



2026 Joint Legislative Budget Hearing on Environmental Conservation

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TESTIMONY of

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Thank you for the opportunity to provide testimony on the proposed Executive Budget on behalf of the Alliance for Clean Energy New York. The Alliance for Clean Energy New York (ACE NY) is a broad coalition dedicated to promoting clean energy, energy efficiency, a healthy environment, and a strong economy for the Empire State. ACE NY is New York's premier advocate for the rapid adoption of renewable energy, energy efficiency, and transportation electrification technologies. Our members include renewable energy and energy efficiency companies, including companies that are currently operating renewable energy facilities in New York, such as hydropower and wind facilities, and those pursuing opportunities to invest in New York to build land-based wind and offshore wind, community solar and grid-connected solar, energy storage, fuel cells, and transmission. We also have member companies that manufacture electric vehicles or electric vehicle charging infrastructure or otherwise support the electrification of transportation. You can learn more about ACE NY at www.aceny.org.

This testimony specifically addresses the following areas:

- Energy Efficiency Initiatives
- Climate Initiatives
- Energy Affordability Initiatives
- Additional Actions Needed on Energy Affordability

ACE NY is pleased that the Governor's budget presentation highlighted the need to address energy costs, fund energy efficiency programs, and speed the deployment of renewable energy by providing additional staffing at the Department of Environmental Conservation for permit review. These actions will address the rising national energy costs that are affecting our state's residents.

Renewable energy, with its lower cost per kilowatt/hour, is lowering our electricity rates. Solar energy is the least expensive and fastest deploying energy generation to bring online as our state faces

increased electricity demand¹. Just this past summer, behind the meter solar (roof top and community solar projects) saved ratepayers over \$180 million on the two hottest days during the June heatwave. On those days, that solar energy that ordinarily wouldn't flow on to the grid, did flow out across the state, so much so that it reduced the need to rely on the very expensive and dirty peaker plants.²

Ratepayers will also see more savings as our offshore wind projects come online. A recent offshore wind study found that if all three of New York's contracted offshore wind projects had been online, ratepayers would have saved \$77 million in electricity costs in one cold winter month.³

ACE NY believes that transitioning to renewable sources of energy is one of the best strategies to lower our electricity costs and fight climate change. We also believe that one of the cheapest ways to reduce energy bills is through energy efficiency and demand reduction measures. Everyone saves money when we reduce energy needs - less power needs to be generated and transmitted, and everyone's utility bills are lower.

I. Energy Efficiency Initiatives

ACE NY was pleased to see the inclusion of numerous energy efficiency and demand reduction programs in the Governor's budget proposals. These proposals will save ratepayers, businesses, and the state money. The cheapest energy is the energy you don't need to use.

ACE NY supports the changes to the **Green Jobs-Green New York Program** (Part L of [S.9008](#) / [A.10008](#)) to expand the ability of this program to offer low-cost financing for energy efficiency and decarbonization projects. The changes increase the residential loan cap from \$25,000 to \$50,000, which recognizes recent inflation effects and provide financing for more expensive projects like ground source heat pumps. The proposal also removes the 15-year payback window for loans over \$13,000, again a change that allows for more extensive efficiency projects and the financing of ground source heat pumps. The administrative changes to the program regarding the transferability of the loan will only reduce the costs of the program and will encourage greater participation in this low-cost financing program. These changes will save New Yorkers money and reduce their energy bills.

ACE NY supports the funding the Governor has proposed in the budget for the newly created **Mechanical Insulation Energy Savings Program** ([S.9004](#) / [A.10004](#)). ACE NY thanks the legislature

¹ <https://www.reuters.com/sustainability/climate-energy/renewable-energy-remains-cheapest-power-builds-new-gas-plants-get-pricier-2025-06-16/>

² [Solar Power Is Already Saving New Yorkers Millions, and It's Just the Beginning — ACE NY](#)

³ Aurora Energy Research, Meeting New York's Energy Needs: Offshore Wind Study, <https://auroraer.com/resources/aurora-insights/market-reports/meeting-new-yorks-energy-needs-reliability-offshore-wind>

for creating this program last year and is pleased to see \$5 million dedicated to public housing, hospitals, and school districts for mechanical insulation projects. The insulation of heating and water systems is one of the easiest ways to reduce energy costs. These funds will save all of these institutions money and reduce their energy bills.

