

For Immediate Release: March 11, 2021

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Citing continuing construction of controversial fracked gas projects, environmental groups and NYC Comptroller walk out of downstate National Grid rate case negotiations calling the process “an undemocratic path to climate disaster”

New York - National Grid has proposed to raise rates for its downstate New York customers to fund fossil fuel infrastructure, and climate advocates say the opaque process that determines how much money the corporate utility can charge customers and what fossil fuel projects can be built is not serving the public interest - so they are walking out.

Advocates decry a process that has taken crucial decisions out of the public view and instead doubles down on fossil fuel infrastructure that endangers our communities and our planet. National Grid has already spent over \$8 million on contested LNG vaporizers, \$10 million on controversial compressed fracked gas (CNG) facilities on Long Island, and a whopping \$57 million on the North Brooklyn Pipeline - a pipeline so unpopular activists chained themselves to the worksite multiple times last year to halt construction. These projects are in progress even before the New York Public Service Commission has made a decision on the utility's proposal to raise rates to build and maintain its gas system.

The walk out follows the release of a [scathing report by an independent monitor](#) accusing National Grid of having done little to address internal failings that led to its 2019 gas moratorium and a [letter](#) filed by a broad coalition of groups opposing a recent agreement between the utility and regulators to reduce the Company's obligations to fund clean energy.

Groups that joined the walkout include Sane Energy Project, No North Brooklyn Pipeline, Alliance for a Green Economy, Sixth Street Community Center, and Newtown Creek Alliance. Several individual parties also walked out.

New York City Comptroller Scott M. Stringer was also among the several parties who walked out of confidential settlement negotiations.

"With fracked gas already flowing through segments of the North Brooklyn Pipeline, it is past time to start acting on climate solutions to end the era of fossil fuel growth in New York. Our city deserves an energy system that is sustainable, affordable, and reliable," said **Comptroller Scott M. Stringer**. "We can't keep building fossil fuel infrastructure in defiance of our emissions goals and the reality of climate change. Our children and children's children deserve better."

Parties to the National Grid rate case have been negotiating since June 2020, and have yet to reach a settlement. Meanwhile, National Grid has used the time to move forward on fracked gas infrastructure projects, which thousands of New Yorkers oppose.

“We don’t make the decision to walk out lightly. We joined this rate case so that communities being harmed by National Grid’s dirty fracked gas infrastructure would have a seat at the table,” said **Lee Ziesche, Community Engagement Coordinator with Sane Energy Project**. “But at this point sitting at that table is legitimizing a process by which the utility keeps building controversial infrastructure while parties talk behind closed doors for months on end.”

The ongoing rate case settlement negotiations are confidential, so those walking out are limited in what they can say, but the parties point to public [rate case](#) documents that show that, over the course of this troubled rate case, National Grid has spent over \$80 million on community opposed fracked gas infrastructure, money the company presumably expects to recover by raising rates on their customers. This has all happened as Governor Cuomo’s Department of Public Service has allowed the proceeding to undemocratically drag on for months behind closed doors.

“It appears after participating in months of negotiations that the ongoing delays in the deliberations have only served National Grid’s aims to continue to build permanent fossil fuel infrastructure as fast as they can before more gas projects are prohibited by State climate law,” said **Katherine Thompson of the No North Brooklyn Pipeline Coalition**. “This goes against the demands of National Grid’s customers, and we are no longer willing to sit at the negotiating table with a utility that shows such blatant disregard for our communities and our climate.”

Rate cases usually take about a year from start to finish, but the convoluted National Grid downstate case has been going since the investor-owned utility first filed for a [rate hike](#) in April 2019. As part of the proposal, National Grid requested \$185 million for the controversial North Brooklyn Pipeline and hundreds of millions more to replace aging pipelines and extend the life of their aging Greenpoint storage depot.

Rate cases can be determined in two different ways in New York State. They can be litigated before Administrative Law Judges, a process that puts decision-making in the hands of five Cuomo appointees on the Public Service Commission to decide all the issues. Or the cases can be negotiated, a process by which the utility, regulators, businesses, public interest groups, and individual residents attend confidential meetings and try to hammer out a compromise to propose to the Commission.

