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Testimony

Senate Standing Committee On Finance
Senate Standing Committee On Energy And Telecommunications
Senate Standing Committee On Environmental Conservation

Re: Joint Public Hearing - to examine the legislative and budgetary actions necessary to implement the Climate Action Council Final Scoping Plan

Good afternoon, thank you for the opportunity to testify today regarding climate spending for New York State to achieve the goals of the scoping plan. My name is Sonal Jessel, and I'm the Director of Policy at WE ACT for Environmental Justice. Over the past 35 years, WE ACT has been combating environmental racism through community organizing in Northern Manhattan, and policy advocacy at the City, State and National Levels. We are a prominent leader in the national environmental justice movement as the co-chair of the White House Environmental Justice Advisory Council. I have received my master's in public health from Columbia University, with a concentration on climate change and population health.

The State's Climate Leadership and Community Protection Act of 2019 mandates emissions cuts across all industries, with 35-40% of the benefits going to disadvantaged communities. As a member of the CLCPA's Climate Justice Working Group tasked with defining "disadvantaged communities," I am deeply invested in ensuring climate spending and benefits go to the communities that have been hit hardest by climate injustice and environmental racism. WE ACT is chiefly focused on implementing the goals of the CLCPA scoping plan to ensure frontline communities are protected and receive their fair share of investments and programs to combat the climate crisis and the legacy of environmental injustice.

It is critical to fully fund the CLCPA. Today, I am testifying to point out some important points for funding:

a) Defining Benefits & Investing Equitably

When it comes to all funding sources, we must ensure that we are allocating a minimum of 35-40% of investments in DACs. It is vital we view this allocation as a minimum, as DACs need much more investment to address the legacy of underinvestment. We also must ensure we are tracking the investments adequately. Lastly, the Justice0 federal program, which is modeled after the CLCPA, is directing 40% of all funds to environmental justice communities, which we must take advantage of.

b) Federal Funding Sources

Unprecedented federal investments offer an unparalleled opportunity to address the climate crisis while centering communities of color and low-income through



Justice40 and in New York State through the CLCPA. And in the context of Justice40, IRA funding must be directed to DACs. The Residential Energy Efficiency allocations are particularly important for New York State. There is \$4.5 billion for state energy agencies to do building energy efficiency work in middle and low-income homes, and \$4.3 billion in a rebate program for the same objective. As the state with the oldest housing stock and with NYC having buildings emissions as the biggest source of greenhouse gases, we must ensure we are getting a significant portion of this funding. The funding will help us achieve the Governor's 2 million electrification ready homes.

Additionally, there is \$200 million for contractor training to state agencies. We believe this is an important opportunity to fund programs that will train contractors from DACs to be able to do energy efficiency work.

Furthermore, the Biden Administration has allocated a historic amount of funding to the Home Energy Assistance Program (HEAP) through HHS. There is \$6.5 billion in funds, which is \$2.2 billion more than previous years. It is vital that we receive increased funds for NYS, particularly to increase the funding pot for the Cooling Assistance Program which is currently only 4% of the State's HEAP budget. We must increase the funding to subsidize summer electricity costs, which is one of the biggest contributors to energy burden and utility debt. As the Governor seeks to realize her goal of capping the energy burden at 6%, helping low-income residents shoulder the cost of extremely high electricity bills is important. Several other states currently use HEAP funding for this purpose. California offers between \$200 and 800 to customers in assistance based on needⁱ and New Jersey gives a flat \$300 benefitⁱⁱ.

c) Funding a Wholistic Approach to Building Energy Efficiency

The integration analysis says we need about 250,000 buildings to adopt heat pumps and do energy efficiency measures each year. For achieving our building emissions reductions goals, New York State has a particularly monumental task because of our very old housing stock and the chronic issue of deferred maintenance. WE ACT has been working for decades in communities that have been plagued with housing issues like mold, lead, asbestos, pests. Community members have chief concerns with these environmental health issues over concerns around decarbonization and electrification. For middle and low-income households to reduce emissions, we must address these legacy issues head on. We support the implementation of the Green Affordable Pre-Electrification (GAP) Fund for Low-to-Moderate Income households to achieve your commitment to 2 million climate-friendly homes. This fund will improve living conditions, reduce energy costs, and enable disadvantaged communities to prepare for electrification. The GAP Fund would include tenant protections and address barriers to electrification that are not covered by other programs, such as deferred maintenance, hazard remediation, electrical upgrades, weatherization, energy efficiency, and an all-electric replacement for fossil fuel appliances at the end of their useful life. We can also allow NYSERDA's current energy efficiency funding to work better with Senator Parker's Energy Efficiency Equity and Jobs Act.