ACE NY supports the Governor's continued funding for the **Empower+ program** with \$50 million in the Capital Budget ([S.9004](#) / [A.10004](#)). The NYSERDA program offers low-income New Yorkers a chance to electrify their homes with funding toward the cost of the energy efficiency and electrification improvements, including air sealing, insulation, heat pumps, heat pump water heaters, and electrical service and wiring upgrades.

ACE NY was pleased to see the inclusion of \$33 million for the creation of a new demand reduction program, **Excelsior Power Program**. This will build off existing utility demand reduction programs which encourage ratepayers to reduce their energy usage on days of high energy demand. The new program will provide a \$25 monthly utility bill credit for one year to ratepayers who enroll and use smart thermostats and other similar technologies, intending to reach 100,000 New Yorkers.

ACE NY is supportive of the second year of funding for the **Green Affordable Pre-electrification Program** ([S.9004](#) / [A.10004](#)). The funds assist low-income owners and tenants in residential properties in repairs if the properties were ineligible for energy efficiency or climate emissions reductions programs due to structural or building code defects. New York state and utilities offers numerous energy efficiency and weatherization programs for homeowners and tenants to affordably retrofit their dwellings. However, low- to moderate-income residents often live in buildings that require additional upgrades to prepare for retrofits. These upgrades, such as mold, lead-based paint and asbestos removal, are not covered by existing state programs to retrofit homes. In addition, these older homes may need additional repairs to meet the current building code. The \$2 million for this program will lead to reduced energy bills as these homes will be able to access weatherization and energy efficiency programs.

ACE NY supports the Governor's proposed funding of \$50 million to **decarbonize state facilities** ([S.9004](#) / [A.10004](#)), which will source renewable energy for state facilities' needs, weatherize and increase energy efficiency at state buildings. The Governor's Executive Order 22⁴ requires all state operations to use 100% renewable electricity by 2030. This will help our State meet this goal.

ACE NY is supportive of changes to the New York City property tax abatement in the **J-51 program** that assists property owners in their compliance with Local Law 97 and will improve energy efficiency and increase the weatherization and electrification of buildings within the City (Part O of [S.9006](#) / [A.10006](#)).

⁴ Leading By Example: Directing State Agencies to Adopt a Sustainability and Decarbonization Program, September 20, 2022, https://www.governor.ny.gov/sites/default/files/2022-09/EO_22.pdf

II. Climate Initiatives

ACE NY is supportive of the additional items in the Governor’s proposal that will address climate change. New York State’s [Climate Impact Assessment](#) paints a stark picture of how climate change will affect the state. It predicts that by 2050, there will be 5-9 multiday heat waves affecting the state, and all parts of the state will see days with a heat index over 103°F. The Assessment estimates a 1-8% increase in rain and snow across the state by 2030, with an increase up to 12% by 2050. The eastern part of the state is predicted to experience at least one 4-inch rainstorm per decade by 2050. The Assessment concludes with “*there is **high** confidence that flood intensity and damages will increase during the 21st century. Such a conclusion is arguably intuitive when coupled with this assessment’s projection of more frequent and intense heavy precipitation events.*”⁵

ACE NY supports the proposed changes to the **Municipal Zero Emission Vehicle (ZEV) Grant Program** (Part S of [S.9008](#) / [A.10008](#)). The grant program currently provides funding to cities, towns, villages, and counties for the purchasing and leasing of zero-emission vehicles for fleet use and the installation of hydrogen fuel filling stations and EV charging infrastructure. The changes will provide additional flexibility by removing the existing caps on charging infrastructure and zero emission vehicle rebates allowing more ZEVs to be deployed and more charging infrastructure available to New Yorkers, reducing municipal fleet operating costs and lowering vehicle emissions.

ACE NY is pleased to see the Governor has proposed **staff increases at the Department of Environmental Conservation (DEC)** of 45 new employees to focus on permitting backlogs. The Office of Renewable Energy Siting (ORES) relies on the DEC to review and issue the environmental permits for renewable energy projects. Federal Investment Tax Credits, which reduce the costs of renewable projects, were recently changed to tightened time frames for project construction and completion. Additional staff at DEC will reduce ORES permit time, increase DEC oversight, and speed the addition of lower cost power onto our grid, all of which will reduce ratepayers’ energy bills.

ACE NY supports the Governor’s proposed changes to the **school aid formula** that will allow the cost of **renewable energy technologies**, including ground-mounted solar panels and geothermal systems, to be considered part of a building’s primary cost allowance for purposes of the calculation of Building Aid (Part A of [S.9006](#) / [A.10006](#)). These changes will provide additional resources to school districts that are seeking to reduce their energy bills by switching over to renewable energy sources.

