



February 13, 2020

Hon. Liz Krueger, Chair  
New York State Senate Finance Committee  
416 Capitol, Albany, NY 12247

Hon. Helene E. Weinstein, Chair  
New York State Assembly Ways & Means  
Committee  
LOB 923, Albany, NY 12248

**Re: NY Renews 2020-2021 Executive Budget Proposal Testimony to the Economic Development Committee**

Dear Senator Krueger and Assemblywoman Weinstein:

NY Renews is a coalition of over 190 environmental, justice, faith, labor and community groups across New York State. Our aim is for New York to lead the nation on tackling both the climate crisis and systemic inequality by executing a just clean energy transition now. We appreciate this opportunity to submit 2020 Joint Legislative Budget Hearing testimony regarding the 2020-2021 Executive Budget Proposal to the Economic Development Committee.

Thank you for passing the Climate Leadership and Community Protection Act (CLCPA) last legislative session! New York has shown global leadership on reducing greenhouse gas emissions and climate change adaptation. The CLCPA sets the State on a path towards economy-wide net-zero carbon emissions by 2050. Just as important, the law requires that communities be protected from climate change with a focus on the communities hit hardest by the climate crisis.

Unfortunately, the 2020-2021 Executive Budget Proposal does not provide the means to implement the CLCPA and begin a just clean energy transition in New York. Instead, the Governor's budget amounts to an approach that neglects community climate protection. NY Renews asks that this year's budget be augmented to create an initial \$1 billion dollar Climate and Community Investment Fund. NY Renews also requests that this body provide ongoing legislative oversight for CLCPA implementation.

***The 2020-21 State Budget Should Direct an Initial \$1 Billion Towards a Climate and Community Investment Fund***

Governor Cuomo's Executive Budget presentation included an outline of \$33 billion in climate action funding over five years. In truth, other than the proposed bond act, the vast majority of that \$33 billion sum reflects already committed funds and not new dollars. The Governor's budget also moves Regional Greenhouse Gas Initiative clean energy funds to bolster, but not expand, the Environmental Protection Fund. Importantly, the Governor's proposal substantively ignores the CLCPA's legal requirement and goal that disadvantaged communities receive at least 40% of the benefits of clean energy and other spending. In particular, the Executive Budget Proposal states that agencies should merely "explore" the 40% requirement and goal, rather than plan to execute it.

In this way, the Governor's Executive Budget Proposal seeks to maintain the status quo on climate, functioning as if the CLCPA was never signed into law. This approach means that New York will remain focused on yesterday's vision of climate leadership- namely, a vision that neglects to protect communities from the impacts of climate crisis.

In a significant example, the Executive Budget Proposal simply does not include a comprehensive investment vehicle or plan to advance community resilience and climate protection. While it may surprise many, the State does not otherwise have such an overarching plan. This lapse represents a structural policy gap in the State's climate and adaptation response. This policy gap, compounded by the failure of the Executive Budget Proposal to direct funds to disadvantaged communities as required by law, puts vulnerable New Yorkers at risk.

How? As we have seen this year both at home and around the world, the climate crisis has arrived. The Governor's Executive Budget Proposal leaves New Yorkers exposed and unprepared to respond to known climate crisis impacts. These include, but are not limited to, extreme heat, flooding, severe storms and other disasters that are already happening throughout the State and will continue with increasing severity.

To address this need, NY Renews asks that the 2020-2021 budget direct an initial \$1 billion towards a Climate and Community Investment Fund. This fund is needed to begin implementing the CLCPA, and will work to promote renewable energy adoption, and community resilience. The Climate and Community Investment Fund is a necessary investment vehicle that can make sure that new commitments and programs will maintain and build upon the State's existing programs.

Critically, the Climate and Community Investment Fund prioritizes workforce development and job creation. The fund would create a \$300 million Climate Jobs and Infrastructure Program to

develop clean energy projects with positive regional impacts that will create the good jobs and workforce development that we need for the clean energy economy. It would also create a \$200 million Worker and Community Assurance Program to assure that host communities and workers currently employed at fossil fuel-related facilities have a clear and secure path to economic stability in the new clean energy economy. More information on the NY Renews proposal for the Climate and Community Investment Fund, as previously sent to the Governor, can be found attached hereto.

### ***CLCPA Implementation Should Be Subject to Legislative Oversight***

The Governor's inaction on funding the CLCPA while claiming to have a \$33 billion climate action plan also highlights the lack of transparency in the State's climate programs. In fact, the State hasn't had an updated State Energy Plan since 2015. According to the New York State Energy Research and Development Agency, further delay is expected as the agency anticipates analysis from the Climate Action Council, a body created by the CLCPA.<sup>1</sup>

In the meantime, there is no functioning system in place to ensure that the State as a whole performs optimally on the \$33 billion in the Governor's budget (most of which, as explained above, is already committed). How, then, can New Yorkers expect that the State will effectively leverage these large sums, especially in light of its new goals under the CLCPA?

