



January 28, 2025

Testimony of Patrick McClellan, Policy Director, New York League of Conservation Voters  
Environmental Conservation/Energy Joint Legislative Budget Hearing

Thank you Chair Krueger, Chair Pretlow, and members of the Committees on Finance, Ways and Means, Environmental Conservation, Energy, and other members of the legislature who are here today. My name is Patrick McClellan and I am the policy director for the New York League of Conservation Voters (NYLCV), a statewide environmental advocacy organization dedicated to fighting climate change, conserving land and water, and protecting public health through political action. I appreciate the opportunity to comment today on the Fiscal Year 2026 Executive Budget.

The last time Trump was in office threatening to roll back the clock on environmental protections and fighting climate change, New York stepped up. During that time, New York solidified its commitment to offshore wind, adopted congestion pricing, established the Clean Water Infrastructure Act, made it easier to site renewable energy projects, and the landmark Climate Leadership and Community Protection Act (CLCPA). When New York adopted the CLCPA in 2019, it was a nation-leading commitment to act on the climate crisis. Today, we are failing to live up to that commitment and are currently on track to miss almost every goal laid out in the CLCPA, not because these goals are impossible but because we are not taking the actions we know we need to to achieve these goals. As a result we are also failing New Yorkers who are struggling with air pollution and the health problems it causes, who are vulnerable to rising sea levels and extreme weather caused by climate change, and who are struggling with rising and unpredictable energy costs because of our reliance on a volatile fossil fuel market. We are failing our children. With Trump back in Washington already taking action to hamper offshore wind, curtail clean vehicle policies and withdrawing from the Paris climate agreement, we need New York State to be a climate leader once again. This Executive Budget does not meet this moment.

The single most important action the state must take now is to adopt the cap and invest program called for in the Climate Action Plan and anticipated by the adoption of the Climate Action Fund as part of the 2023-24 budget. Cap and invest is the strongest, most cost effective tool at the State's disposal to tackle the climate crisis, using a market based approach to both incentivize economy-wide emissions reductions while generating billions of dollars in recurring revenue from polluters for investments in deeper carbon reductions, and in climate justice. Cap and invest will deliver cleaner air for our communities which will result in better health, and

create family sustaining union jobs not on the backs of taxpayers but from polluters. And it would be the most significant climate action in the country in 2025.

NYLCV, and many of the other advocates in this room, believed that the draft cap and invest regulations, which by law were to be published no later than 2023, would finally be proposed this month and finalized by the end of this year. Now Governor Hochul has delayed the release of these draft rules and will not even commit to publishing them in 2025 outside of a reporting rule. This is unacceptable. Further delay will not result in greater affordability, cut the pollution causing so much damage to our communities, provide certainty for the business community nor support the jobs of the future. We urge Governor Hochul to direct DEC and NYSERDA to advance the rules for public comment.

And while we need the Executive to publish cap and invest regulations, we need the legislature to work with the Governor to take action on additional complementary policies to ensure that we get back on track to tackling the climate crisis.

In the enacted budget, we urge the Legislature to tackle pollution from buildings by passing the New York HEAT Act, which would start the planning process for equitably and cost efficiently reducing our reliance on natural gas while also saving working New Yorkers money on their utility bills. We need the Legislature to pass a Clean Fuel Standard, which in California and Washington State has been paired with cap-and-invest programs to displace fossil fuels from the transportation sector, ramp up electric vehicle adoption, and reduce overall pollution - at little to no cost to consumers or the state. We urge the Legislature to both increase the State's distributed solar goal to 20 GW by 2035 - we have already exceeded the CLCPA's goal of 6 GW by 2025 and are on course to exceed Governor Hochul's new goal of 10 GW by 2030 - and update the solar tax credit to make rooftop solar accessible for even more New Yorkers. We need tax incentives and siting reforms to accelerate the buildout or reduce the soft costs of battery energy storage systems (BESS), technology critical to achieving the CLCPA's goals of 70% renewable energy by 2030 and 100% clean energy by 2040. We need additional policies to bring down the costs of zero-emission vehicles (ZEVs), such as purchase rebates for used ZEVs or for safe e-bikes.

New York can still be the leader we need on climate change in this moment. But we need Governor Hochul and the Legislature to have the courage to seize that mantle and prove to New Yorkers that this is still a state where we take environmental protection and climate change seriously.

### **Agency Funding**

NYLCV supports the Executive Budget's proposal of 58 new FTEs at the Department of Environmental Conservation (DEC), 16 new FTEs at the Department of Parks, Recreation, and Historic Preservation, and 50 new FTEs at the Department of Public Service (DPS) including 6 FTEs specifically for renewable energy and electric transmission siting. Implementing the

CLCPA while maintaining New York's historic commitment to environmental protection requires adequate staff at the agencies charged with carrying out these missions.

