

February 7, 2024

New York State Assembly Committee on Ways and Means
New York State Senate Finance Committee

On behalf of the various businesses and organizations representing tens of thousands of hard-working Western New Yorkers, we stand ready to work with the Governor and the New York State Legislature to help New York State achieve its statutory emissions thresholds passed in the Climate Leadership and Community Protection Act (CLCPA). As everyone knows, meeting these thresholds under the statutory timelines is going to be extremely challenging.

Energy bills are increasingly becoming unaffordable as a result of tens of billions of dollars of subsidies that have been approved by the Public Service Commission (PSC) for renewable energy projects with billions more in subsidies to come. This is particularly burdensome for manufacturers as these subsidies tend to be applied to the commodity price of electricity, which unfairly penalize manufacturers with multi-shift operations. These companies are the backbone of the Western New York economy and are among the largest employers of union workers in the region.

Further, state energy policy has placed priority on siting renewable energy generators in areas that are not in proximity to load centers. As utilities move to build new transmission assets to meet supply oriented CLCPA objectives, the previously mentioned cost exposure will increase at an accelerated rate. Additionally, the pursuit of CLCPA goals means more electrification, which will compel upgrades to the utility distribution network to meet the capacity demands of an electric economy.

Please reference a recent McKinsey & Company article – [How US states can advance a successful clean-energy transition | McKinsey](#). New York is certainly advancing a clean energy transition, but not in an efficient way for long-term success because of so many uncertainties.

That is why it is so important that businesses have an understanding of what is to come. As such, **we respectfully request the Public Service Commission to instruct the state's investor owned utilities (IOUs) to estimate the cost to build out the state's electric distribution system.** If the private sector understands the cost under traditional regulatory and utility frameworks, then it can be more motivated to develop holistic, creative and innovative solutions. Just as important, residents need to understand how their utility bills are going to be impacted for this build-out.

It's also important to note that current transmission siting does not sync with economic development site readiness, particularly in high tech site locations and disadvantaged communities both of which are priorities outlined in the CLCPA scoping plan.

Upgrading the utility distribution network to meet the capacity demands is an important component to this process but it will require significant financial investments to the transmission and distribution systems to alleviate infrastructure and capacity constraints for economic growth.

We are lockstep with New York State wanting to ensure that the grid is prepared to effectively integrate renewable energy in the supply mix, but we are very concerned as to the cost and feasibility of replacing current base load supply systems regardless of the level of grid level storage incentivized. Intermittent electric supply and system outages have a dramatic impact on manufacturing productivity and competitiveness.

From a health and safety standpoint, no one needs to be reminded about the deadly blizzard that hit Western New York over Christmas 2022 that without traditional energy sources, particularly natural gas, which provided power that was shared neighbor to neighbor and most likely saved lives, the region would have experienced even more devastation.

Load factor will only be exacerbated as the economy continues the shift to electric vehicles, heat pumps, electric appliances and others removing the market from established base energy sources for homes, businesses, industry and transportation.

In this regard, **the PSC also should instruct IOUs to provide current baseload levels across the state.** Baseload levels will provide a clearer understanding of where electric system constraints are located allowing the utilities to prioritize where upgrades have to be made.

Just as important, this information also will provide the economic development community better information as to the availability or lack of availability of capacity for economic growth. As of today, upgrades are placed on the backs of developers which already is severely impacting economic development projects from moving forward.

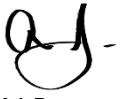
Finally, **we also respectfully request that the DEC and NYSERDA fulfill their obligation as outlined in the scoping plan to provide regular reports on current greenhouse gas emission levels in comparison to the threshold targets.**

As to this request and the request for current baseload levels, this information should be compiled on a regional basis similar to how state agencies such as the DEC carve the state into regions as this will help pinpoint where New York needs to be building the critical infrastructure in the transition to an electric economy.

We realize that the costs of the status quo outweigh the costs of the energy transition and that is not being disputed. We want to work with the administration to come up with solutions to ameliorate some of the challenges outlined above. Environmental sustainability does not have to come at the cost of economic sustainability; balance ensures the viability of both.

We believe these are simple requests that can be used to build a foundation for New York State to achieve its statutory threshold emission mandates in the CLCPA.

Sincerely,



AJ Baynes
President and CEO
Amherst Chamber of Commerce



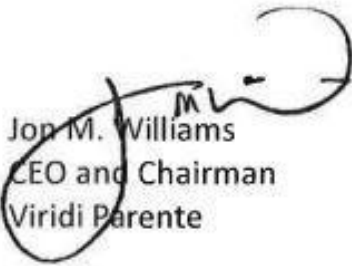
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