



ADVANCING NEW YORK STATE'S CLEAN ENERGY GOALS



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We, the Independent Power Producers of New York, The Business Council of New York State, the New York State AFL-CIO, and the New York State Building & Construction Trades Council, support the transition to a cleaner energy future for New York, including significant emissions reductions from all sectors of our economy. The State has a pathway to achieve the Climate Leadership and Community Protection Act's (CLCPA) target of 70% renewable energy by 2030, but the method of achieving the targets of a non-emitting energy sector by 2040 and 85% economy-wide greenhouse reductions by 2050 is less clear. As a result, all solutions need to be on the table for consideration.

To ensure New York State's clean energy goals are pursued responsibly, we believe the pathway should adhere to seven key principles:

1. Maintain safe, reliable, and resilient energy infrastructure.
2. Communicate impacts on energy consumers and businesses.
3. Create and retain high quality union labor jobs.
4. Leverage the power of markets to achieve decarbonization.
5. Reduce emissions from all sectors, including transportation and heating.
6. Promote development and maintenance of needed energy infrastructure.
7. Support fuel and technology diversity.



1. MAINTAIN SAFE, RELIABLE, AND RESILIENT ENERGY INFRASTRUCTURE.

Electricity and natural gas permeate all sectors of daily society and assist people to lead productive, safe and fulfilling lives. We wake up to these critical energy sources with our alarms, we use them to cook our breakfast, they fuel many of the cars, buses, and trains we use to get to work, they power our schools and hospitals, they charge our cell phones, and the list goes on.

As such, the reliability and resiliency of this infrastructure are paramount, especially in the face of increasing extreme weather events. Private sector investment in resources - such as wind, solar, and emissions reducing technologies and fuels - will be essential to meeting the State's goals. As New York State transitions its electric generation resources to more intermittent renewable sources and energy storage, the need for more flexible resources will increase. Accordingly, maintaining baseload and quick-start resources to address this intermittency is essential for a robust and reliable grid. Foundational fuels and associated infrastructure, like the State's robust natural gas system, are necessary to ensure ongoing reliability, and, until new storage technologies are developed and matured, large baseload generators will be essential to balance fluctuations in renewable electric generation.

Further, as New York State develops new generation technologies able to leverage low- and no-carbon fuels (i.e. carbon neutral/negative renewable natural gas (RNG), green hydrogen, etc.) the existing gas system, which consists of approximately 50,000 miles of storm-resistant pipelines, will remain an indispensable piece of New York State's green economy. The State's fuel suppliers also are poised to provide other new fuels, such as renewable jet fuel and renewable distillate. Additional technologies, such as long duration energy storage and carbon capture and sequestration, also could have a role in maintaining reliability and zero emissions.



2. COMMUNICATE IMPACTS ON ENERGY CONSUMERS AND BUSINESSES.

Due to the magnitude of investments needed to decarbonize the economy, cost-effectiveness and consumer affordability are essential. Approaches that can achieve the CLCPA's targets while minimizing economic impacts on consumers and businesses, including utility bill impacts (especially during the winter), must be prioritized. As New Yorkers continue to recover from the impacts of COVID-19, this priority takes on even greater importance.

Despite a directive in the CLCPA to evaluate the total potential costs of the Scoping Plan, especially costs of implementation, and multiple requests from certain Climate Action Council (CAC) members and numerous stakeholders, there has yet to be issued a

comprehensive evaluation of the practical cost impact of the State's energy transformation on individuals, businesses, and industries in New York. Information that has been provided on the CAC's Integration Analysis suggests that costs for individuals to convert their homes to a zero emissions environment will likely be significant – \$20,000 to \$50,000 for a single-family home in the Upstate New York region. Similarly, in May 2021, the Consumer Energy Alliance estimated that this cost was approximately \$35,000. Given these significant impacts to consumers, in addition to the other costs that will flow from the enormous infrastructure buildout required by the CLCPA, no Scoping Plan can reasonably be considered without the requisite cost analysis that shows practical impacts on consumers and how to afford paying them.



3. CREATE AND RETAIN HIGH QUALITY UNION LABOR JOBS.

New York State programs for investment to reach the CLCPA's goals should include the prevailing wage, project labor agreements, labor peace, and Buy American provisions that were enacted in the 2021 State Budget for renewable energy systems, along with an apprenticeship training program. These quality-based contracting and labor provisions are highly valuable in promoting successful project delivery, especially in light of the complexity and time sensitivity of affected projects. Vital for the Just Transition envisioned by the CLCPA, these provisions will: create and retain good paying union jobs in New York State; spur local manufacturing and further the State's clean economy goals; help encourage the repurposing of existing facilities; and facilitate private investment in new, zero-carbon emissions technologies that strengthen local communities.



4. LEVERAGE THE POWER OF MARKETS TO ACHIEVE DECARBONIZATION.

The New York Independent System Operator (NYISO) has administered competitive wholesale energy markets, successfully fulfilling public policy objectives for two decades. In the last 20 years: electric reliability has improved materially; emissions have declined substantially; and consumers' electric supply costs have decreased significantly.

