



## NEW YORK GEOTHERMAL ENERGY ORGANIZATION

December 11, 2025

The Honorable Kathy Hochul  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

Dear Governor Hochul,

We, the undersigned members of the New York Geothermal Energy Organization (NY-GEO), write to encourage you to sign the 100-Foot repeal bill (A8888/S8417). The 100-foot rule costs New York ratepayers \$500 million per year and continues to unevenly subsidize a system that is unhealthy and unsafe.

Under the existing 100-foot rule, ratepayers are responsible for sharing the costs of new connections to natural gas pipelines within 100 feet of the property line. The original premise for this rule was to encourage switching from more polluting heating fuels, like oil and coal, to natural gas. We now have cleaner and more efficient ways to heat, cool, and power our homes, particularly geothermal heating and cooling, which performs consistently throughout the year, reduces home energy bills, and stabilizes an already fragile grid. By signing the 100-foot repeal bill, customers will not return to coal and oil. They will, however, be more incentivized to adopt better solutions for their homes, for their pocketbooks, and for the state of New York.

The 100-foot rule was also intended to save ratepayer dollars. That may have been true when natural gas was a new and growing technology. We know it now not to be true. The 100-foot rule costs New York ratepayers millions every year. In 2021, ratepayers paid \$581 million to extend gas service to new residential heating customers, not including costs for gas main extension for NYSEG, O&R, and RG&E<sup>1</sup>.

In Maryland, where the Public Service Commission adopted a rule eliminating ratepayer-funded subsidies for gas line extensions, estimates for excess costs to ratepayers were staggering:

- BGE: to fund the \$103.5m for new business and capacity expansion in 2025, ratepayers would pay a total of \$397m. That's 3.8 times the initial investment<sup>2</sup>.
- Washington Gas: to fund the \$56m of investments in new business and capacity expansion in 2025, ratepayers would pay a total of \$238m or 4.2 times the initial investment<sup>3</sup>.

Even more so are the projected savings:

- BGE customers would avoid responsibility for \$1.05 billion gas utility expenditures on system expansion through 2035. That translates to avoided rate increases totaling \$620m over the next 10 years<sup>4</sup>.
- Washington Gas customers would avoid responsibility for \$563 million in gas utility capital expenditures on system expansion through 2035. That translates to avoided rate increases totaling \$332m over the next 10 years<sup>5</sup>.

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<sup>1</sup> <https://www.lizkrueger.com/wp-content/uploads/2025/10/PULP-Testimony-Senate-RT-Oct-6-Corrected-FINAL.pdf>

<sup>2</sup> [https://opc.maryland.gov/Portals/0/Files/Publications/Final\\_MD%20Line%20Extension%20Policy%20Changes\\_252%20PM\\_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d](https://opc.maryland.gov/Portals/0/Files/Publications/Final_MD%20Line%20Extension%20Policy%20Changes_252%20PM_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d)

<sup>3</sup> [https://opc.maryland.gov/Portals/0/Files/Publications/Final\\_MD%20Line%20Extension%20Policy%20Changes\\_252%20PM\\_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d](https://opc.maryland.gov/Portals/0/Files/Publications/Final_MD%20Line%20Extension%20Policy%20Changes_252%20PM_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d)

<sup>4</sup> [https://opc.maryland.gov/Portals/0/Files/Publications/Final\\_MD%20Line%20Extension%20Policy%20Changes\\_252%20PM\\_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d](https://opc.maryland.gov/Portals/0/Files/Publications/Final_MD%20Line%20Extension%20Policy%20Changes_252%20PM_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d)

<sup>5</sup> [https://opc.maryland.gov/Portals/0/Files/Publications/Final\\_MD%20Line%20Extension%20Policy%20Changes\\_252%20PM\\_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d](https://opc.maryland.gov/Portals/0/Files/Publications/Final_MD%20Line%20Extension%20Policy%20Changes_252%20PM_7.1.2025.pdf?ver=kBgOCB9k00NM3-Elu1sUtA%3d%3d)

Looking at these numbers, signing the 100-foot gas rule repeal is in the best interest of New Yorkers. By continuing to subsidize an outdated technology unaligned with the state's affordability goals, not only will existing ratepayers be left holding the bag, but so will new customers as the gas system shrinks, leaving stranded assets and costly retrofits.

Builders are discouraged from considering geothermal, the most affordable, efficient, comfortable, and climate-friendly way to heat and cool our buildings. Under this rule, a builder or building owner gets completely free gas infrastructure, prescribed by law, without bureaucracy, and without delay, requiring no up-front expense. The costs exist; however, they are simply borne by New Yorkers on a month-to-month basis through their utility bill and on a daily basis through poor air quality and GHG emissions.

The good news is that a repeal of the 100-foot rule won't leave builders without a viable option. In fact, with geothermal, they have a superior option. Thanks to your work with the Legislature on the 2025-2026 budget, New York has a 25% tax credit on geothermal installations that is capped at \$10,000 and is refundable for those with limited NYS tax liability. In addition, the utilities have requested that geothermal rebates be continued under the non-LMI BE/EE Implementation Plan, which DPS has approved. We project these measures will allow a typical new-build geothermal system to be installed on average at approximately the same cost as the aforementioned gas system. And with new changes in federal law, New York builders will soon be able to install these systems with zero or minimal upfront costs.

New York residents deserve an affordable, reliable, and clean grid. Geothermal heating and cooling is a battle-tested technology that checks each of those boxes. Our industry stands ready to help you to deliver on that promise.

Respectfully,

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About NY-GEO: NY-GEO is a non-profit trade organization representing geothermal heat pump (GHP) installers, manufacturers, distributors, drillers, consultants, and industry stakeholders from throughout New York State and beyond.