



The Climate Reality Project

NEW YORK STATE COALITION

Testimony for the Joint Legislative Hearing on the SFY 2024-25 Executive Budget Proposal

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The Climate Reality Project: New York State Coalition welcomes the opportunity to submit the following testimony for the 2024 Joint Legislative Budget Hearing.

The climate crisis came knocking at New York's doors with a vengeance last year, with bouts of smothering smoke from Canadian wildfires fueled by heat and drought, followed by a stunning once-in-a-thousand-year deluge in the Hudson Valley, only to be eclipsed by record-setting rain in New York City weeks later.

The future that the climate scientists have been warning us about for [decades](#) has arrived. Following solid science, New York passed the landmark Climate Leadership and Community Protection Act (CLCPA) in 2019 with emissions reduction targets modeled after the 2015 [Paris Agreement](#) adopted by 196 countries to limit human-caused climate damage, primarily from burning fossil fuels.

Pursuant to the CLCPA, a Climate Action Council including state agency heads, climate scientists, and industry leaders was convened to prepare a Scoping Plan with a blueprint for the state to meet the law's emissions targets. The climate crisis, the health impacts of pollution, the principles of economic and environmental justice, and the mandates of the CLCPA demand swift, powerful action by legislators.

We urge the New York State legislature to keep climate action among its priorities by including the following bills and appropriations requests in the NYS Senate and Assembly's one-house budget proposals.

Article VII TED Bill Requests

1. NY Home Energy Affordable Transition (HEAT) Act, A.4592-B|A.2016-B (Krueger/Fahy)

This bill will reform and modernize New York's Public Service Law and align utility regulation with state climate justice and emission reduction targets. Specifically, (a) it will repeal the subsidies (100-foot rule) and the entitlement for gas hookups (obligation to serve gas), (b) will implement the state's goal of limiting New Yorkers' energy burden to 6% of their incomes, and (c) minimize ratepayer impact from continued investments in the obsolescent gas infrastructure.

Climate & Jobs: New York's buildings account for more climate-destroying carbon emissions and adverse health impacts from the associated pollution than any other state in the US. Buildings are also New York's leading source of greenhouse gases, responsible for 32–40% of its emissions. At the same time, building electrification and energy-efficiency is the leading segment of New York's growing clean energy jobs.

Health: Although the fossil gas industry misleadingly promotes its product as “clean,” numerous studies have shown that gas stoves generate unsafe levels of indoor pollution and pose a serious health risk while avoiding regulatory scrutiny because there are no federal or NY State regulations on indoor air pollution.

Particulate matter, implicated in respiratory and cardiovascular diseases, is the most harmful pollutant released by gas burners. A meta study combining results from 41 different studies found that children living in homes with gas stoves had a 42 percent higher incidence of asthma, primarily due to nitrogen oxides released by burning gas. Carbon monoxide and formaldehyde are other unhealthy pollutants produced by gas stoves.

A key new study estimates that about 18.8% of all childhood asthma cases in New York can be attributed to gas stoves. In 2020, AARP warned its members of elevated dementia risk from exposure to pollution from gas stoves.

The outdoor pollution from burning fossil fuels in buildings accumulates more readily in dense neighborhoods with residents of relatively modest means. Similarly, smaller dwellings suffer higher concentrations of indoor pollution from leakage and combustion of gas linked to myriad health risks. As a result, the adverse health impacts from pollution from gas appliances are inequitable with a disproportionately higher burden borne by low-income communities, people of color, infants and children, pregnant women, the elderly, and those with preexisting health conditions.

Energy Burden: New York's Public Service Law allows utilities to recover most of the cost of service lines and meters for new gas customers from all ratepayers through delivery charges. This is akin to a regressive tax levied on ratepaying families and small businesses to fund new

gas hookups. This policy also distorts building economics in favor of an [uneconomical](#) fuel, and adds roughly [\\$200 million](#) each year to the rate base.

Aided by subsidized hookups, New York's gas utilities add tens of thousands of new customers each year, creating needless demand that contributes to higher prices of this supply-constrained commodity. With the US becoming the world's [largest liquified natural gas exporter](#), the days of cheap gas [are over](#).