In response to this question, NY Renews believes that CLCPA implementation should be subject to legislative oversight. This can help ensure that the State effectively moves forward on its ambitious clean energy goals. This oversight should also make sure that disadvantaged communities receive the benefits of clean energy and other spending they are due as required by law.

NY Renews requests that this body, and potentially others, begin to plan ongoing oversight hearings on CLCPA implementation as soon as possible. The relevant State agencies should be directed to conduct an audit this year of their spending in light of the CLCPA, to be completed by the end of the year. Specifically, but not exclusively, agencies should plan for how they will achieve the law's requirement and goal that 40% of energy and other spending benefit disadvantaged communities.

New York can achieve a just clean energy transition that creates a healthy environment for all while addressing inequalities and promoting economic opportunity in an equitable way. The CLCPA provides a framework for the State to accomplish this. The State's climate law can only

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<sup>1</sup> See the Times Union, *Energy Plan is Not On Schedule*, Rick Karlin, Nov. 26, 2019, available at: <https://www.timesunion.com/7dayarchive/article/Quadrennial-energy-plan-is-not-on-schedule-14864838.php> (last accessed Jan. 27, 2020).

fulfill this promise, however, if it is adequately funded and appropriately implemented with an urgency that matches the threat of the climate crisis.

It is critical that the 2020-21 State Budget begins to protect communities under the CLCPA by, as a first step, creating a \$1 billion Climate and Community Investment Fund. Further, the prolonged absence of an updated State Energy Plan and the size and complexity of the State's energy budgets leave a vacuum in the State's current accountability structures. This includes, but is not limited to, the need to achieve the CLCPA's funding commitments to disadvantaged communities and other plans to fulfill the State's energy goals. In order to provide a process for accountability, we believe the circumstances require legislative oversight of CLCPA budget implementation. Thank you.

Sincerely,

The NYRenews Steering Committee:

- 32BJ SEIU
- ALIGN - Alliance for a Greater New York
- Catskill Mountainkeeper
- Center For Working Families
- Citizen Action of New York
- Communications Workers of America District 1
- Demos
- Environmental Advocates of NY
- GreenFaith
- Long Island Progressive Coalition
- NYC Environmental Justice Alliance
- Our Climate
- People's Climate Movement NY
- PUSH Buffalo
- Sierra Club
- Teamsters Joint Council 16
- UPROSE



October 28, 2019

Hon. Andrew M. Cuomo  
Governor of New York State  
Executive Chamber  
New York State Capitol  
Albany, New York 12224

Dear Governor Cuomo:

The passage of the Climate Leadership and Community Protection Act was a major victory for New Yorkers, the next step in making New York a national climate leader and building a truly just and equitable New York is to ensure that our state's budget reflects those priorities.

**We call on you to propose a 2020-21 Executive Budget that directs at least \$1 billion in new funding to a Climate and Community Investment Fund focused on renewable energy, infrastructure, and energy efficiency programs that will mitigate climate changing emissions, reduce air pollution, and protect the vulnerable communities hit hardest by the economic, social, and health impacts of fossil fuel based energy.**

The goal of the CLCPA is broader than just setting greenhouse gas emission targets. It is a mandate that we create a just and sustainable transition towards 100% renewable energy across all sectors of the economy on a timeline that meets the urgent crisis all New Yorkers are facing, while centering the communities most at risk and least able to bear the impact of climate change.

The climate crisis is too severe and moving too quickly for us to delay taking decisive action and leading the nation in investing in our energy and climate resiliency infrastructure. We need to start ramping up efforts on projects that are shovel ready and work to meet the goals of the CLCPA even before the Scoping process and Climate Action Plan are complete. Doing so will have many benefits including creating tens or even hundreds of thousands of jobs. It is urgent that New York State ramp up spending in order to draw in the needed private capital and lay the foundation for this transition.

**On behalf of NYRenews and its members across the state of New York, we ask that you champion a \$1 billion dollar per year Climate and Community Investment Fund:**

The Climate and Community Investment Fund will accelerate New York State's transition from fossil fuels to clean renewable energy, ensuring that our families breathe clean air and our economy works for all. It will create tens of thousands of jobs, require high labor standards for those jobs, protect workers who may lose their jobs, and ensure that all communities benefit from a just transition. This fund is an immediate down payment on the immense effort the state will need to meet the challenge of the climate crisis, and will help leverage further sources of public and private investment to meet the need. This effort must build upon the maintenance of existing efforts, and bring new revenue from the general fund to supplement existing efforts funded by ratepayers and other dedicated sources.

