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2021 Joint Legislative Budget Hearing on Environmental Conservation January 27, 2021

TESTIMONY of
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Thank you for the opportunity to provide testimony on the proposed Executive Budget on behalf of the Alliance for Clean Energy New York. The Alliance for Clean Energy New York (ACE NY) is a broad coalition dedicated to promoting clean energy, energy efficiency, a healthy environment, and a strong economy for the Empire State, and is New York's premier advocate for the rapid adoption of renewable energy and energy efficiency technologies. Our members include renewable energy and energy efficiency companies, including companies that are currently operating renewable energy facilities in New York, such as hydropower and wind facilities, and those pursuing opportunities to invest in New York to build land-based wind and offshore wind, community solar and grid-connected solar, fuel cells, and transmission. We also have member companies that manufacture electric vehicles or electric vehicle charging infrastructure or otherwise support the electrification of transportation. You can learn more about ACE NY at www.aceny.org.

This testimony specifically addresses the following areas:

- Renewable energy permitting, as addressed in Part Q of the Executive Proposed Transportation, Economic Development and Environmental Conservation (TED) Budget Article VII Bill (S.2508/A.3008);
- Provision relating to NYC Local Law 97 in Part R of Proposed TED Budget Article VII Bill (S.2508/A.3008);
- Renewable Energy Taxation, as addressed in Part X of the Executive Proposed Revenue Budget Article VII Bill (S.2509/A.3009);

- NYSERDA’s “Build Ready” Program, as addressed in Part EE of Proposed TED Budget Article VII Bill (S.2508/A.3008);
- The need for energy efficiency legislation; and
- Policies necessary to reduce pollution from transportation.

On January 19, Governor Cuomo delivered his fiscal 2021-22 budget proposal and speech to the Legislature, which outlined state spending and legislative priorities to rebuild New York in the context of the ongoing COVID-19 pandemic. ACE NY is pleased that the Governor’s budget presentation highlighted the need to address climate change and promote a green economy to spur economic recovery with \$29 billion in investments allocated to large scale renewable energy projects, port infrastructure to support the offshore wind industry, and new transmission, among others. These investments ensure that the state makes progress towards the ambitious economy-wide greenhouse gas emissions and renewable energy goals of New York’s climate law, the Climate Leadership and Community Protection Act (CLCPA).

As Governor Cuomo has stated in recent years, New Yorkers have direct experience with the devastating effects of climate change. Over the past decade, New York State has seen more extreme weather events than any other time in its recent history. “Climate Change is the defining issue of our time and we are at a defining moment,” according to the United Nationsⁱ. Tens of thousands of scientists warn that the planet, in their words, “clearly and unequivocally...is facing a climate emergency.”ⁱⁱ The impacts of climate change are extraordinary in scale and will be felt around the planet. Without sweeping action today, adapting to these impacts in the future will be more challenging and costly.

ACE NY believes that transitioning to renewable sources of energy is one of the best strategies in the fight against climate change. Moreover, a 2020 *Rewiring America* reportⁱⁱⁱ explains that it is possible to eliminate 70 percent to 80 percent of US carbon emissions by 2035 through rapid deployment of existing electrification technologies, with little-to-no carbon capture and sequestration. This deployment would cut US energy demand by around half, save consumers money, and keep the US on a 1.5-degree pathway without requiring specific behavior changes. Yes, we can still have our houses and cars — they would just need to be electric! *Rewiring America* reinforces that cleaning up the electricity system solves much of the problem. It allows us to electrify our transportation and

building sectors and parts of heavy industry, which would address more than 70 percent of total emissions.

There has been a lot of exciting developments on the offshore wind front. Governor Cuomo's recent announcement that NYSERDA will contract for an additional 2,500 megawatts of clean, renewable offshore wind energy will bring New York, when these projects are built, nearly half-way to its nation-leading target of 9,000 megawatts of offshore wind generating capacity by 2035. We are proud that offshore wind can be part of New York's economic recovery through the construction of offshore wind projects and the port facilities necessary to service those projects.

The Legislature has a stake in the successful achievement of the CLCPA's very, very ambitious, but achievable, goals. Given that the law is so broad and economy-wide and greenhouse gas emissions are so ubiquitous, you may believe that I'm simplifying things to say that building wind and solar projects is the single most important thing we can be doing in the short term, but in fact, it's true. To reduce emissions from the electric sector, you need more renewable power plants. To meet the goals in the law for offshore wind, for distributed solar, and for 70% renewable electricity by 2030, NYS needs more wind and solar. We will reduce emissions from transportation and heating – the other two major sectors -- by electrifying vehicles and heating, but only if that electricity comes from renewables. Further, it takes years to develop a renewable energy project -- from land acquisition to public outreach, permitting and interconnection to financing and construction – and those processes need to be embarked on as soon as possible for as many projects as possible, so that we can collectively and gradually move closer to the law's 2030 and 2050 mandates.