Ratepayer Impact of Leak-Prone Pipe Replacement: "Natural" gas is mostly methane – an extremely [powerful](#) greenhouse gas – and the utilities like to claim that they are advancing the state's climate goals by stemming its leaks. That is just clever paltering though, because New York's climate [Scoping Plan](#) emphatically recommends strategic planning and eventual downsizing of the gas network to achieve the state's climate objectives, not wastefully laying brand-new pipes at the cost of [\\$6 million per mile](#).

For instance, in 2020, Con Edison received approval for a [25% increase](#) in gas delivery charges over three years, largely to pay for maintenance and upgrades of the gas distribution system. More recently, the utility requested [a billion dollars a year](#) in ratepayer funds for maintaining the gas system's reliability and distribution integrity, with 40% of it earmarked for replacing LPPs.

One big threat of a future cost spiral stems from the fact that new pipes – whether old mains' replacements or the fresh customers' service lines – will likely be utilized for only a fraction of their 60- to 80-year physical service lives. These pipes won't be delivering much, if any, fossil gas in just a couple of decades, and someone will be on the hook for massive charges associated with their accelerated depreciation.

Every new gas hookup or pipe replacement locks in utility profits, while adding to the burgeoning liability of stranded assets foisted upon ratepayers. It's inevitable that the state will need to come to the ratepayers' rescue, but that doesn't alter the fact that new gas investments serve the gas utilities' bottom lines at considerable public expense.

This bill directs the PSC to minimize long-term costs to customers by requiring gas companies to restructure plans for addressing LPPs to facilitate an orderly right-sizing of the gas distribution system.

2. Enhanced and Refundable Geothermal Tax Credits, S.8106/A.8588 (Kennedy/Rivera)

In order to transition to carbon-free heating and cooling we need to encourage building owners to replace these systems with non fossil-fuel alternatives. Geothermal or ground source heat pumps are far and away the most efficient heating and cooling technology available today. The legislature was wise to pass a 25% tax credit for geothermal heat pump installations in 2022. The recently introduced bill S.8106/A.8588 will draw further attention to this highly efficient form of heating and cooling by increasing the allowed tax credit from \$5,000 to \$10,000. The

increase reflects both recent inflation and the urgency of addressing climate. In addition, this bill makes the tax credit refundable, so lower-income New Yorkers, including many seniors who have a lower state tax liability, can take advantage of the credits.

There are many reasons why the state should encourage and incentivize ground source heat pumps (GSHPs), but the most important one relates to the future capacity of our electrical grid. GSHPs are highly efficient for both heating and cooling, and their performance does not decrease with falling ambient temperatures.

Last year, NYSERDA released a [Carbon Neutral Buildings Roadmap](#) as both a long-term planning document for New York's building sector to reach carbon neutrality by 2050 and as an action plan in the short term. In this report, NYSERDA concludes that an Air Source Heat Pump dominated electrification pathway could cost 90 billion dollars more relative to a Managed Scenario that includes shell improvements and a reasonable penetration of higher efficiency heating with ground-source heat pumps and thermal energy networks. That additional cost includes both the incremental cost of electricity generation and the incremental delivery infrastructure costs.

In reality, due to permitting and siting issues, this 90 billion dollars worth of extra renewable generation and transmission will not even be built in time, and the state will miss its decarbonization targets by a wide margin.

3. Alienation of Parkland, S.1179/A.7269 (Harckham/Levenberg)

This bill with bipartisan support in both houses provides an exemption from requirements for the alienation of parkland for certain renewable energy generating projects. Under this legislation, municipal, county or state parking lots would be exempt from going through the long, laborious and unnecessary parkland alienation process: current state law requires a local government to be considered for special legislation on a project by project basis to avoid having lost parkland replaced with comparable acreage.

Solar canopies, particularly those that have been built over parking lots, have become increasingly popular for the myriad benefits they can offer: a reduction in transmission costs; an increase in local renewable energy output/resiliency; the creation of community solar so that those unable to install solar can still have a renewable energy option; the availability of shade and comfort for parked vehicles during summer months; the ease of EV station integration; and an overall better and efficient use of current space.