## **Capital Budget**

NYLCV supports the Executive Budget's proposed capital budget allocations of \$200 million for New York State Parks and \$90 million for DEC. However, we urge the legislature to increase the DEC capital budget allocation to \$100 million in the final budget.

NYLCV thanks Governor Hochul for including a \$400 million Environmental Protection Fund (EPF) with no proposed raids in this year's Executive Budget. The EPF supports important environmental programs including climate mitigation, clean water protection, farmland and open space conservation, recycling, parks, and environmental justice in every part of New York State. In light of the EPF's importance and the significant growth in the size of this year's proposed budget, we respectfully urge the legislature to increase the EPF to \$500 million in this year's final budget.

NYLCV also thanks Governor Hochul for including \$500 million for clean water infrastructure projects in this year's Executive Budget. While we appreciate the Governor's continued commitment to clean water funding, however, there is tens of billions of dollars in unmet need around the state for clean water infrastructure upgrades and federal clean water regulations such as for lead service line replacement. Inflation means that the State's annual commitment of \$500 million for these projects does not go as far as it did when this commitment began in 2017. Therefore, NYLCV respectfully urges the legislature to increase clean water infrastructure funding to \$600 million in this year's final budget with funding category allocations lined out in the budget to help ensure all our clean water needs are being adequately met.

We can't drive our way out of the climate crisis. That's why NYLCV strongly urges the Governor and the legislature to ensure that the Metropolitan Transportation Authority's (MTA) 2025-2029 Capital Plan is fully funded in this year's final budget. The MTA is a key driver of the downstate metropolitan region's environmental and economic successes; investing in state of good repair capital projects, system improvements, and system expansions is important for maintaining that success. The Capital Plan approved by the MTA Board also invests in climate resilience including hardening infrastructure and protecting tracks along the Hudson River that are vulnerable to sea level rise. We appreciate that Governor Hochul acknowledged the need to fund the Capital Plan in Part M of the TED Article VII bill, but the \$6 billion in City and State funding proposed there falls a long way short of what is needed to fully fund the Capital Plan.

I would like to note the early success of congestion pricing since its implementation at the start of the year, which is foundational to the current capital plan. The program is delivering less traffic, less noise pollution, and faster commutes for those who do drive. It will also provide the funding needed for elevators at hundreds of stations, improving reliability by upgrading signals, replacing rail cars, investing in electric buses and critical mass transit expansion, in particular the Second Avenue subway. We look forward to reviewing air quality data as it becomes

available but we have every expectation that the program is also delivering less air pollution. It is very unfortunate that despite these successes there are still bills in the legislature that would repeal or water down congestion pricing. NYLCV strongly opposes these bills, in every case, and will continue to do so.

While we are pleased to see the Executive Budget propose \$1 billion in the new Sustainable Future Program for climate mitigation and adaptation and hope that the legislature will approve this funding, with further detail on how the money will be allocated than is present in the Executive Budget, we must stress that this funding is not a replacement for cap and invest revenue and should not be treated as such. The proposed Sustainable Future Program is a one shot, non-recurring source of tax dollars, as opposed to cap and invest which would by conservative estimates generate between \$2-3 billion each year to start with, growing over time, from the polluters driving the climate crisis.

There are many worthy climate projects that could be funded with the Sustainable Future Program, though again I stress that a great many more worthy projects could be funded every year with the revenue from cap and invest if that program moved forward expeditiously, and we look forward to having further conversations with legislators about those projects over the next two months. For now I would like to highlight a few projects that are priorities for NYLCV.

First, NYLCV requests that \$200 million be allocated to thermal energy networks (TENs) on SUNY campuses, similar to the funding provided in the 2023 budget for the University at Albany chiller. TENs are zero-emission district-level systems for decarbonizing building heating and cooling, built by a unionized clean energy workforce. Investing in TENs both decarbonizes buildings on a large scale and demonstrates the State's commitment to a just transition for workers. Specifically, NYLCV urges you to allocate \$110 million for TEN development at the University at Buffalo and \$40 million for TEN development at SUNY Purchase. The remainder of this \$200 million allocation should go to shovel-ready building decarbonization projects at other SUNY campuses.

