Climate Action Council Draft Scoping Plan

CLCPA Targets:

- Enacted in 2019
- transformed the state's earlier clean energy standard efforts from administrative fiat to law (through New York's new Environmental Conservation Law (ECL) Article 75)
- sets more aggressive goals to
    - reduce statewide greenhouse gas (GHG) emissions economy-wide to 60% from a 1990 baseline by 2030, and 85% from a 1990 baseline by 2050, The remaining 15% of emissions will be offset, such as by planting trees which take carbon dioxide out of the air, to reach net zero emissions.
    - renewable procurement mandates:
        - 70% renewable energy by 2030 and carbon free by 2040
        - 9,000 MW of offshore wind by 2035,
        - 3,000 MW of energy storage by 2030, and
        - 6,000 MW of solar by 2025.
        - the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.
- An important requirement of the CLCPA is the statutory commitment to invest in communities that have been disproportionately impacted by climate change. To meet this requirement, the CLCPA established the Climate Justice Working Group to establish the final criteria for identifying disadvantaged communities based on environmental burdens and demographic factors, such as race and socioeconomic status.
    - Section 4 added new Public Service Law Section 66-p(7)(c) to direct that Disadvantaged Communities (DACs) to receive at least 35% of the overall benefits of spending on clean energy
    - In its 1/1/20 Order the PSC directed NYSERDA and the utilities to develop/report certain metrics for disadvantaged communities
    - Currently, the "interim DACs" include parts of Auburn, Cortland, Syracuse, East Syracuse, Phoenix, Fulton, City and Town of Oswego, Scriba, Richland/Pulaski
        - Criteria: located within census block groups that meet the HUD 50% AMI threshold, that are also located within the DEC "Potential Environmental Justice Areas" **OR** located within the ESD's New York State Opportunity Zones (Tax Cuts and Jobs Act of 2017)

Summary/Status

- The Climate Action Council consists of 22 members and included 7 advisory panels and the Climate Justice Working Group
    - Transportation
    - Agriculture and Forestry
    - Land Use and Local Government
    - Power Generation
    - Energy Efficiency and Housing
    - Energy Intensive and Trade-Exposed Industries
    - Waste

- On Dec. 20, 2021, the New York State Climate Action Council (Council) voted unanimously to approve the most recent draft of the 861-page scoping plan
- The Climate Action Council released its Draft Scoping Plan for 120-day public comment period that started on January 1.
- Residents may submit comments online, by email at scopingplan@nyserda.ny.gov, and via U.S. mail to Attention: Draft Scoping Plan Comments, NYSERDA, 17 Columbia Circle, Albany, NY 12203-6399.
- Public input received on the plan will be used by the Climate Action Council to help develop the Final Scoping Plan, which will be posted online and delivered to the Governor and the Legislature by January 1, 2023.
- The DEC will release regulations based on the plan by January 1, 2024.

Key Themes:

- Climate-specific action will be required across all sectors, requiring significant investments, especially considering the GHG accounting methodology established by the CLCPA.
- Sector-wide energy efficiency and electrification will play a critical role in meeting emissions reduction benchmarks. For example, the integration analysis (aka cost/benefit analysis) conducted pursuant to the CLCPA envisions zero-emission vehicles and heat pumps dominating the market by the end of the 2020s. As such, consumer awareness and decision-making will be a significant factor in attaining GHG emissions reduction benchmarks.
- Wind, water, and solar will be the primary source of power generation across all sectors of New York's economy by 2050, necessitating investments in firm, zero-carbon resources and energy storage resources to ensure grid reliability.
- Low carbon fuels such as renewable natural gas, biofuels, and hydrogen should be utilized strategically (and only??) in sectors that are more challenging to electrify, such as medium- and heavy-duty transportation and industrial applications.
- The cost of inaction exceeds the cost of implementing the suite of options set forth in the draft plan by at least $90 billion when factoring in public health impacts and economic costs associated with climate change. This will be a key point of debate, and public input that supports the principle of including a broad range of public benefits and "co-benefits" (like public health) will be important.