Competitive markets have proven to be the most effective tool to attract new technology investments and reduce emissions at the lowest cost when unencumbered by technology-specific mandates. Harmonizing public policy objectives, such as valuing renewable and zero-emitting generation, with the wholesale electricity markets will:

diminish New York State's reliance on out-of-market subsidies; accelerate the decarbonization of the State's generation fleet; accelerate entry of new renewable projects; create stronger economic incentives for cost-effective transmission investment; and reduce the cost and time to achieve the State's clean energy goals.

The sooner New York State adopts market-based solutions to achieve its public policy goals, such as the NYISO's carbon pricing proposal related to electric generation, the sooner New York's public policies will be achieved. NYISO's carbon pricing proposal can help grow investment and innovation in clean energy generation and provide efficient market incentives to site renewable energy systems and zero-emitting generation where they are particularly needed for reliability and for the creation of associated local jobs. Those jobs must be accompanied with minimum labor standards for all participants in line with the points outlined in the third Principle above.



5. REDUCE EMISSIONS FROM ALL SECTORS, INCLUDING TRANSPORTATION AND HEATING.

As part of an economy-wide approach, substantial emissions reductions from the transportation and building sectors are needed to meet New York State's decarbonization goals. Emphasis should be placed on exploring diverse solutions for emission reductions, including energy efficiency programs that ensure early attainment of the most significant energy reductions possible and dual-source heating options (i.e., using low- and no-carbon fuels in high efficiency natural gas furnaces in combination with air source heat pumps), to ensure that New Yorkers remain safe and healthy. For transportation, electric vehicles are a main compliance pathway, while carbon neutral/negative RNG and green hydrogen are viable emissions reduction options for hard-to-electrify medium and heavy-duty vehicles.



6. PROMOTE DEVELOPMENT AND MAINTENANCE OF NEEDED ENERGY INFRASTRUCTURE.

Approximately 80% of New York State's electricity transmission lines entered service before 1980. Market signals will create stronger economic incentives for cost-effective transmission investment, providing the downstate market access to cleaner and more efficient resources located upstate and offshore, growing the market for renewables, and stimulating the State's economy. Use of the natural gas transmission system, as a pathway for the delivery of low- and no-carbon fuels, will balance the need to expand the electricity transmission system and help ensure an affordable, reliable, and resilient energy system.



7. SUPPORT FUEL AND TECHNOLOGY DIVERSITY.

A diversified electric system is essential to cost-effectively maintain and strengthen reliability, while minimizing price volatility by avoiding an over-reliance on any single fuel source with uncertain availability. Resource diversity provides this stability as New York State pursues an emissions-free electric system along with increased electricity demand resulting from the electrification of the transportation and building sectors.

All emissions-reduction technologies should be considered, and bans on existing types of facilities and appliances should not be imposed, especially where such bans would sacrifice reliability, resiliency, and cost-efficiency. The focus should be on the economic benefit of finding ways for equipment and facilities to be the leading pathways for the use of emissions reducing fuels and technologies.

Use of low- and no-carbon technologies, like carbon neutral/negative RNG and green hydrogen, will be important to ensure reliability and resiliency and to decarbonize hard (and in some cases impossible) to electrify industries, heavy duty transportation and certain multi-family and older residential housing, particularly in colder climate regions of the State. For certain industries where electrification is possible but cost prohibitive, use of low- and no-carbon fuels could help support ongoing investment and continued operation in the State. The State needs to consider and research all options to reduce emissions, including (but not limited to) green hydrogen, carbon neutral/negative RNG, long duration energy storage, renewable jet fuel, renewable distillate, biofuels, renewable propane, biodiesel, and carbon capture and sequestration.

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About the Independent Power Producers of New York (IPPNY)

IPPNY is an Albany-based trade association representing companies in the competitive power supply industry in New York State. IPPNY Members generate the majority of New York's electricity using a wide variety of generating technologies and fuels including hydro, nuclear, wind, natural gas, solar, energy storage, biomass, oil, and waste-to-energy. For more information, please visit our website at www.ippny.org.

About The Business Council of New York State

The Business Council of New York State represents the interests of approximately 3,500 member companies that include private sector businesses, local chambers of commerce, and professional and trade associations.

While 76% of our members are small businesses, we also represent some of the largest and most important corporations in the world.

The Business Council of New York State | The Business Council (bcnys.org).

About The New York State AFL-CIO

The New York State AFL-CIO is a federation of 3,000 unions, representing 2.5 million members, retirees and their families with one goal; to raise the standard of living and quality of life of all working people. We keep New York State Union Strong by fighting for better wages, better benefits and better working conditions. For more information on the Union Movement in New York, visit www.nysaflcio.org.

About The New York State Building and Construction Trades Council (BCTC) Established in 1958, the NYS Building & Construction Trades Council currently represents over 200,000 unionized construction workers in New York State. Our 15 local building trades councils, 12 district councils and state associations, and 135 local unions represent the trades that build our roads, bridges, schools, and office buildings. Believing that every worker deserves a fair wage and safe working conditions, our mission is to protect and further these basic privileges.