Second, NYLCV requests that \$200 million be allocated to the Green Affordable Pre-Electrification (GAP) Fund. GAP funding is a necessary prerequisite for the decarbonization of much of the older housing stock that lower income New Yorkers live in. Older homes and apartment buildings often cannot handle zero-emission technologies like rooftop solar panels and heat pumps for heat and hot water without major electrical upgrades, roof replacement, significant weatherization, and remediation of problems like mold, lead, and asbestos. However, most federal and state funding for building decarbonization does not cover this type of pre-electrification work. Therefore, the GAP Fund is important to ensure that all New Yorkers can access safe, healthy, zero-emission homes.

As you determine how to allocate the remainder of the Sustainable Future Program we urge you to prioritize disadvantaged communities and listen to the voices of environmental justice advocates, and not to fund projects unless they meaningfully reduce emissions.

Finally, we are aware of concerns about New York City's ability to access and leverage funding from the Environmental Bond Act, the Clean Water Infrastructure Act, the EPF, and other environmental funding programs based on their size and issues including program caps. Environmental funding is needed throughout the state and must be distributed in a way that benefits all New Yorkers. Furthermore, it is critical that the State meet or exceed the mandate to spend 35-40% of climate dollars in disadvantaged communities. With New York City being home to more than 8 million New Yorkers, and significant number of disadvantaged communities as identified by the Climate Justice Working Group, we urge you to work with the City of New York to evaluate policies that may enable environmental programs to take into account the unique needs and circumstances of the City and determine how adjustments can be made to address procedural barriers to funding. Additionally, it is critical that these programs timely deliver funding to ensure that communities receive the benefits of the projects will deliver

## **TED Article VII**

NYLCV once again strongly urges the legislature to include a Clean Fuel Standard (CFS) in this year's budget.<sup>1</sup> Transportation is one of the largest sources of greenhouse gas emissions in New York State, and a CFS that reduces the carbon intensity of transportation fuels by 20% over the next decade and 100% by 2050 is one of the most effective policies that we could adopt to reduce those emissions. Clean or low carbon fuel standards have been adopted in California, Oregon, Washington, New Mexico, and Canada and have been effective in reducing GHG from transportation. California's LCFS has displaced more than 60% of all diesel sold in the state with renewable diesel, which has significantly lower lifecycle GHG emissions than fossil diesel as well as lower tailpipe emissions.

Some critics of a CFS warn that adopting it here would slow the electrification of transportation. This couldn't be further from the truth. California's CFS, coupled with allowing for the direct sales of zero-emission vehicles, is one of the primary reasons why California has ten times as many zero-emission vehicles on the road as New York. New York's CFS legislation would also specifically dedicate revenues to transportation electrification in disadvantaged communities.

NYLCV strongly urges the legislature to include the New York HEAT Act in the final budget. This legislation is very important for achieving the goals of the CLCPA because it aligns utilities' long term planning and the Public Service Commission's (PSC) authority over gas utilities with the goals of the CLCPA. This includes requiring gas utilities to plan for an orderly transition away from natural gas, halting the expansion of the gas system beyond its current parameters, granting the PSC the authority to require gas utilities to align their capital plans with the CLCPA, repealing the requirement that new gas customers who are within 100 feet of an existing gas pipeline have the costs of their connection borne by the utility, and explicitly adding climate justice and emission reductions in line with the CLCPA to the PSC's enumerated powers and responsibilities. The HEAT Act also caps utility bills at no more than 6% of household income, which is an important affordability provision for working New Yorkers.

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<sup>1</sup> There is standalone legislation to create a CFS in both houses of the legislature - [A. 472 \(Woerner\)/S. 1343 \(Parker\)](#).

What this legislation does not do is cut off natural gas customers, force homeowners to adopt new technologies against their will, endanger the reliability of gas customers' heat and hot water, or any of the apocalyptic scenarios painted by some irresponsible voices who would have you believe that continuing to burn natural gas indefinitely into the future is not fundamentally at odds with our commitments to climate justice.

NYLCV supports Part RR of TED, which would reauthorize the State's Hazardous Waste Superfund program until 2036 and make tweaks to the program. In particular we support the addition of a definition for "natural resource damages" in assessing the damage at an inactive hazardous waste disposal site, and the prioritization for remediation of Superfund sites located in disadvantaged communities.

NYLCV supports Part OO of TED, which would clarify the State's Farmland Protection Program; add definitions to the program's authorizing legislation for urban agriculture, local and regional food systems, and local food supply chains; and authorize additional financial assistance to support farmland protection. Strong local food systems support our resilience to climate change, while protected, well-managed farmland can serve as a carbon sink to reduce atmospheric GHG, reduce localized flooding from extreme rainfall events, and protect and support local ecosystems.