Standing Issues to be Resolved:

❖ One key item up for discussion in 2022 is the adoption of economy-wide mechanisms to curtail emissions and fund the programs and initiatives identified in the scoping plan, such as a carbon tax/fee, cap-and-invest program, and clean energy supply standard. In evaluating the viability of these proposals, the Council will face the challenge of funding decarbonization across all sectors, while avoiding regressive impacts on consumers, leakage (diverting GHG emissions outside the state), and the creation of "hotspots" in disadvantaged communities.

❖ To date, the Council and environmental groups have opposed using green hydrogen – hydrogen made from zero GHG emission energy – as a longer-term combustible energy source for the electricity generation sector. Some assumptions in the draft plan, such as the speed that consumers will convert to driving electric vehicles and operating heat pumps, also may be questioned. Finally, there is no ready agreement on adopting a low carbon fuel charge, a fact exacerbated by an inherent tension between

incentivizing the use of zero-emission and low-carbon fuels and avoiding significant financial impacts on consumers.

❖ The conversion from direct fossil fuel consumption to electric power for transportation and building heating/cooling will necessitate a dramatic further increase in renewable energy supply and energy efficiency: New York State will need to add an additional 94,000 Gigawatt hours of renewables, more than double existing renewable resources. It will also require an expansion of the state's transmission capacity, which is already constrained from upstate to the downstate area, where most energy is used. The construction of offshore wind facilities will bring more renewable energy directly to the downstate market, but a larger mix of resources, some operating intermittently, will require an expanded transmission grid to deliver power throughout the state.

❖ This plan is calling for installed solar of 60 gigawatts, or 60,000 megawatts, of utility scale solar by 2050. At 6 acres per MW that equals at least 360,000 acres of solar.

❖ The power lines in our neighborhoods simply can't handle the load if every house suddenly has an electric car and electric heat. Add to that, power use has held steady because of efficiency, but most of the low-hanging fruit (i.e., LED light bulbs and Energy STAR appliances) has been picked. With that gone, use may increase.

❖ The future of natural gas and alternative fuels

a. Natural gas distribution infrastructure
    i. A majority of the Council agreed to include a sentence saying that the gas system would be "downsized" and disagreed that the gas system would necessarily be "dismantled."
    ii. Despite the comment of LIPA Council-Member Tom Falcone that the existing gas distribution system could be transitioned to transport hydrogen, a majority of the Council voted to remove the recommendation that a study be conducted to determine whether the gas distribution system could carry a mix of gas and hydrogen.

b. Clean Fuel Standard
    i. Council softened its recommendation that the state enact clean fuel standard legislation, and instead decided to recommend in the draft plan the use of biofuels and electric vehicles.
    ii. The recommendation to adopt a clean fuel standard had divided stakeholders in the environmental and transportation sector, and with this last-hour language tweak the Council opted to leave the question open for public comment.

❖ Selection of "GHG Mitigation Scenarios"
a. The draft Scoping Plan outlines four scenarios on which the Council will seek public feedback regarding "the mix of strategies and level of ambition of these strategies in order to achieve the emissions limits."
    i. Scenario 1 : business-as-usual reference case

ii. Scenario 2 : includes use of bioenergy from biogenetic waste, agriculture and forest residues and limited-purpose grown biomass and a critical role for green hydrogen" applications that are difficult to electrify (i.e., heavy industry)
iii. Scenario 3 : very limited role for bioenergy and hydrogen combustion with accelerated electrification of buildings and transportation
iv. Scenario 4 : accelerated electrification and use of targeted low-carbon fuels

b. The results of the integration analysis showed multiple pathways for achieving the Climate Act's GHG emissions limits and revealed key findings regarding the level of deep decarbonization that is feasible by mid-century, though the assumptions and analyses underlying each of these scenarios and conclusions will no doubt be the subject of significant comment in the coming year.