**A \$1B annual commitment to the Climate and Community Investment Fund, while maintaining efforts create a new capital funding program to parallel the Environmental Protection Fund and the newer Water Infrastructure Fund, should make investments in four areas:**

**1. Climate Jobs and Infrastructure Program**

\$300 Million dollars shall be allocated to this program, administered by the New York State Energy Research and Development Authority (NYSERDA) in cooperation with the New York Power Authority (NYPA) and Long Island Power Authority (LIPA) would direct investment to large scale renewable energy infrastructure, Mass transit electrification and expansion, community wide approaches to heating and cooling electrification, and other infrastructure projects at either the local or regional level across New York to stimulate further emissions reductions and expand clean renewable and efficient energy infrastructure. The existing Clean Energy Standard provides vital support for Renewable energy generation, this program would be supplemental to that program creating infrastructure that has broad benefits to the communities and makes generation projects more equitable and more beneficial to the host community.

This fund will ensure a cleaner and healthier future through projects such as cost sharing on large-scale renewable energy development, updating energy transmission and grid infrastructure, modernizing port facilities, and supporting local efforts at increasing energy efficiency.

The intent is to focus on projects with regional impacts and stakeholders, or for communities wishing to undertake local improvements designed to stimulate further investment in the clean and efficient energy future of their area that demonstrate a broad array of benefits, including: quantifiable, verifiable, and significant emissions reduction benefits; significant job creation; social equity improvements; developing an in-state manufacturing and supply chain; and support local economic development, generating community wealth and ownership.

Examples of projects to be funded through this program include:

- Capital projects that support local economic development, manufacturing, and business development related to energy efficiency, beneficial electrification, and other related technology including but not limited to workforce development capacity.
- Transportation electrification focused on mass transit and public fleet electrification as well as supportive charging infrastructure. Including specific funding for programs to build out mass transit programs in rural areas.
- A direct transmission connection to New York City for Offshore wind power generation or upstate wind and solar power.

## **2. Community Just Transition Grants Program**

\$300 Million dollars shall be allocated to this program. The New York State Energy Research and Development Authority (NYSERDA) should develop a significant grant program to invest directly in the communities that are 1) most affected by pollution and public health impacts from existing fossil fuel infrastructure and both stationary and mobile sources of fossil fuel pollution; and 2) are most vulnerable to climate change impacts such as severe storm weather and heatwaves. The grant program would provide targeted investments for low-income communities, frontline and host communities, and communities of color for local energy efficiency and/or renewable energy projects that create good local jobs and reduce local emissions. The grant program can also support community-led energy planning, workforce development training, pre-development costs for capital projects such as community shared solar, and directly fund community controlled or community-owned distributed renewable energy generation and storage demonstration projects. An initial process that allows communities to identify and prioritize their needs related to transitioning to a renewable energy economy can guide the program's grant-making going forward.

Examples of projects to be funded through this program include:

- Energy efficiency and energy demand reduction for low-income renters and homeowners
- Renewable energy generation and energy storage projects located in and serving disadvantaged communities
- Renewable energy powered microgrids located in and serving disadvantaged communities
- Reducing urban heat island effects through urban agriculture, urban forestry, or green infrastructure projects
- Projects to reduce emissions of other regulated air contaminants in overburdened communities, in conjunction with greenhouse gas emissions reductions
- Community-owned shared solar installations and other community-controlled renewable energy resources

## **3. Worker and Community Assurance Program**

\$200 Million dollars shall be allocated to create a Worker and Community Assurance Program. It is vital that New York ensure that all communities experiencing permanent power plant retirements have the resources they need to make just transitions, including budget and property tax relief for municipal school districts through the education funding formula and direct support

to workers. To quote a recent paper on the topic [\*Transitioning to a 21st Century Energy System\*](#) “New York must take immediate action to implement a Just Transition for those workers and communities that are impacted by those policies. That is what justice requires. No one should be unfairly burdened in efforts to correct environmental degradation. The best way to ensure justice for workers and communities is to plan for it.”

One piece of that, the Worker and Community Assurance Program would be administered by the Empire State Development Corporation (ESDC), in consultation with the Just Transition Working Group and other stakeholders. ESDC will develop immediate pilot investments that support a proactive long-term program to assure that host communities and workers that are employed at current fossil fuel and power sector facilities have a clear and secure path to economic stability in the new energy economy. These investments can focus on but are not limited to alternate uses for the sites of retired power plants, such as the Huntley Plant in Tonawanda, or to create or prepare infrastructure for new tax paying businesses in communities that are predicted to face plant closure.

These capital projects do not replace a broader social dialogue and plan for a just transition but are intended to begin laying some groundwork for those investments to facilitate the Just Transition of fossil fuel workers, while growing good local jobs and spurring sustainable economic development. This program should build on past efforts to temporarily replace lost tax revenue and provide worker support by investing in infrastructure and projects while complementing other efforts by the state to ensure that workforce transition plans are created and that the state develop an ongoing and coherent program to create a just transition where there is no economic harm to workers or communities. The process must be equitable and inclusive. Just Transition needs to have an equity framework where all of society equally shares the benefits and burdens.