Here is a list of additional benefits of solar arrays atop paved surfaces like parking lots:

- A. Such solar arrays ameliorate urban heat-island effect by shading the paved surface, which is prone to overheating.
- B. These solar arrays boost comfort and reduce pollution and energy wasted in cooling the cars by shading them in the summer. They also provide protection from rain and

snow. Shoppers would prefer a solar carport to an uncovered parking lot, boosting business activity.

- C. The electricity produced at or near the point of consumption, even if sold to a utility, helps lower electricity supply rates in that utility's local service area.
- D. These solar canopies could provide pollution-free electricity to co-located electric vehicle charging stations.
- E. Parking lots are ideal locations for solar electricity generation from a land-use perspective; they reduce the use of farmland or wilderness areas for solar development.
- F. Streamlining the zoning and permitting process for such installations is recommended in the [Climate Action Council's scoping plan](#).

4. Green Transit, Green Jobs, S.6089/A.6414 (Kennedy/Dinowitz)

Green Transit, Green Jobs would bolster New York's efforts to implement the CLCPA by phasing out purchases of polluting buses by the end of the decade. This common-sense policy would slash harmful emissions from the transportation sector, the second biggest source of greenhouse gas (GHG) emissions in the state, while spurring the creation of high-quality green jobs, which is why it is a core strategy identified in the state's final Climate Scoping Plan. Yet currently, almost all transit/paratransit buses in the state run on diesel or other fossil fuels, adding hundreds of thousands of tons of GHGs into the atmosphere, exacerbating the climate crisis.

A [recent analysis](#) found that emissions from buses have the most severe public health impact on a ton-for-ton basis out of all vehicle sectors. Emissions from transit and paratransit buses cause or worsen respiratory and cardiovascular illnesses, leading to hundreds of premature deaths in New York State. The current fleets of buses spew toxic exhaust into local communities and lungs across the nearly 200 million miles they traverse each year, causing local air pollution along their routes and near depots. Health-harming air pollutants like PM_{2.5}, NO_x, and benzene also compound existing air quality burdens, contributing to public health disparities in low-income communities and communities of color.

Because they have predictable daily routes and return to a central depot, transit, and paratransit buses can be easily and reliably charged in a way that saves agencies money. Frequent stops, fixed routes, and low-speed operation also make them ideal for electrification.

While we are still in the early days of the shift to electric buses, Green Transit, Green Jobs includes numerous provisions to support transit agencies in ensuring a smooth transition. First, the key mandate in the bill – the deadline by which only zero-emission buses may be procured – does not kick in until the end of the decade. It only applies to new bus purchases, allowing agencies to update their fleets over time during their natural procurement cycles. The bill also includes technical support and assistance to guide transit agencies to modernize their fleets.

A recent National Renewable Energy Laboratory analysis found that for a typical transit agency, [a modest procurement of zero-emission buses \(ZEBs\) would yield substantial cost savings over the lifetime of the buses](#), paying back the upfront cost differential within a few years.

Additionally, thanks to a significant infusion of federal funds on top of existing state funding support, authorities can overcome purchase price premiums right away, so there would be no delay in accruing cost savings. This has been evidenced by MTA receiving over \$110M in 2022, enough to electrify 4% of its entire fleet. In all, eight New York transit agencies have already received federal funding to electrify a total of 300 buses, with more likely to come in the coming years.

Based on information provided by Niagara Frontier Transportation Authority, [each electric bus that replaces a diesel bus can save an agency roughly \\$20,000 in fuel costs](#). By 2030, purchase prices for electric buses are expected to be the [same as or even less](#) than for fossil fuel buses. Investing in ZEBs makes economic sense today and will not be burdensome for transit agencies in 2029 when the policy's mandate begins.

5. Increasing Sales of Zero-Emissions Vehicles, S.7767 (Harckham)

This bill will amend the environmental conservation law to allow for the issuance of additional certificates of registration for entities that manufacture or assemble only zero-emissions vehicles (ZEVs) to allow them to sell ZEVs in the State.