The National Grid downstate rate case has not just been unusually long, it has also followed an abnormal process, and has been complicated by parallel proceedings where the Commission is considering issues that overlap with the rate case. Parties to the case first attempted to reach a compromise in 2019 and failed after National Grid imposed a widely condemned moratorium to

create political pressure on the state to approve the Williams NESE Pipeline, which led Governor Cuomo to threaten to revoke the utility's license to operate.

Parties then moved to litigation. As the rate case was litigated, thousands of New Yorkers participated in a parallel proceeding set up to investigate the moratorium and find a long-term solution to the energy needs of National Grid's customers. Members of the public submitted over 9,000 comments and attended virtual public hearings during the peak of the COVID-19 pandemic in New York City. The message from the public was that they were overwhelmingly opposed to any new fracked gas infrastructure and instead supported renewable energy alternatives and reducing gas use through demand-side solutions.

In June 2020, instead of issuing a public decision [as it said it would](#) on National Grid's long-term plan in the parallel moratorium investigation proceeding, and instead of ruling on the litigated rate case, New York State reopened settlement talks, shifting the discussion of controversial fracked gas projects into confidential settlement negotiations that are inaccessible to the general public.

This move forced a number of organizations and individuals to join the rate case as parties. After nine months of negotiation, many of them are now walking out in protest of the process they say has failed to serve the public interest.

"Having participated in a rate case for the first time, I walk away from negotiations with a feeling of despair and frustration," **said Margot Spindelman, a Greenpoint resident who joined the rate case because of the infrastructure being built in her community.** "While the country is rejoining the climate fight, New York is unwilling to grapple with the complex but utterly urgent necessity to transition away from fossil fuel, starting now. The utility regulation process favors profit making corporations at the expense of our deeply imperiled planet."

"Instead of focussing efforts to properly clean up their toxic legacy in North Brooklyn, National Grid continues to not just expand their fossil fuel infrastructure, but make the communities who continue to suffer from National Grid's pollution in our air, soil, and waterways pay for it," **said Willis Elkins, the Executive Director of the Newtown Creek Alliance.** "We stand with fellow parties in the rate case and the thousands of local residents who demand a just process and path towards cleaner and safer energy. "

"These 'stakeholder' proceedings have been little more than a sham intended to distract from the fact that shareholder profits driven by lucrative infrastructure deals were always going to rule the day," **said Robert Wood, another Brooklyn resident.** But the joke is on National Grid. Fracked gas is on the outs and National Grid—with plenty of help from the feckless state—will soon be left holding nothing but a bunch of useless pipes, with no part to play in the renewable future we're all working to build."

"Normally, we think settlement negotiations in rate cases, while time consuming and difficult, can be a productive way for public interest advocates to gain important changes from corporate

utilities. For instance, negotiations in the NYSEG/RG&E rate case last year resulted in that utility agreeing to halt gas sales growth, cancel some controversial gas infrastructure investments, and seek alternatives to future gas infrastructure projects,” **said Jessica Azulay, Executive Director of Alliance for a Green Economy.** “Yet, in the case of the National Grid downstate rate case, the convoluted process, the switching of decisions from one case to the next, and delays in reaching an outcome are providing the company time to simply build the infrastructure we all oppose.”

The walkout follows a packed [public hearing](#) last night where dozens of community members slammed National Grid’s proposal to expand their fracked gas storage facility in Greenpoint, Brooklyn, one of many controversial fracked gas projects National Grid has begun spending money before the Commission has decided on the rate case. Hearings are also scheduled for March 11 at 1pm and 5pm and a fourth hearing on March 18 at 5pm.

A broad coalition of groups including New York Communities for Change, Surfrider Foundation Food & Water Watch, All Our Energy, 350Brooklyn and 350.org as well as the parties walking out of the rate case have also all protested recent agreement between the utility and regulators to reduce the Company’s obligations to fund clean energy in a [letter](#) filed earlier this week.