



**Public Service
Commission**

For Immediate Release: October 15, 2026

Rory M. Christian, Chair

Contact:

Kim Mashke | Kim.Mashke@dps.ny.gov | (518) 474-7080

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26097/ 22-M-0429

PSC ADVANCES TWO UTILITY THERMAL ENERGY NETWORK PILOT PROJECTS

National Fuel Gas Distribution (NFG), Orange & Rockland (O&R) Projects to Move Forward with Customer Enrollment and Construction

Projects Will Help Meet Heating and Cooling Needs While Lowering Building Emissions and Creating Good-Paying Jobs

ALBANY — The New York State Public Service Commission (Commission) today authorized the advancement of two Utility Thermal Energy Network (UTEN) pilot projects in New York State. These projects - the National Fuel Gas Distribution Corp. (NFG) project in Buffalo and the Orange & Rockland Utilities, Inc. (O&R) West Loop project in the Village of Haverstraw — will move forward with customer enrollment and construction to utilize thermal energy from wastewater and geothermal borefields and connect multiple buildings through unified networks to bring clean heating and cooling to New Yorkers and stimulate jobs and economic growth.

Commission Chair Rory M. Christian said, “Department staff have worked tirelessly to review the utilities’ proposed pilot projects. Today marks an important milestone with the approval of two innovative projects that will meet New Yorkers’ heating and cooling needs while lowering building emissions and creating good paying jobs. The Commission is grateful for Governor Hochul’s leadership securing over 80% of the project costs through the Sustainable Future Fund, and all the stakeholders who engaged in this proceeding.”

The Commission also recognized O&R and NFG’s commitment to engage with a skilled union workforce during the construction and operation of their pilot projects. Skilled trade work related to these large infrastructure projects will be critical to their success. These projects represent a \$111.5 million investment in learning how utility thermal energy networks can meet the heating and cooling needs of New Yorkers and will utilize \$93 million from the State’s Sustainable Futures Program, dramatically lowering the cost to NFG and O&R ratepayers.

NFG Buffalo Utility Thermal Energy Network Pilot Project, authorized for \$61.4 million, will utilize a 4-pipe network configuration to supply heating and cooling within a disadvantaged community in downtown Buffalo to 12 affordable multifamily buildings and a municipal building. This project will integrate thermal energy from wastewater influent and geothermal boreholes to provide heating and cooling to the multi-family buildings and displace hot water boilers used as part of the existing Buffalo District Energy System. This project will reduce natural gas use in favor of a renewable thermal resource with the potential for expansion.

O&R's West Loop Utility Thermal Energy Network Pilot Project, authorized for \$50.1 million, will connect multiple municipal, commercial and residential buildings within a disadvantaged community, through a single pipe ambient temperature loop covering a multiblock area of approximately 10 acres. This project will utilize two geothermal borefields and a wastewater heat exchanger to provide heating, cooling, and domestic hot water to the participant buildings.

Today's decision also detailed, at length, an analysis to assess whether the utility projects, along with other similar projects proposed, were in the public interest.

The Commission declined to advance the other nine proposed pilot projects totaling over \$1 billion in requested ratepayer funds and addressed recovery of costs incurred to date.

Additionally, The Order directed Department of Public Service Staff to engage with utilities and stakeholders to solicit feedback on lessons learned to date to inform guidance on future proposals and inform the development of the Thermal Energy Network Roadmap. This Roadmap is called for in the State Energy Plan and will help further develop a regulatory framework to enable thermal energy networks, including waste heat policy approaches and other mechanisms.

Today's decision and all publicly available documents associated with it may be reviewed by going to the Department's Documents section of the website at www.dps.ny.gov and entering the Matter Number [22-M-0429](#) in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Department documents may also be obtained from the Department's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 ([518-474-2500](tel:518-474-2500)). If you have difficulty understanding English, please call us at [1-800-342-3377](tel:1-800-342-3377) for free language assistance services regarding this press release.