

**MULHERN GAS COMPANY, INC**  
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## **\*NYS CAP & INVEST EXPLANATION & ESCALATOR CLAUSE 2025 ONLY**

On January 1, 2025, New York State is scheduled to implement its “Cap & Invest Program,” though it remains unclear if the state will be able to meet this start date. If implemented, this program will mandate the purchase of “carbon credits” by fuel dealers and industry across the state, at a price to be determined at auction in January of 2025. The “Cap & Invest” program and the auctions will be conducted under the auspices of the NYS Department of Environmental Conservation (NYSDEC). While propane has a much lower carbon content relative to other fossil fuels such as fuel oil, this mandated purchase of carbon credits will still result in an increase in propane prices.

Mulhern Gas, the New York Propane Gas Association, and our other industry partners have asked NYSDEC for price guidance on the upcoming credit auction. This would allow us to include the appropriate costs associated with “Cap & Invest” in our fixed price programs for the upcoming heating season. However, NYSDEC is unable to give any price guidance or cost range for carbon credits in the upcoming January 2025 auction. Unofficial industry estimates for carbon credit costs indicate an increase propane prices anywhere from \$0.20 to \$0.65 per gallon.

**As such, please be aware that after January 1, 2025, there is a possibility of additional charges, over and above your fixed propane price provided by Mulhern Gas, due to the proposed implementation of New York State’s “Cap & Invest” program.**

Please be advised that any additional charges would apply to our Pre-Buy Program for the 2025 heating season only. Once the carbon credit auction market is established, we will be able to include its additional costs in our per-gallon price at the beginning of future programs.

Rest assured that we here at Mulhern Gas will do everything in our power to minimize the burden of the Cap & Invest program on our customers. Any additional charges due to “Cap & Invest Program” can be paid separately as they are charged, or you may want to set aside a credit in your Mulhern Gas account to cover any additional charges. Please feel free to contact our staff to discuss what would work best for you.

Mulhern Gas believes increased use of low carbon fuels like propane and renewable propane needs to be a major part of New York’s environmental and energy future. To learn more, please visit our website at [www.mulherngas.com](http://www.mulherngas.com). And of course, if you have any comments or concerns with New York’s “Cap & Invest Program,” please feel free to contact your local state legislators.