February 6, 2017

S.688 (Ortt)

Title: Includes geothermal energy systems within the meaning of the term “qualified energy efficiency services” for purposes of on-bill financing under the Power NY Act of 2011.

Purpose: This legislation will allow for geothermal technology to receiving funding under Public Authorities Law and expand the definition for “qualified energy efficiency services” to include geothermal energy systems.

Statement of Support: Geothermal heating and cooling is an innovative technology that uses thermal energy stored in the Earth, and brings that energy into homes and businesses through a series of pumps and heat exchangers. Buildings use 40% of the total energy use in New York State, mostly via natural gas, propane, home heating oil combustion or electrical resistance heating. Fossil fuel combustion and electricity production (via gas/coal fired power plants or nuclear facilities) have negative environmental consequences through greenhouse gas emissions, generation of toxic waste and air pollution, excessive use of water resources and harmful extraction mining. These impacts are significantly minimized by geothermal heating and cooling. Since geothermal heating and cooling use energy stored in the ground, it is not dependent on time of day or year, and works in all weather and in every climate.

In addition, geothermal heating and cooling has a positive economic effect on the state's utilities because it lowers the need for expensive energy infrastructure necessary for only a few days of the year when the need for air conditioning spikes. Economic as well as health benefits are also passed on to the building owner/occupants in the form of better indoor air quality and lower operational costs for heating and cooling.

S.688 allows funding from the already established Power NY Act of 2011 – and more specifically “on-bill financing” – to be used on geothermal technologies. On-bill financing makes funding available to homeowners/residential customers and spreads out the payback period, thereby allowing homeowners to largely offset the loan payment through annual savings on their utility bills. If the homeowner ever stops paying, investors, and the state fund are partially protected by a reserve fund, and the state recoups its money if and when the utility collects payment.

Geothermal heating and cooling systems are New York's best alternative to achieving net zero energy goals, but in order to promote and facilitate the technology’s growth, it deserves the same financial encouragement as other desirable energy sources like wind and solar.

Sierra Club Atlantic Chapter Strongly Urges Your Support Of S.688