

Assemblymember McMahon,

At this year's energy and environment budget hearing, you had questions and expressed concern regarding proposed refrigerant/HFC regulations in relation to grocers. As the Commissioner noted, we would encourage you, small grocers and their associations to submit comments on the proposed regulations (which can be done [here](#) – proposed language and info on two public comment hearings are on the page as well). Additionally, we wanted to provide your office with background on the proposal and the ways small grocers have been considered:

- There is no specific impact on small grocers from the proposed regulations. While there is a section of the regulation specifically for supermarkets (the Food Chain Replacement Program), that section does not apply to small grocers (rather it is aimed at large chains and large equipment). Small grocers may be impacted by the proposed rule in the same way that any business in NY may be affected. Namely, there will be a transition in what is available on the market when buying new equipment. The same transition is happening nationally and globally, following the same international treaty that transitioned us away from ozone-depleting substances like CFCs.
 - Additionally, the proposed regulations contain a variance process where the applicant can claim an 'Economic Hardship' variance by either: demonstrating it is located in a Disadvantaged Community (DAC) and is either a retail food facility or small business, or compliance would result in closure or a substantial loss of revenue. The variance should not be needed for small grocers as, again, they are not specifically captured, but we are including here for awareness.
 - The proposal includes a refrigerant management program that is based on California and EPA rules. (The CA program has been in place since 2010 with other states, such as WA and NJ, recently adopting similar programs.) Here, entities with *large equipment* would report info to DEC on their equipment and refrigerant use or leaks. (Much of this is already required by the EPA so it should be easy for businesses to provide.)
- DEC conducted extensive pre-proposal outreach in the development and lead-up to the current step of the formal comment period for the proposed regulations. DEC started outreach in July 2022 with a Request for Feedback, followed by various webinars, etc. DEC held specific meetings and open office hours for food stores in 2023. Also, there were specific conversations with certain chains that work in DACs (such as Aldi and Topps).
- Finally, DEC provides grants to grocery stores in DACs to successfully demonstrate the use of sustainable refrigerants as a replacement for climate-altering greenhouse gas refrigerants. The projects are supported by the State Environmental Protection Fund (EPF) and are completed through a partnership with the North American Sustainable Refrigeration Council (NASRC) and the New York State Pollution Prevention Institute (NYSP2I). The 2024 Executive Budget proposal maintains the funding level for the demonstration program at \$500,00 within the EPF.

Please let us know if there are any questions. Always feel welcome to send inquiries to the DEC Legislative Affairs Team at: LegislativeAffairs@dec.ny.gov.

Best,
Logan

Logan Hardy




He/him/his

Deputy Director, Office of State Legislative Affairs

New York State Department of Environmental Conservation

625 Broadway, Albany, NY 12233-1010

P: 518-402-2797 | F: 518-402-9016 | logan.hardy@dec.ny.gov

www.dec.ny.gov |  |  | 

Assemblymember Barrett,

We wanted to follow-up on a concern you expressed at the budget hearing about DACs in rural areas:

- The Climate Justice Working Group finalized the disadvantaged communities criteria on March 27, 2023. The CJWG is required under the Climate Act to review the criteria annually.
- The CJWG used 45 indicators to identify 35 percent of census tracts in New York as DACs. The indicators for Upstate NY and LI census tracts were weighted separately from NYC census tracts to account for population distribution outside of an heavily populated urban area. This allowed for more rural communities to meet the DAC threshold.
- Additionally, the CJWG voted to include all households at 60% SMI, regardless of location, for inclusion as DACs for the purposes of benefits and investments. This allows for individual households that are outside of geographic DACs to be eligible for certain funding opportunities.
- Maps showing DACs can be found here: <https://www.nyserda.ny.gov/ny/Disadvantaged-Communities>

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