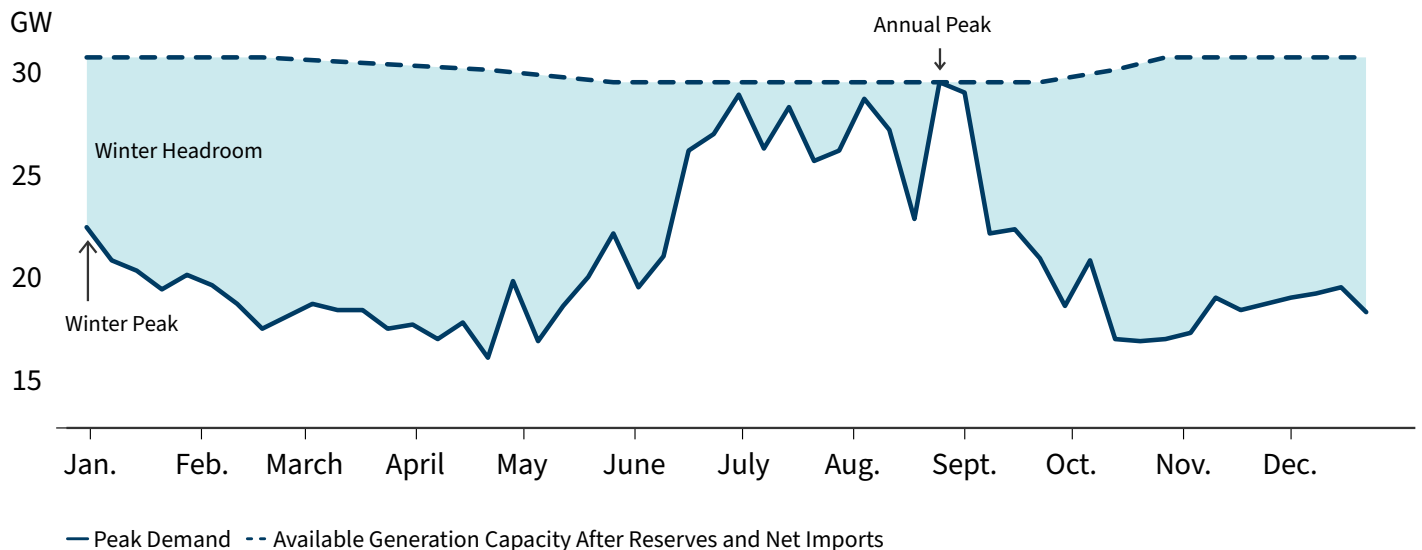


New York can put downward pressure on electricity rates by deploying heat pumps to better utilize the grid

Increase grid utilization



New York has roughly 8.4 gigawatts of winter headroom, resulting in underutilized winter grid capacity. This is enough room to add a mix of all-electric and hybrid heat pumps in 3 million homes — **11 times the number today** — within the current grid. This makes better use of New York's existing electric grid.

Reduce electricity rates

13%



Heat pumps can increase electricity sales without expanding generation capacity, putting downward pressure on electricity rates. Upgrading all these 3 million homes with heat pumps could reduce electricity rates for all residential customers by roughly 13% relative to what they would otherwise be, **saving New Yorkers \$206 annually, or \$1.5 billion per year across all residents.**

Reduce emissions

40%



Upgrading 3 million homes to heat pumps could cut New York's residential **emissions by 40%, or 14.5 million tons of CO₂.**

See policy recommendation on the next page.
Read the full report at <https://rmi.org/>

Policy recommendations

- 1.** The governor should **reaffirm New York's 2030 goal of 1 million electrified homes as an explicit part of New York's electricity affordability plan** to drive electricity rate improvements.
- 2.** NYSDERDA, the Department of Public Services, and utilities should **sustain and expand heat pump and weatherization incentives**, aligning support for both all-electric and hybrid systems to maximize downward pressure on electric rates.
- 3.** The Public Service Commission should **reform residential electric rates through rate-design proceedings** to better reflect seasonal and marginal system costs, including the lower cost of serving heat pump off-peak load.
- 4.** The Department of State and Code Council should **update the State Building Energy Code to encourage heat pumps when central air conditioners are replaced**.
- 5.** New York localities should **enforce New York's all-electric new construction standards** as soon as possible once *Mulhern Gas vs. Mosley* is closed.

