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New York State Joint Legislative Budget Hearing on the Environment

Testimony submitted by Ashley Ranslow, NFIB New York State Director

S8008/A9008, Transportation, Economic Development and Environmental Conservation (TED) Article VII, Part EEE, Advanced building codes, appliance and equipment efficiency standards, and the Building Benchmarking Act of 2022

NFIB, New York's leading small business advocacy organization representing thousands of small, independent businesses across New York State, respectfully expresses our strong opposition to the FY 2022-23 Executive Budget Proposal TED Article VII, Part EEE, which would require zero greenhouse gas emissions in any new construction projects by 2027.

NFIB members are the businesses that define our neighborhoods and strengthen our communities with character and value: local hardware stores, independent restaurants, florists and barbers, roofers, landscapers and mechanics; fitness and retail boutiques. These are NFIB members.

There are close to 500,000 small businesses with employees in New York. These businesses employ half the state's private-sector workforce, nearly 4 million New Yorkers, and their production accounts for nearly half of the state's GDP. A strong, vibrant small business eco-system supports local tax bases, governments, and schools.

The intent of this proposal is laudable and NFIB supports efforts to reduce greenhouse gas emissions, protect our environment, preserve New York's natural assets, and responsibly transition to sustainable energy sources. New York State enacted the Climate Leadership and Community Protection Act, which sets a mandate of net zero emissions by 2050, with emissions reduced by 85 percent from 1990 levels and requires

70 percent renewable energy by 2030 for the electric sector and carbon neutrality by 2040. These are lofty targets that require the state's action and attention across the entire energy, environmental, and economic landscape.

Unfortunately, while New York State continues to set mandates and bans, it largely ignores the most critical questions and problems related to electric grid reliability and energy affordability. This proposal to ban gas hookups and electrify new residential, commercial, and mixed-use buildings by 2027 will have a significant impact on all New Yorkers, including small businesses, as it does not contemplate how to help the grid absorb this influx in demand for electricity. New York's electric grid operator (NYISO) has already warned about declining levels of reliability as early as 2023, and this is before economy-wide electrification. Small businesses cannot operate if their lights don't turn on or if their utilities are unreliable or unaffordable. The cost of electricity is already a critical and burdensome problem for New York's Main Street businesses, and this proposal will only exacerbate the affordability of electricity.

As the state continues to set mandates to electrify vehicles, trucks, buildings, and other equipment, there are serious consequences for the reliability of the state's electric grid that are going unaddressed. New York State must intelligently plan for a green, clean future that does not put the economy or small businesses at risk. A reliable and affordable electric grid is crucial to the economy and must be a top priority; however, it continues to remain an afterthought. This proposal to ban gas hookups for new buildings increases demand on the electric grid without contemplating how to manage it, which is a formula for disaster. The state cannot afford an electric grid reliability and affordability crisis, nor can it afford to see a decline in the number of new, more energy-efficient buildings constructed across our communities. NFIB implores lawmakers to address New York's energy affordability and reliability before imposing strict mandates.

For the above-mentioned reasons, NFIB opposes this provision. I sincerely appreciate the opportunity to submit this testimony and thank you for your time and attention.