d) New York Green Bank

We can "direct the New York Green Bank to establish affordable financing for pre-electrification and electrification. New Yorkers need access to up-front funds to

upgrade their buildings and take advantage of the tax credits, rebates, and incentives provided through the IRA and utility programs. The Green Bank should work in partnership with NYSERDA to pair grant and loan funds to provide 0% interest loans to low-to-moderate income households and low-interest loans to all other households.”ⁱⁱⁱ

e) Cap and Invest Program

As an environmental justice community-based organization, we have deep concern that the emissions reductions benefits will not benefit the communities we represent. There must be strong guardrails to ensure the program does not simply become a money-making scheme but leads to local pollution reductions. For example, the price of carbon must be very high and credits must not be able to carry over from previous years. Secondly, there must be an adopted plan for the profit to go to climate interventions in DACs. As we learned from California, money was meant to shift from polluters to environmental justice communities, but the money never came.

f) Hold Utilities Accountable

Our community members continually voice discontent for utility providers and feel left behind. When it comes to summer electricity bills, we had a member say to us when talking about home cooling: *“senior citizens are found dead in their homes because of the heat...that’s why people do anything about it now. They wait until things get extreme before doing anything.”* It’s important that utilities across the state are held responsible for achieving the goals. Of major importance is eliminating the 100-foot rule and obligation to serve to allow us to achieve the goals of the CLCPA, via Senator Krueger’s Clean Heat Bill. As we all work together to deploy programs and plans for achieving goals laid out in the scoping plan, it is really important that utilities across the State are held responsible towards achieving the goals, both with moving away from fossil fuel as an energy source, and with directing their programs to ensure DACs receive 35-40% of investments and benefits. Utilities must also have to track where their dollars are going. 2023 is an important year for our elected representatives to hold utilities accountable to the CLCPA.

g) Ending Fossil Fuel Subsidies

New York State allocates \$330 million to various fossil fuel subsidies outside of low-income assistance programs. The legislature must eliminate these subsidies and redirect the funds to green affordable housing programs and other clean energy investments in disadvantaged communities.

h) Climate Spending in the Environmental Bond Act

Includes \$1.5 billion in funding to address climate change. Particularly, the funding is meant to address legacy issues in environmental justice communities such as air pollution and lack of adequate resiliency measures to combat extreme weather events like extreme heat and flooding. We’d like to see this funding allocated to address built environment concerns. Communities already know where the funding needs to go. Community impact grants like in the Environmental Protection Fund would be a welcome route to allocating funding for environmental justice communities.

i) NY Renews Climate and Community Protection Fund

We support the New York Renews Climate, Jobs, and Justice Package to give \$10 billion in funding for climate initiatives. Importantly, the Climate and Community Protection Fund gives a targeted pathway to ensuring the announced Cap and Invest program uses its funding in a targeted way.

The CCPF would establish four funds: (1) Climate, Jobs, and Infrastructure Fund, for increasing building efficiency, infrastructure and more, (2) Community-Directed Climate Solutions Fund, to assist low and moderate-income homes reduce emissions and costs, (3) Community and Worker Transition Assistance, which provides direct support and job training to impacted workers and expands economic development programs, and more, and (4) Energy Affordability Account, which directs grants to community organizations.

j) Hold Polluters Accountable via processes such as Senator Myrie’s Climate Negligence Legislation

It will be helpful for all CLCPA-related efforts if polluters were held accountable in court for their pollution.

Overall, the CLCPA funding avenues presents exciting opportunities to improve the environmental health of low-income communities and communities of color across the State through smart, equitable, climate investments. To be successful, adequate tracking and transparency is key.

Sincerely,

Sonal Jessel

Director of Policy

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ⁱ <https://www.csd.ca.gov/Shared%20Documents/2023-Final-LIHEAP-State-Plan.pdf>

ⁱⁱ [https://www.nj.gov/dca/divisions/dhcr/offices/docs/LIHEAP/PRN_2018-056_\(50%20N.J.R._1397\(a\)\).pdf](https://www.nj.gov/dca/divisions/dhcr/offices/docs/LIHEAP/PRN_2018-056_(50%20N.J.R._1397(a)).pdf)

ⁱⁱⁱ <https://beepny.org/>