NEW YORK STATE HAS VIOLATED FEDERAL LAW BY BANNING GAS APPLIANCES AND INFRASTRUCTURE IN NEW BUILDINGS: LAWSUIT

Illegal Ban Could Devastate Businesses, Trigger Higher Prices, and Jeopardize the Electric Grid

Coalition of Businesses and Labor Say "Enough is Enough"

Plaintiffs Support the Transition to Greener Energy – But This Policy Is Tasked to the Federal Government, Not the States

Similar Law Struck Down in Berkeley, California

Albany, New York, (October 12, 2023) --- A coalition representing businesses and workers filed a lawsuit in Federal Court in the Northern District of New York today, accusing New York State of violating federal law by banning gas appliances and infrastructure in new buildings beginning December 31, 2025.

The suit seeks to declare the ban invalid and to block its enforcement on the grounds that it is preempted by federal energy law, the Energy Policy and Conservation Act (EPCA).

The suit is filed on behalf of businesses and workers who will feel the effects of this law. The plaintiffs include: Mulhern Gas Company; Plumbing Contractors Association of Long Island; National Association of Home Builders; New York State Builders Association; National Propane Gas Association; New York Propane Gas Association; Northeast Hearth Patio & Barbecue Association; Holmes Mechanical; Master Plumbers Council of New York; IBEW Local 1049; Plumbers Local 200; IBEW Local 97; and TWU Local 101. The unintended consequences of this illegal law are widespread and could negatively affect residents and communities from Niagara to Riverhead. Those effects could include:

- Forcing businesses to downsize, close or move out of New York.
- Sparking layoffs and reduced hiring needs.
- Triggering a significant increase in energy prices.
- Exacerbating the State's housing affordability crisis.
- Jeopardizing the reliability of an already overburdened electric grid.

New York's gas ban is preempted by federal law, is contrary to the public interest, and harms plaintiffs and the members they represent.

Earlier this year, the U.S. Court of Appeals for the Ninth Circuit in California unanimously struck down a similar gas infrastructure ban in Berkeley, California. The court held that Berkeley's ban on gas piping concerned the energy use of appliances covered by the federal Energy Policy and Conservation Act and was therefore illegal.

"Our clients are strong supporters of the State's climate goals, but the ban puts our clients and their members at risk," said <u>Sarah Jorgensen</u>, counsel for plaintiffs. "A mandate banning gas now is not reasonable or affordable, when New York's grid is already overburdened. And regardless, New York must comply with the law." <u>Courtland Reichman</u>, counsel for plaintiffs and RJLF's Managing Partner, also noted that "a patchwork system for national energy policy is unworkable. Nationally uniform standards on energy use and energy efficiency are the best way to promote conservation goals while ensuring energy security, domestic supply, and consumer choice."

"Tens of thousands of hard-working people in the national gas industry depend on their jobs. We embrace the goals of the CLCPA, and we support making the changes necessary to combat climate change. As a Business Manager, I am committed to advocating for the hardworking members of IBEW Local 1049. Their unwavering support and trust in me compel me to protect their invaluable jobs tirelessly. I am proud to safeguard their interests with utmost passion and dedication," said Pat Guidice, Business Manager, IBEW Local 1049.

"Hundreds of plumbers on Long Island rely on new construction to feed their families and pay their mortgages. This illegal law has basically ripped the rug out from underneath them. It's not about 'what if' things turn negative. We are already seeing new construction leave Long Island. We are in full support of a green economy, but we should talk about how to transition without ruining lives. Our message to the lawmakers who passed this bill without thinking of our 600 members and their families on Long Island: enough is enough," said Jimmy Russo, President of the Plumbing Contractors Association of Long Island.

"Local 200 and its members lead Long Island in the installation of cutting-edge gas technologies, including those related to gas installations in homes, hospitals, and commercial facilities. Natural gas is an essential transitional fuel that will help our nation as we move to greener energy sources. Our energy economy is in transition and federal law has set the standards that are guiding our industry. New York's gas ban will unnecessarily hurt New York workers by removing our members' jobs at time when we are already leading the nation in the expansion of alternative energy for New York residents. Local 200 stands with our members and joins this action to ensure the energy transition is completed via a unified national program and not an ad-hoc, state-by-state basis," said Richard Brooks, Business Manager, Plumbers Local Union No. 200. "There won't be a 'just transition' to a greener economy for NYC's blue-collar utility workers if this rushed ban on gas appliances and service goes into effect. New York will be destroying good union jobs that sustain working families in neighborhoods across the outer boroughs today and will be needed to sustain them the future. And the truth is New York's electrical grid is not even close to being prepared for this forced changeover to an all electric NYC and state. Until the grid has the capacity to run an all-electric New York, this is simply not good policy. In fact, it is a betrayal of working New Yorkers," said Constance Bradley, President, TWU Local 101.

"My family has worked for the people of the Hudson Valley for over a century. We have worked in blizzards, heatwaves, and tropical storms to deliver, install, and service propane equipment. Now, we have no idea what the future holds. We agree that a greener economy is necessary, but we must figure out how to implement a smooth transition that does not unnecessarily raise costs and impose burdens on families," said Rick Cummings from Mulhern Gas Co.

The case is *Mulhern Gas Co. v. Rodriguez* in the United States District Court for the Northern District of New York.

About Reichman Jorgensen Lehman & Feldberg LLP

Reichman Jorgensen Lehman & Feldberg LLP (RJLF) is an elite national trial firm that handles high-stakes commercial litigation, intellectual property, climate change litigation, and white collar disputes. From offices in Silicon Valley, New York, Washington, D.C., Austin, and Atlanta, the firm tries cases and argues appeals throughout the country. For more information, visit <u>www.reichmanjorgensen.com</u>.

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