These funds should be available to municipal and county governments, labor unions, or non-profit constituency-based organizations that serve the impacted communities. The application must include consultation with impacted workers and community members. Priority will be given to applications from applicants with significant employment and tax base impacts in host communities.

#### **4. Preparing For The Future Program**

\$200 Million dollars shall be allocated to create a program to expand no cost energy efficiency and beneficial electrification efforts for low- and moderate-income New Yorkers and to fund transportation improvements focused on mass transit and public fleet electrification and supportive infrastructure. These efforts currently need dramatic expansion to meet the needs of New Yorker and prepare the State for the next phase of the energy system transition without increasing burdens on those least able to afford the additional costs.

The New York State Energy Research and Development Authority (NYSERDA) along with the Department of Homes and Community Renewal (DHCR) shall develop the program and support energy efficiency efforts to reduce emissions immediately, reduce the need for new



infrastructure, and pave the way for future electrification and transition to heat pumps and non-emitting technology as well as beneficial electrification in general.

Energy efficiency investments are the lowest cost, and often easiest, ways to reduce emissions and they often mitigate current and future price increases. These investments are fast to implement, cost effective, and vital as a first step in the ongoing energy transition allowing easier implementation of renewable energy generation and lower infrastructure investments down the road. Energy produced from cleaner sources shouldn't raise utility rates and energy prices over time, however early and consistent investment in efficiency can reduce bills and future costs.

This program should specifically support:

- Expand funding to no cost Energy efficiency and beneficial electrification services delivered with the Low-Income Heating Assistance Program (LIHEAP), Weatherization Assistance program, and Energize Program. This is essential to making low-income households ready for the ongoing energy transition while reducing their current utility bills and conversion to heat pumps.
- Provide funding to affordable housing providers, municipal or county government, labor unions, or non-profits for energy efficiency upgrades and heat pumps on their own properties.
- Fund pilot projects to support mass transit improvements and access through vouchers for low- and moderate-income residents where communities adopt electrified fleets, or to support increased service in rural communities.

### **We need additional revenue and efforts beyond these funds.**

We respectfully call on your administration to change direction from our current austerity approach and champion additional revenue generation strategies. There is no way to meet the challenge of climate change, aging infrastructure, and other broad social needs across the state without new revenue.

To effectively meet the climate crisis New York agencies and authorities must have the flexibility to develop budgets that are realistic, and not arbitrarily constrained to within 2 percent growth, and the State needs revenue to meet that challenge.

This Climate and Community Investment Fund should be funded with a new appropriation so that it does not undermine existing efforts. We oppose any sweep or repurposing of existing climate or ratepayer funds to this program, or for any other purpose. This effort must be rooted expanding and building upon our existing efforts.

### **Ensure all the State's investments meet the 40% disadvantaged community commitment.**

As you develop your Executive Budget and priorities, ensure that New York State not only meets the requirements of the Climate Leadership and Community Investment Act by dedicating 40% of the benefits of climate and related infrastructure programs accrue to disadvantaged

communities in the abstract, but that at least 35% of actual funding is directed to those communities.

Even as the Climate Action Council and Climate Justice Working Group develop the definition and criteria to designate frontline communities, environmental justice communities, and those most vulnerable to climate change and as disadvantaged, we understand which communities are intended well enough to begin directing program spending and benefits to them. This mandate in the CLCPA, if implemented correctly, will ensure that new and existing investments in climate programs effectively provide opportunities for low-income individuals and disadvantaged communities to attain adequate funding for the implementation of energy efficiency, renewable energy, distributed energy, and resilient energy projects in their communities.

**This is your opportunity to lead.**

As the world's global financial and media capital, New York can set an example for the nation and indeed the world to lead by taking climate action while embracing the opportunities aggressive action creates. Now is the time when bold leadership can make a difference. NY Renews looks forward to partnering with you on a state budget and enacting new policy measures that will guide our State to an economically sound, just, and equitable future of clean, renewable energy.

We appreciate your attention to this important matter, and we look forward to working with you and your administration to make New York State the climate leader our nation needs.

Sincerely,

NY Renews

Cc: Melissa DeRosa, Secretary to the Governor  
Robert Mujica, Director, Division of Budget  
Basil Seggos, Commissioner, Department of Environmental Conservation  
Alicia Barton, President, New York State Energy Research and Development Authority  
Gil Quiniones, President, New York Power Authority  
Eric Gertler, President-designate, Empire State Development  
RuthAnne Visnaukas, Commissioner, Homes and Community Renewal  
Dale Bryk, Deputy Secretary for Energy and Environment  
Amanda Lefton, First Assistant Secretary for Energy and Environment