ACE NY was disappointed that the Governor did not provide funding for the **Sustainable Future Program** that she initiated in last year’s budget with \$1 billion. This program added additional funding for the zero-emission school buses transition. We believe that this transition will continue to need funding, especially after the loss of federal funds for ZEV school bus purchases. We call on the

⁵ [New York State Climate Impacts Assessment: Chapter 2: New York State’s Changing Climate.](https://nysclimateimpacts.org/wp-content/uploads/2024/01/Assessment-ch2-NYS-changing-climate-01-09-24.pdf)
<https://nysclimateimpacts.org/wp-content/uploads/2024/01/Assessment-ch2-NYS-changing-climate-01-09-24.pdf>

Legislature to include funding in the final budget for the Sustainable Future Fund. The programs initiated in last year's funding need a steady stream of funds to continue, like the State University thermal energy networks, municipal energy efficiency programs, Empower Plus, and Clean Green Schools.

The Governor has continued to fund her 2025 proposal for a three-year economic development program – **Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP)** – that provides access to grants and loans to increase the energy capacity at prospective industrial sites. This year's budget proposal includes \$100 million for the second year in a row. It is important for this program to focus on the development of on-site or near-site renewable energy projects, or the transmission of energy generated from renewable energy. State funding for programs should focus on implementing the Climate Law as opposed to supporting generation that will need to be phased out by 2040.

ACE NY opposes the Governor's proposed changes to the **sales tax on electric vehicle (EV) charging stations** (Part O of [S.9009](#) / [A.10009](#)). This is described as a sales tax exemption, but it is really a transfer of the sales tax being assessed on the EV charger customer to now being assessed on the EV charging station operator. This change seems small, but it will not result in reduced costs in charging an EV at a public charger. Instead, the sales tax will only be included in the total cost of charging. The Division of the Budget shows this change as being fiscally neutral, but it will have unintended consequences. This shift in payments from the retail side to the wholesale side will still have the state receiving the tax revenue but the EV charging customer will have less detail into what they are paying, and for the those EV chargers with a low rate of utilization, it will result in the tax being amortized over fewer charging sessions, and thus increase the cost of those stations, which are usually in rural or disadvantaged communities. Also, this change will create administrative problems for those chargers in residential parking places. Most fast chargers are individually metered, but slower chargers (overnight charging) are usually installed behind existing utility service. These mixed-use cases, which the majority of charging is expected to take place, present technical and administratively burdensome challenges to prove that tax is being applied only to electricity "for sale by means of" qualifying stations. For these reasons, ACE NY asks the Legislature to not include these changes in the final budget.

III. Energy Affordability Initiatives

The Governor's budget includes additional items that will lower energy prices in the State. ACE NY supports the extension of the existing **sales tax exemption for residential energy storage** (Part Q of [S.9009](#) / [A.10009](#)). ACE NY encourages the Legislature to add a sales tax exemption for commercial energy storage ([S.1527 \(Parker\)](#) / [A.313 \(Paulin\)](#)) to the final budget. Grid-scale energy storage reduces energy system costs and electric rates by storing less expensive electricity for later use

during expensive peak demand periods, which reduces the need for costly peaking power plants. Energy storage also lowers transmission delivery costs by storing power closer to where it's needed, reducing the strain on transmission lines.⁶

ACE NY encourages the Legislature to include the following additional bills to reduce the energy burden on our residents, and school districts.

Extend the Lease Terms for Zero-Emission School Buses - [S.8003 \(Mayer\)/A.8750 \(Paulin\)](#). This legislation amends current education law to extend the allowable lease term for zero-emission school buses (ZESBs) from up to eight years to up to twelve years and requires the amortization period to align with the lease terms. By allowing longer lease terms, school districts can better match financing structures with the operational lifespan of the buses, leading to more predictable budgeting and cost savings over time.

Support Charging Infrastructure for Public Zero-Emission Fleets - [S.98-A \(Comrie\)/ A.491-A \(Woerner\)](#). This bill would create a make-ready utility program to support the grid improvements needed to electrify public fleets, including school buses. As our school districts transition their buses to zero-emission, this bill will help reduce taxpayer costs of grid upgrades needed for the transition.

Establish A Clean Fuel Standard – [S.1343-A \(Parker\)/A.472-A \(Woerner\)](#). This bill would establish a carbon intensity standard for all transportation fuels. Entities must meet the standard by producing or purchasing low carbon fuels or credits, encouraging the gradual transition away from gasoline to EVs. New York's Final Climate Action Scoping Plan includes a similar measure.

