January 19, 2023

Testimony of
Rewiring America
to the New York State Senate's
Joint - Senate Standing Committee on Finance
Senate Standing Committee on Energy And
Telecommunications and
Senate Standing Committee on Environmental
Conservation

Thank you to the Chairs of the Senate Standing Committees on Finance, Energy and Telecommunications, and Environmental Conservation for holding this public hearing on Scoping Plan implementation. My name is Michael Hernandez, and I am speaking on behalf of Rewiring America as the organization's New York Policy Director.

Rewiring America is the leading electrification nonprofit, focused on electrifying our homes, businesses, and communities. We develop accessible, actionable data and tools. Rewiring America helps New Yorkers save money, tackle emissions goals,

improve health, and build the next generation of the clean energy workforce. We believe in an abundant, flourishing, climate-safe future, and that, together, we can realize one.

It is imperative that the Legislature act quickly, through the budget and through the regular legislative process, to implement the recommendations of the Climate Action Council's Final Scoping Plan. The climate emergency is here, and what you do in Albany over the next six months to mitigate climate change will have an impact on New Yorkers today and in the future. The public input in response to the draft Scoping Plan speaks volumes. Over 18,000 comments were received, exceeding the state's wildest expectations. The grassroots, especially climate and environmental justice advocates, are plugged into the implementation process and have proven to be organized in their endeavors to hold the state accountable to its climate and equity mandates.

The Final Scoping Plan serves as the framework for how New York will reduce greenhouse gas emissions and achieve net-zero emissions, increase renewable energy usage, and ensure environmental justice. Rewiring America calls your attention to several vitally important Scoping Plan recommendations that require legislative action.

Adopt Standards for Zero-Emission Equipment and Energy Performance of Existing Buildings

New York's building sector includes over 6 million buildings that are New York's largest source of greenhouse gas emissions (GHG), responsible for 32% of emissions statewide. Direct GHG emissions from the buildings sector come from burning fossil fuels onsite, primarily for space and water heating. The fuels used in these buildings include fossil natural gas, distillate fuel (e.g., heating fuel oil #2), wood, propane, kerosene, and residual fuel. New York must decarbonize its building operations by reducing or eliminating GHG emissions from the building sector by reducing the energy demand from the building sector and switching from equipment and building systems powered by fossil fuels to systems powered by zero-emission sources.

New York must rapidly adopt high-efficiency heat pumps so that one to two million energy-efficient homes are using heat pumps by 2030 and that the large majority of buildings statewide are using heat pumps for heating, cooling, and hot water, by 2050. Switching from fossil fuels to heat pumps will immediately and significantly reduce GHG emissions from the building sector.

For existing buildings, New York should require the sale and installation of energy-efficient and zero-emission new equipment for space heating and hot water, when replaced at the equipment's end of useful life in residential and commercial buildings.

The Legislature must enact legislation to enable regulations to be promulgated to implement standards for building performance, appliances, and equipment. Legislation must be enacted that establishes and enforces energy efficiency standards for buildings.

The New York State Building Code Council has stated on the record that they will likely not update the State Building Code unless the Legislature takes further action mandating such action. The Legislature must be assertive and mandate the Building Code Council update the State Building Code to require zero-emission standards to phase out fossil fuel combustion systems and equipment for buildings.

Gas Transition

The Legislature should enact legislation that modifies existing statutory provisions relating to utilities providing new gas services to existing buildings as part of a comprehensive plan to end investments in new gas infrastructure.

The law currently requires New York utilities to provide natural gas service under certain circumstances. These existing legal obligations require utilities to expand natural gas infrastructure even while we are transitioning away from natural gas.

The Legislature should modify the existing law that requires the expansion of natural gas infrastructure so that the natural gas system can be phased out in alignment with the State's carbon reduction goals.

State-Wide School Electrification

Rewiring America proposes that beginning in the 2025-26 academic year, the Commissioner of Education only approves new construction or renovation plans for school buildings if the proposed building system or appliances are electric.

The Commissioner of Education <u>establishes and enforces building code construction</u> <u>standards for all school districts</u>. The State Education Department's <u>Office of Facilities</u> <u>Planning</u> reviews and <u>approves all school district plans</u> and specifications for the erection, repair, enlargement, or remodeling of school buildings in NYS.

New York State understands the importance of providing a healthy environment for students, as shown by the creation of the NYS School Environmental Health Program, and the passage of Education Law 3638, which mandates the use of "zero-emission" (electric) school buses by 2027. As the next step in this effort, it is time for the State to eliminate the use of fossil fuels in school district buildings and make the switch to electric.

In 2006, New York enacted a law encouraging all school districts to review energy conservation best practices when creating and submitting their plans for school construction projects for approval. (See Education Law 408(3)). This law should be aligned with the rapid electrification pathway outlined in the Scoping Plan and to require school districts to avoid fossil fuel combustion systems and equipment within their school construction project's plans and specifications.

Cap-and-Invest and Heat Pump Rebates

The Legislature should align with the Governor and Climate Action Council in enacting legislation to establish an economywide cap-and-invest program. A cap-and-invest program has been identified as an equitable pathway that would ensure emission limits are met while providing support for clean technology market development and incentive programs for homeowners to convert to heat pumps.

The cap-and-invest program should establish a gradually declining cap on greenhouse gas emissions, and limit the financial impact on New Yorkers, all while investing the proceeds in programs that drive emissions reductions in an equitable manner. The Climate Action Council has developed guardrails to prevent the program from creating pollution hotspots in disadvantaged communities by limiting emissions trading in communities identified as DACs.

The Legislature should authorize crucial changes that can allow the cap-and-invest program to offer universal *Climate Action Rebates* to families across the state, helping to defray their costs. This program should be developed to potentially sync up with other emissions reduction programs across the country, helping to galvanize a nationwide climate movement.

In closing, the Legislature should take the following actions in the next six months:

- 1) Update the State Building Code to prohibit fossil fuel combustion building systems and equipment in new and existing buildings.
- 2) Eliminate existing statutory mandates related to expanding natural gas infrastructure and phase out such fossil fuel infrastructure in alignment with the State's carbon reduction goals.
- 3) Enact legislation to require the State Education Department to reject applications from school districts for their construction projects *if* their construction plans include the use of fossil fuel combustion systems and appliances.
- 4) Authorize *Climate Action Rebates* to incentivize New Yorkers to electrify and decarbonize their homes as part of the Cap-and-Invest program.

Thank you for taking my comments into consideration.

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