.
- NYSERDA's own Energy Plan affordability fact sheet claims savings of \$100 to \$300 a month when the CLCPA building and electric vehicle mandates are met, but those projections do not cover the costs of the equipment needed to make the reductions. When those costs are included, the result is a \$594 per month increase.
- Even advocates pushing new heat pump rates in the Grid of the Future rate petition compare annual energy bills without including the installed cost of equipment, ductwork, electrical service upgrades, or building envelope improvements. A rate discount that improves the bill comparison does not make the capital cost go away.

Subsidies do not change the total cost. They shift it to taxpayers and ratepayers, and the households that cannot afford to electrify end up paying for the households that do. Every home that converts also adds winter peak load to an electric system that is already short of dependable capacity.

Sunshine Is Not Free

The final claim I address is that "lowering the cost and interconnection and permitting hurdles for distributed energy resources like solar and batteries will reduce grid strain, unleash much needed new electricity generation fueled by free in-state sunshine, and lower electricity costs for all New Yorkers."

Saying that in-state sunshine is free is misleading. When all the support costs are included, more distributed solar will not lower electricity costs for all New Yorkers.

When NYSERDA used the same argument in a solar quiz, I pointed out that sunlight may be a "free" energy source but there are costs to collect and use that energy. In my opinion the worst subsidy for residential solar is the unacknowledged cost to provide grid energy when the sun does not shine. Somebody else pays for the storage or alternative resources necessary so that solar-equipped homes can pull energy from the grid at any time. My article on solar subsidies in New York found that the costs for energy storage and the firm resources needed when there is little to no wind and solar were more than half the total cost of a zero-emissions grid. Those costs are not paid by the solar developers or the solar homeowners. Richard Ellenbogen has explained that solar at \$40 to \$60 per MWh rises to \$110 to \$150 per MWh when storage costs are added, 50 to 70 percent more than the existing cost of electricity in New York.

The claim about the ASAP Act, the bill the testimony asks the Legislature to pass, is no better. When [Senator Harckham touted](#) a study claiming that the ASAP Act would provide an estimated \$1 billion in annual savings for ratepayers, I explained that net metering and Value of Distributed Energy Resource credits shift revenue shortfalls onto non-participants, interconnection and distribution upgrade costs are socialized, and incentives are funded through surcharges. Unless a study accounts for those rate-base effects, "\$1 billion in savings" can easily mean \$1 billion in shifted costs. The fallacy of cheap solar is that poor rate designs hide solar's true costs, making it seem affordable while raising rates for everyone else, and the customers left paying are often less affluent.

Distributed solar also does not reduce grid stress when the grid is most strained. New York's peak loads are moving to winter, and the winter peak occurs after the sun goes down. Last winter proved the point. During the January 2026 snowstorm and cold snap, all the solar resources in New York produced virtually nothing from January 25 until early February when there were significant peak loads. My follow-up analysis showed that wind and solar produced less than 10 percent of the total energy for 17 consecutive days during an extremely cold period with high loads. Even in its best year, rooftop solar in New York

produced only 13 percent of its potential output. Spending more money on distributed solar that will not help address future winter peak loads is a waste.

In fairness, there are situations where solar makes sense. Ellenbogen's analysis showed that rooftop solar on medium and large downstate buildings that use all the energy they generate can be cost-effective without government support and does not cause negative net-metering impacts. That is a far cry from the claim that subsidizing more distributed solar will lower electricity costs for all New Yorkers. It is also worth noting that \$200 million of the Sustainable Future Program money the testimony wants renewed goes to NY-Sun solar incentives. Taxpayers pay for the "free" sunshine one way, and ratepayers pay for it another.

Discussion

The New Yorkers for Clean Power testimony is a good example of how Climate Act advocates frame the affordability debate. Every cost problem is blamed on fossil fuels, every program is described as an investment that will lower bills, and anyone who questions the costs is accused of deceptively exploiting affordability. What is missing is any documentation.

Consider the questions the testimony does not answer. What is the definition of affordable, and how will we know when implementation exceeds it? What are the total costs of the transition, and who pays them? How many tons will the Sustainable Future Program reduce, and at what cost per ton? Why should cap and invest reduce emissions when RGGI investments are responsible for less than 10 percent of the observed reductions? How will two million homes be converted by 2030 when the State's own modeling does not reach 1.4 million heat pumps until 2040? Who pays for the resources needed when "free" sunshine is buried under snow for ten days in the coldest part of the winter?

These are not questions raised by the fossil fuel industry. They come from the State's own documents. The Comptroller found that the PSC and NYSERDA plans did not project costs or assess what ratepayers can reasonably bear. The State argued in court that pursuing the 2030 target by the deadline would impose "insurmountable upfront costs". The Governor used a NYSERDA memo to postpone cap and invest. The Legislature rolled back the Climate Act targets in this year's budget. Those actions are an admission that affordability concerns are real.

Conclusion

New Yorkers for Clean Power wants the Legislature to "defend and uphold the CLCPA," keep the money flowing, and remove the obstacles to more solar and electrification. They claim this is "the real path

towards economic growth and affordability." My analyses show that the claims in this testimony do not hold up. The State has not defined what is affordable, so no one can say the transition will be affordable. The health benefits claims are not supported by the observed data. The Climate Act and RGGI have increased costs. The RGGI experience shows that cap-and-invest revenues do little to reduce emissions. The two million homes target will not be met. Sunshine is not free when all the support costs are included.

Before New Yorkers are asked to spend another dollar on these programs, the PSC should define the PSL §66-p(4) affordability criteria, the State should publish a full accounting of Climate Act costs, and every program should be required to report verified emission reductions and their cost per ton. Until that happens, the "clean, sustainable, and ultimately more affordable energy future" promised in this testimony is a slogan, not a plan.