❖ Climate Justice Working Group – definition of "Disadvantaged Communities"

a. The CJWG used 45 indicators of environmental exposures, burdens and climate change risks, and sociodemographic and characteristics and health outcomes to identify Disadvantaged Communities. The 45 indicators include 20 environmental burdens and climate change risks and 25 pollution characteristics and health vulnerabilities. Additionally, census tracts were scored on relative basis using percentile ranks of all indicators, multi-step scoring, and multiplying environmental/climate components by population/health component to get an overall score.
b. Draft criteria to be released soon, with a 120-day comment period prior to final adoption
c. In addition to this comment period, DEC will host a minimum of six regional public hearings during the public comment period on the draft list and criteria, which will include three upstate and three downstate meetings.
d. Additional meetings will be added as necessary, and notice will be provided on the Climate Act website and through other appropriate means.
e. Following the public comment period, the CJWG will vote on the final list of disadvantaged communities and criteria. This list and criteria will be reviewed at least annually by the group.

❖ According to an opinion letter published just today in the ***Albany Times-Union*** and written by the fiscally conservative New York Empire Center, the draft scoping plan shows a gap of 15-25 GW of electricity production by 2040, as much as 10% of the state's electricity needs according to the NYISO and equivalent to 10 hydro or nuclear plants.

a. The plan calls for huge increase in electricity demand from electrifying home heating and shifting to electric cars which will increase electricity demand by 65-80%
b. But the plan does not identify sources for an equivalent increase in electricity production, even accounting for the addition of 9 GW of offshore wind
c. NYISO states that "dispatchable resources that are emissions-free and on the scale needed, are not yet available or currently in the NYISO interconnection queue."
d. Green hydrogen or renewable natural gas might be the solution someday but neither are yet proven at the scale needed to fill the gap and unknown if they will be in 20 years
e. Empire Center calls for carbon capture and sequestration but that is an unproven technology too

<u>Governor Hochul's 2022 State of the State</u>

Buildings

- **electrification of 2 million homes, with at least 800,000 of those for low-to moderate-income households**;
- committing to electrify at least one million homes and make a million more electrification-ready (making them more energy efficient and upgrading their electrical systems to accommodate installing all-electric heating and hot water appliances when they need to replace their current ones).
- To help pay for these upgrades, the Governor proposed creating **a dedicated green electrification fund to electrify low-income homes** in NYS Homes and Community Renewal's new $25 billion, five-year housing capital plan.

As part of the state's building electrification goal, the Governor proposes to have the relevant state agencies create a plan this year to deliver the following:

- Require all new buildings to have zero on-site greenhouse gas emissions no later than 2027 (echoing recommendations included in the recently released Climate Action Council Draft Scoping Plan and NYSERDA's Carbon Neutral Buildings Roadmap, with smaller buildings going first).
- Pass new appliance efficiency standards, reducing energy and water use while saving New Yorkers billions of dollars on their utility bills.
- Require large buildings to track their energy use (a.k.a. energy benchmarking).
- Mobilize private capital to deliver the ambitious building goals by working with the state's finance, mortgage and banking industries.
- Ensure there's a skilled workforce to transform these buildings by creating the training programs for New Yorkers to build this clean energy future.
- Level the playing field for clean energy alternatives by removing subsidies for fossil fuels, and ending the obligation to serve customers with fossil gas that currently exists in state law, with strong protections to maintain affordability for vulnerable New Yorkers.
- Expand the State's *Clean Green Schools* program to bring clean energy solutions (geothermal heating and cooling, solar power, electric school bus charging and more) to over 1,000 public schools in Disadvantaged Communities.
- Raise the current rate of electrification of approximately 20,000 homes per year more than tenfold by the end of the decade.

Electricity Sector

- Phase out the dirtiest electricity generators— so-called "peaker plants"—and deliver new clean generation to New York City.
- Continue to move towards New York's critical offshore wind goal with the initiation of planning for an offshore wind transmission network and an additional $500 million in funding.
- Doubling the energy storage goal to 6 GW by 2030 to enable New York's grid to be 100% zero carbon by 2040.

Transportation

- proposed $1 billion investment to support electric vehicle adoption and infrastructure, electrifying the State fleet by 2035, achieving 100 percent electric school buses by 2035

- Support congestion pricing to reduce congestion and support public transit.
- Make all school buses electric by 2035.
- Fund an additional $175 million for EV fast chargers near highways.
- Expand the EV make-ready program for heavy-duty vehicles (buses and trucks).
- Electrify the state's light-duty vehicle fleet by 2035.