IV. Additional Actions Needed to Support Energy Affordability

There are several proposals missing from the Governor's budget that would remove barriers and accelerate our transition to clean energy and more affordable energy.

Establish a Policy for the Use of Highway Rights-of-Way for Transmission - [S.8114 \(Cooney\)](#). Other states have successfully used highway rights-of-way to expand their bulk transmission systems, and such utilization will solve transmission problems in built-up areas of the state, especially with offshore wind transmission issues. Co-locating transmission lines on highway rights-of-way can speed up the permitting process and lessen private landowner and environmental impacts. In 2021, the Federal Highway Administration released "[State DOTs Leveraging Alternative](#)

⁶ American Clean Power, <https://cleanpower.org/resources/energy-storage-costs-fact-sheet/>

[Uses of the Highway Right-of-Way Guidance.](#)⁷ It clarified that New York State DOTs are allowed to use highway rights-of-way for “pressing public needs relating to climate change, ... renewable energy generation, electrical transmission and distribution projects.” The DOT and state transportation authorities should be directed to collaborate with utilities, transmission developers and other stakeholders to assess the feasibility of using the state’s highway rights-of-way to locate buried transmission lines.

Remove Renewables from Outdated Public Service Law Requirements - Currently, Public Service Law sections 68, 69, and 70 include requirements regarding energy facilities which for renewable energy projects are unnecessary, duplicative of other permitting processes, and slow down renewable development without providing any additional public policy benefit. These are archaic traditional regulated utility provisions that do not have a substantive or beneficial role in the wholesale electric deregulated renewable energy sector and slow down renewable development as duplicative paperwork is reviewed and approved by the Public Service Commission. ACE NY supports the bill language in Part G of [S.4066 \(Parker\)](#), the Omnibus Renewable Energy Progress Act (REPA).

Expand the New York Power Authority’s Ability to Address Transmission Bottlenecks – The lack of sufficient transmission capacity in New York limits the capacity for the interconnection of renewable energy projects and results in curtailment of renewable power. Absent investment in local and/or bulk transmission solutions items, new renewable projects could experience deliverability and curtailment problems. This is a massive barrier to bringing lower cost power to ratepayers and to decarbonizing the state's grid. To remedy this, ACE NY advocates for directing NYPA to, within 6 months, propose priority transmission projects to solve transmission problems in the most congested zones identified in the NYISO's 20 Year System Outlook. These proposals would be reviewed and approved or rejected by the Public Service Commission. ACE NY supports the bill language in Part E of [S.4066 \(Parker\)](#), the Omnibus Renewable Energy Progress Act (REPA).

Exempt Renewable Energy PILOT Revenue from Tax Cap Calculations - By exempting Payment In Lieu of Taxes (PILOT) property assessment increases, and not exempting PILOT revenue from Tax Cap calculations, the current law limits revenues that a municipality or school district can realize without a public referendum. In other words, even though a wind or solar project will be paying significant property taxes via a PILOT payment in a town, the tax cap will often require a town to reduce residential and commercial property taxes rather than realize additional revenue and limit their ability to fund expanded local programs. ACE NY supports the bill language in Part B of [S.4066 \(Parker\)](#), the Omnibus Renewable Energy Progress Act (REPA) to resolve this issue.

⁷ State DOTs Leveraging Alternative Uses of the Highway Right-of-Way Guidance, Federal Highway Administration, https://www.fhwa.dot.gov/real_estate/right-of-way/corridor_management/alternative_uses_guidance.cfm?stream=top

Raise the Distributed Solar Energy Goal to 20 GW by 2035 - [S.6570 \(Harckham\)](#)/[A.8758 \(Barrett\)](#).

The State recently announced it had met the Climate Law goal of deploying 6 GW of distributed solar by 2025 and is well on its way to meet the Governor's expanded goal of 10 GW by 2030, with over 3.4 GW under development. With this rapid installation of distributed solar, it is time to increase the goal to 20 GW by 2035. This expansion of rooftop and community solar will result in \$50 billion in savings to ratepayers with reduced electricity costs and 15,000 jobs. The bill also requires the PSC to establish a flexible interconnection program, which will reduce interconnection costs and lead to ratepayers' savings.

Thank you for the opportunity for the Alliance for Clean Energy New York to provide input on the energy and environmental aspects of the Executive Budget.