



NEW YORK STATE SENATOR

Robert G. Ortt

## Ortt and Ryan Call on Governor to Sign Legislation That Will Boost Geothermal Energy Use in New York

ROBERT G. ORTT June 30, 2015

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*Legislative Leaders Pass Bill To Provide Tax Credit For Geothermal Energy Systems – Bipartisan Legislation Now Heads To Governor Cuomo's Desk For Approval*

**BUFFALO** – During a press event on Buffalo's West Side today, New York State Senator Rob Ortt (R,C,I – North Tonawanda) and New York State Assemblyman Sean Ryan (D – Buffalo) urged Governor Cuomo to sign a bill into law that establishes a state tax credit for homeowners who install geothermal energy systems. The legislation (S.2905/A.2177) recently

passed in both houses of the state Legislature.

The tax credit would cover 25% of the cost of designing and installing the systems, up to \$5,000. Ortt and Ryan said the tax credit would help to boost the installation of geothermal systems across New York, which would help to create good paying green jobs for workers who would be designing, manufacturing, and installing the systems.

“Promoting natural, renewable energy is a common sense, bi-partisan approach that benefits all New Yorkers,” said **State Senator Rob Ortt** “It’s certainly important to reduce our carbon footprint for future generations. But with geo-thermal solutions, we’re also investing in and creating good local jobs and helping reduce energy costs for hard-working families and small businesses.”

**Assemblyman Sean Ryan** said, “We have seen great success with the Solar energy tax credit in New York, and expanding this idea to include geothermal energy systems will help to lower energy costs, protect our environment, and create jobs across Western New York. New York is focused on producing more and more energy from renewable sources, and incentivizing these green industries will be a great benefit to our society, and our energy future.”

**Bill Nowak, the executive director of NY-GEO** said, “We applaud Senator Ortt for recognizing the importance of geothermal heat pump (GHP) systems to address a host of New York’s energy and environmental goals. Assemblyman Ryan also showed great foresight shepherding these common sense measures to unanimous passage. This bill will create jobs, lower energy bills for New Yorkers and significantly cut greenhouse gases in our state.”

Geothermal heat pump (GHP) systems access the sun’s energy stored in the ground to heat and cool buildings and to create hot water. GHP systems eliminate oil, gas or propane bills, while also reducing electricity costs for cooling during the summer months. Essentially, this

legislation would result in lower energy bills for New Yorkers, and help to reduce volatile fossil fuel prices.

GHPs use the shallow ground - which maintains a nearly constant temperature between 50° and 60°F - as an energy storage device. New York has set a goal achieving 30% of our state's energy production from renewable sources by the end of 2015, and this financial incentive is just another way to help achieve and go beyond that goal. Increasing the usage of geothermal energy systems would help to decrease our state's reliance on fossil fuels for energy production. Approximately 45% of our energy in New York is produced by either natural gas or coal.

Senator Ortt and Assemblyman Ryan said the success of a similar solar energy tax credit which was passed in 2012, and provided the model for this legislation. Since New York enacted the solar energy tax credit, the state ranks in the top ten states for annual solar capacity additions. Additionally, the solar energy industry has greatly boosted job growth since the enactment of the solar energy tax credit. A report from The Solar Foundation in February found that the solar industry employed 7,284 New Yorkers at the beginning of 2015, an increase of more than 2,100 solar jobs over the previous year. This 40% growth in the number of solar jobs has made New York the 4<sup>th</sup> largest solar industry employer in the country. Ortt and Ryan are confident the geothermal tax credit will lead to similar growth in New York's geothermal energy industry.

In addition to the geothermal tax credit legislation, Senator Ortt also sponsored and passed a related bill (S.4279/A.25508) that provides a state sales tax exemption for residential and commercial GHP installations. The bill passed in the Senate on Earth Day, April 22. The bill was sponsored in the Assembly by Ellen Jaffee (D – Rockland) and passed in the Assembly on June 9. The measure was also sent to Governor Cuomo.

1: <http://www.nrel.gov/docs/fy05osti/35939.pdf>

2: <http://www.acore.org/files/pdfs/states/NewYork.pdf>

3: <http://www.thesolarfoundation.org/press-release-ny-census-2014/>