Related Initiatives

- In September 2021, Governor Hochul signed legislation setting a goal for all new passenger cars and trucks sold in New York State to be zero-emissions by 2035.
- In December 2021, Governor Hochul announced DEC's finalization of the Advanced Clean Truck Rule that will phase in the sales and use of zero-emission trucks and will reduce their harmful pollutants, which disproportionately impact the health and well-being of disadvantaged communities.
    - The new Advanced Clean Trucks (ACT) rule finalized by the State Department of Environmental Conservation (DEC) requires manufacturers of vehicles greater than 8,500 pounds to sell an increasing number of zero-emission vehicles (ZEVs) in New York State.
    - New York was a signatory to a Multi-State ZEV Memorandum of Understanding in July 2020 establishing a commitment to work collaboratively together to advance and accelerate the market for electric medium- and heavy-duty vehicles, including large pickup trucks and vans, delivery trucks, box trucks, school and transit buses, and long-haul delivery trucks. New York joins California, New Jersey, Washington, and Oregon in adopting the ACT.
    - Starting with model year 2025, applicable manufacturers would incur deficits each year based on the total number of medium- and heavy-duty vehicle sales in New York. These deficits will be offset by credits generated from the sale of medium- and heavy-duty ZEVs or near zero emission vehicles (NZEVs). Medium and heavy-duty ZEV and NZEV credits may be generated, banked, and traded by vehicle manufacturers. Credits would have a limited lifetime to ensure continued medium and heavy-duty ZEVs sales in New York. The sales requirement would increase annually through model year 2035.
    - In addition, DEC and the New York State Energy Research Development Authority (NYSERDA) will consult other State agencies to further develop and expand incentive initiatives as part of a zero-emission vehicle market development strategy required by the recently adopted law. That process will be completed no later than January 2023, well in advance of the sale of model year 2025 vehicles covered by DEC's ACT regulation.
- On 1/19/22 Governor Hochul announced more than $12 million added to the Drive Clean Rebate program to help consumers save up to $2,000 on the purchase of an EV
    - Point-of-sale rebate that reduces upfront costs
    - Administered by NYSERDA and offered by car dealers
    - Rebates ranging from $500 - $2,000 are available on more than 60 models of vehicles and consumers receive higher rebates for the purchase or lease of longer range, all-electric vehicles with a base Manufacturer Suggested Retail Price of less than $42,000.

Federal Assistance/ Infrastructure Investment and Jobs Act (IIJA)

- In New York, state officials expect to receive $175 million from the feds to advance transportation electrification.

Mandates?

- Some New York officials want mandates. State Sen. Liz Krueger, a Democrat, has sponsored a bill that would require newly constructed buildings to include wiring for electric vehicle chargers in a certain amount of their parking spaces.

Concluding Points for Consideration Regarding Public Input by Citizen Groups and Individuals

Residents may submit comments online, by email at scopingplan@nyserda.ny.gov, and via U.S. mail to Attention: Draft Scoping Plan Comments, NYSERDA, 17 Columbia Circle, Albany, NY 12203-6399.

1. Stick to principles. For example, the state should consider the full range of benefits and "co-benefits" (i.e., public health) when considering the recommendations of the Draft Scoping Plan.
2. Acknowledge that significant investments will be required and that you support those investments even if it means that ratepayers will have to pay more. Acknowledge that low-income ratepayers can and should be protected through compensatory mechanisms but that they should not be used as an excuse to prevent necessary action.
3. Reject the argument that we should delay action until all of the technical and program details have been worked out. Insist that action begin now so that we have a chance to avoid the worst impacts of climate change.
4. Insist that New York proceed with bold action in order to demonstrate the efficacy of public policy to other states and nations.
5. Submit comments as individuals and as members of groups like UCAN, churches, etc.
6. Encourage your local municipal officials (town supervisors, village mayors, county representatives) to participate. Their voices are very important and they rarely participate in these proceedings (other than New York City).