Despite “nation-leading” climate goals and the fact that the transportation sector is the second largest contributor to greenhouse gas emissions in New York, the state has an [EV adoption rate that is well below the national average](#). In 2022, New York had 6.2 EV registrations per 1000 residents, compared to a national average of 8.7 and the following rates in neighboring states: Vermont – 12.6, New Jersey – 9.8, Massachusetts – 9.6, Connecticut – 8.1.

Specifically, NYSERDA, the Departments of Motor Vehicles and Transportation, in consultation with other state agencies, will be required to report on a bi-annual basis from 2024 until 2034 the sale of ZEVs in the state by new motor vehicle dealers, not including manufacturers specializing exclusively in ZEVs. If the 2024 report finds that ZEV sales projections fail to show that thirty-five percent of their sales will be ZEVs by 2026, then the Department of Motor Vehicles shall issue up to ten certificates of registration for entities that manufacture or assemble ZEVs and have no franchised motor vehicle dealers in New York. The requirement of the ZEV sales proportion will increase to sixty-eight percent in 2028 and up to one hundred percent by 2033, or additional certificates will be issued bi-annually.

This bill will expand competition in the ZEV market by allowing for more ZEV sales centers to open across New York if traditional auto dealers are unable to meet the sales targets needed to reach our climate goals. The results will be greater access to ZEVs for New Yorkers and additional options for buyers. Not only will New Yorkers have a wider range of choices when deciding to purchase a ZEV, but the expansion of sales will also create new job opportunities and build sales tax revenue that could be used to help fund expanded ZEV infrastructure.

New York State's transportation sector is the [second biggest greenhouse gas emitter](#) in the State, accounting for 28–29% of the State's emissions. If New York State is to achieve its emission reduction, climate, and clean air goals, then we must expand the deployment of ZEVs to displace fossil fuel-based vehicles. The beneficial electrification of our transportation sector is an important step to fulfilling the state's ambitions in battling climate change. Moreover, this legislation will support New York's more recent requirement for [all new passenger cars, pickup trucks, and SUVs sold in New York to be zero-emission by 2035](#).

REV Bill Requests

1. The Stop Climate Polluter Handouts Act, S.3389/A.7949A (Krueger/Simon)

At a time when the State is at the crossroads of a budget deficit and true action on climate, fossil fuel subsidies must be reviewed. New York State spends over \$1.6 billion annually in tax-payer funded handouts offered to the climate-destroying fossil fuel industry, all while they reap massive profits. This bill would repeal \$334 million annually (roughly 20%) of only the most egregious GHG emitting subsidies. Continuing these subsidies contradicts the intentions of the CLCPA and encourages business-as-usual for entities involved in the fossil fuel industry.

One of the largest segments of the bill addresses approximately \$119 million in exemptions for the highly polluting airline industry, all while posing major environmental justice violations to communities surrounding commercial airports. As well, aviation subsidies inequitably benefit the small group of high earners who comprise the majority of frequent flyers, where just 12% of adults account for 68% of flights ([2019. ICCT](#)). There is another concerning issue here as well: aviation emissions are anticipated to be non-obligated in the New York Cap & Invest (NYCI) program due to federal oversight, so they are able to pollute freely. New York must take action where it can on aviation: ending these subsidies is imperative.

The Stop Climate Polluter Handouts Act is a critical step toward protecting the climate, makes big industry pay its fair share, and raises revenue for our state. Eliminating these subsidies will lower the burden on taxpayers, help close the budget gap, and move us towards our climate goals.

2. Climate Change Superfund Act, A.4451-A/S.2129-A (Krueger/Dinowitz)

The climate disasters that we are witnessing aren't natural disasters; these are premeditated crimes. The fossil-fuel industry [knew](#) decades ago that their products cause grave harm and chose to spend billions of dollars to lie to the public and lobby the politicians to block climate action – a practice that the industry continues unabated to date. The [Climate Change Superfund Act](#) would hold the largest historic climate polluters accountable and would require them to pay to help partly shield New York tax payers from the tens of billions of dollars that the state will

end up spending in the coming years to fund recovery, remediation and resilience related to climate disasters.