NYLCV supports Part SS of TED, which would clarify the State's ban on PFAS chemicals in firefighting foam and bans PFAS chemicals in firefighting personal protective equipment beginning in 2028. While PFAS chemicals came into common use in firefighting foam and personal protective equipment due to their effectiveness in putting out fires including oil and electrical fires and in resisting heat, we know now that long term exposure to PFAS chemicals puts firefighters at increased risk of cancer, hormonal disruptions, and other negative health outcomes.

NYLCV supports Part TT of TED, which would ease land conservation efforts in New York by exempting conservation easements from having their title approved by the attorney general and exempting real property transfers to non-profit entities for conservation, environmental or parks or historic preservation purposes from the mansion tax. These steps would make it easier for the State to achieve our statutory goal of preserving 30% of the state's land and water by 2030.

However, there is another action to streamline land acquisition that we urge Governor Hochul to include in her 30-day budget amendments or the legislature to include in the final budget, which is to allow real property acquired for the purposes of conservation to use title insurance. Under current practice, the office of the attorney general insists on painstakingly verifying the title to all real property acquired for conservation, despite the fact that all 49 other states, the federal government, and virtually all private real estate transactions rely on title insurance rather than a prolonged and costly investigation of title. It is past time for New York to enter the 20th century and allow title insurance to be used when land is being acquired for conservation purposes.

NYLCV supports Part ZZ of TED, which would authorize the Department of Taxation and Finance to share data on petroleum and fossil fuel businesses with DEC and NYSERDA for the purposes of implementing the CLCPA. This is a necessary authorization to move forward with CLCPA implementation, though as I noted earlier in my testimony NYLCV is disappointed that the Executive Budget proposes to do so little to advance the CLCPA.

## **Revenue Article VII**

NYLCV supports Parts Y and Z of the Revenue bill, which extend for three years the bioheating fuel tax credit and the alternative fuels and electric vehicle charging property tax credit, respectively. These tax credits encourage the use of fuels for heating and for vehicles that have lower lifecycle GHG emissions than fossil fuels and, in some cases, lower tailpipe emissions as well. However, we note that the definition of “alternative fuels” in the section of tax law that Part Z reauthorizes appears to include certain fossil fuels and exclude certain biofuels that carry environmental benefits relative to fossil fuel alternatives and we urge the Governor and the legislature to take a closer look at this definition.

There are several revenue actions not included in the Executive Budget that we believe are low-hanging fruit for implementing the CLCPA. First, we support increasing the solar tax credit, which has not been increased since 2006, from \$5,000 to \$10,000 to account for inflation and the need to expand access to rooftop solar to more New Yorkers. Second, we support making the solar tax credit fully refundable for low- and moderate-income New Yorkers so that more New Yorkers can access rooftop solar. Third, we support amending the solar tax credit to include BESS.<sup>2</sup> Pairing distributed solar systems with home battery systems enhances the benefits of distributed solar and provides clean backup power to homeowners in the event of a blackout. Right now many homeowners in New York, even if they have solar panels, rely on dirty diesel generators for backup power in the event of a blackout. These boosts to distributed solar around the state could be further enhanced by adopting legislation requiring municipalities to adopt automated solar permitting software for code-compliant permits.<sup>3</sup>

Fourth, we support exempting utility-scale BESS from State sales tax. In last year’s budget the legislature exempted distributed BESS (e.g. BESS that are connected to a rooftop solar array or other small-scale renewable energy system) from State sales tax, and we thank you for that support. While some utility-scale BESS currently receive sales tax exemptions from regional Industrial Development Authorities (IDAs), there is no guarantee of this outcome and pursuing the exemption can be time- and resource-intensive for BESS installers. A statewide BESS sales tax exemption that applies to both utility-scale and distributed BESS would reduce costs and cut red tape for a technology that is critical to meeting our renewable energy goals.

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<sup>2</sup> There is standalone legislation to enact these changes to the solar tax credit in the Senate - [S. 2626 \(Harckham\)](#).

<sup>3</sup> There is legislation to establish this requirement forthcoming in both houses of the legislature.

Fifth, we support creating a purchase rebate for certified e-bikes and e-scooters.<sup>4</sup> These micromobility technologies are increasingly popular, displace car trips and in some cases even car ownership, and have a small fraction of the lifecycle GHG emissions of even the most environmentally friendly zero-emission automobiles.

Thank you again for the opportunity to testify today. I would be happy to answer any follow up questions you may have in person or over email at [pmcclellan@nylcv.org](mailto:pmcclellan@nylcv.org).

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<sup>4</sup> There is standalone legislation to create such a rebate in both houses of the legislature - [A. 281 \(Carroll\)/S. 1047 \(Salazar\)](#).