Provision related to Renewable Energy Taxation (Part X):

ACE NY supports Part X of the Executive Budget. Part X directs the Department of Tax and Finance to publish a standard methodology for the assessment of wind and solar projects that facilitates meeting New York's aggressive carbon reduction goals, while still leaving municipalities the flexibility to negotiate Payments in Lieu of Taxes (PILOT) agreements. The great majority of projects are taxed via PILOT agreements. Similar text was in last year's original proposal for the Accelerated Renewable Energy Growth and Community Benefit Act relating to the taxation of renewable energy that was removed during the legislative negotiations. We are encouraged to see that the Governor's 2021-22 Executive Budget proposal includes language to address this important

taxation issue which ACE NY sees as the highest priority issue for renewables for the Legislature this year.

Technical Corrections to the Renewable Energy Siting Law (Part Q):

Last year, you passed the Accelerated Renewable Energy Growth and Community Benefit Act, for which we sincerely thank you. It created a new permitting process and the Office of Renewable Energy Siting (ORES). Since then, ORES has proposed draft rules for permitting new wind and solar energy projects widely supported by the environmental community and the renewable energy industry, and we will urge the state to finalize them by the April 1, 2021 deadline. This year's Executive Budget Part Q includes some important technical fixes, which we also support. For example, there needs to be clarity that projects that go through the ORES permitting process do not also have to go through the State Environmental Quality Review Act (SEQRA), which was the case with Article 10.

Amendment to NYC Local Law 97 (Part R):

ACE NY supports the provision in Part R that would amend NYC Local Law 97 to allow existing upstate wind and solar renewable energy facilities to sell Renewable Energy Credits (RECs) to NYC building owners for their compliance obligation, until RECs are available from offshore wind or delivered into New York City through a new transmission line. It makes sense to have NYC's law align with the State's goals to support and grow renewable energy throughout the state. Once offshore wind is built, building owners can buy from those new clean generators as well. This provision provides building owners with another viable option with respect to reducing a property's carbon footprint and contributing to a cleaner and healthier community. Moreover, allowing NYSERDA to sell Tier 2 RECs to building owners in NYC will reduce the cost of the new Competitive Tier 2 program for all other ratepayers. (Note: "Tier 2" means renewable energy facilities that became operational prior to 1/1/15). The new Tier 2 program will ensure the state's existing baseline of renewable energy generation is retained through three annual solicitations.

Amendment to NYSERDA's "Build Ready" Program (Part EE):

Last year's Accelerated Renewable Energy Growth Act also created the Build Ready Program at NYSERDA. This year, Part EE amends the Build Ready Program to allow NYSERDA to acquire, sell, and transfer development rights using single purpose project holding companies. ACE NY is

supportive of this change. Our priority is that the Build Ready Program not compete with private developers but is otherwise supportive of the program.

Other Needs for the Clean Energy Transition

The Executive Budget missed an opportunity to address greenhouse gas emissions from our transportation and housing sectors. The CLCPA has a goal of reducing energy consumption by 185 trillion (BTUs) from the state's 2025 forecast through energy efficiency improvements. To meet this requirement, it is crucial that New York State increase our appliance efficiency standards to reduce our energy usage and reduce our residents' electric bills.

Second, there is an immediate need to reduce emissions from the transportation sector, the largest source of greenhouse gas emissions in the state. We are happy to hear and support budget proposals to provide \$20 million in capital assistance to the five largest non-MTA transit systems in the state for the transition to electric buses. This is positive, but New York needs a comprehensive legislative framework that hastens the adoption of electric vehicles and achieve emissions reduction targets under the CLCPA as well as the state's goal of 850,000 zero-emission vehicles (ZEV) by 2025 and 2 million by 2030. ACE NY supports the following legislative proposals that are primed for passage in the 2021 legislative session:

- the clean fuel standard,
- the direct sale of EVs,
- electric rates reform to support EV charging,
- incentives for electric school buses, and
- the enactment of California's ZEV standard.

ACE NY submitted detailed budget testimony for the transportation hearing on these topics.

Thank you for the opportunity to provide input on the energy and environmental aspects of the Executive Budget.

ⁱ <https://www.un.org/en/sections/issues-depth/climate-change/>

ⁱⁱ <https://academic.oup.com/bioscience/article/70/1/8/5610806>

ⁱⁱⁱ <https://www.rewiringamerica.org/jobs-report>