Appropriations Requests

1. \$100 Million for Non-MTA Transit Agencies

Last year, Governor Hochul announced a [\\$100 million commitment for zero emissions school buses](#). Like school buses, transit buses run on diesel fuel, an even more potent source of toxic particulate matter than gasoline. On a ton-for-ton basis, buses in the New York-Newark-Jersey City metropolitan area alone had health damages at \$4 million for every ton of particulate matter emitted.

We are requesting a \$100 million funding commitment to non-MTA transit agencies to support the transition to pollution-free electric buses union-built in New York State to bolster and accompany the Green Transit, Green Jobs bill.

2. \$20 Million for Interdisciplinary P-12 Climate Education Program

Please include \$20 Million for an interdisciplinary P-12 climate education program in your one-house budget proposals. Page 427 of New York's [Scoping Plan](#) specifically calls for climate education and, currently, it remains unfunded. The requested amount will be split as follows:

- \$5 million for an Office of Climate Education, Green CTE and workforce development
- \$500K for creation and maintenance of a climate education resource hub
- \$8 million for the development of learning modules and subject guides
- \$5 million for development of Green Career & Technical programs for NY State
- \$500K to fund RECOVS Learning and Mental Health funding (allocated to mental health professionals that specialize in climate anxiety)
- \$1 million to develop in partnership with SUNY and CUNY, a framework for climate education pre-service programs for teachers

3. \$50 Million for Projects That Begin Decarbonization of the Capitol Complex

The legislature should include the Renewable Capitol Act (S.2689/A.5633) in the state budget, mandating that the state convert the state Capitol Complex, including the Plaza, State Museum, and Alfred E. Smith building, to 100% renewable energy within 3 years.

The buildings that constitute the seat of state government continue to be heated and cooled by burning fracked gas in a neighborhood just blocks from state operations in Albany that has been designated a Disadvantaged Community by the Climate Justice Working Group. Continued operation of the Sheridan Avenue Steam Plant (SASP) is inconsistent with the environmental justice provisions in the CLCPA. The proposal advanced by the OGS Commissioner in her

budget testimony of plans to reduce emissions from the Plaza by only 50% in the next decade is inadequate to relieve the pollution burden placed on Sheridan Hollow residents by the continued operation of the SASP.

4. Clean Water Infrastructure Act: Restore it to \$500 Million

It has been estimated that New York communities need at least [\\$80 billion](#) in funding to update water infrastructure. According to a recent [report](#) by Environmental Advocates NY, in 2023 there was record demand from municipalities for \$1.35 billion in grants for 482 projects: the highest amount requested and the highest number of applications. The demonstrated need across the state far exceeds the amount allocated. Since 2017, this program has been funded at \$500 Million each year and supports critical water infrastructure needed to deal with the rising needs that will come from unprecedented precipitation events that will be occurring more frequently.

We urge the Legislature to reject this reduction to clean water funding and recommend a final appropriation of \$600 million as an inflation adjustment measure.

5. Environmental Protection Fund: Reject the \$25 Million Offload for DEC Staffing Costs

A \$400 Million EPF advances work to protect our environment and improve quality of life in every county of New York State. Not only does the EPF support jobs and our economy, but the return-on-investment cannot be ignored: according to a study by [The Trust for Public Land](#), every \$1 invested in land and water conservation through the EPF returns \$7 to the state. The EPF supports 350,000 jobs across New York in a broad spectrum of industries including construction, agriculture, recreation, tourism, forestry, recycling, and recreational fishing, adding \$40 billion to the state's economy every year.

We urge the legislature to support \$400 million in the EPF during budget negotiations, however we oppose the provision within it to offload agency staff costs and believe that the Fund should be used entirely for the project grants themselves.

The Climate Reality Project is a 501(c)3 not-for-profit international organization founded and led by former Vice President Al Gore. It has several regional chapters and about two thousand members across NY State.