January 28, 2026

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

My name is Patrick McClellan and I am the policy director at the New York League of Conservation Voters (NYLCV), a statewide environmental advocacy organization. Thank you to Chairs Krueger, Pretlow, Harckham, Glick, Parker, Barrett, and all of the members of the Legislature who are here today for the opportunity to testify.

There is much to like about this year's Executive Budget from an environmental conservation perspective, including capital funding levels for the Department of Environmental Conservation (DEC) and Parks and record funding for the Environmental Protection Fund (EPF) and Clean Water Infrastructure Act. However, this budget does not do enough to address climate change. New York is falling behind in achieving the goals of the Climate Leadership and Community Protection Act (CLCPA), endangering New Yorkers' health, economy, and resilience to climate change. While many of our current problems are driven by the Trump Administration's hostility to fighting climate change, lawless attempts to halt renewable energy projects, and seeming dedication to bringing back pre-Clean Air Act levels of pollution, there is also no doubt that New York State can and should be doing more, and we are disappointed that the Governor's Executive Budget does not meet the moment. From investing another $1 billion in the Sustainable Future Fund to making it easier to build renewable energy and battery energy storage to tackling transportation emissions with a clean fuel standard, there is much that the State can do to still make 2026 a banner year for the environment.

Funding

NYLCV thanks Governor Hochul for including a $425 million Environmental Protection Fund (EPF), matching last year's record high investment, with no proposed raids or staff offloads 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. NYLCV also supports the Executive Budget's proposed capital budget allocations of $200 million for New York State Parks and $90 million for DEC.

We were excited to see a five-year $3.75 billion clean water commitment. NYLCV also thanks Governor Hochul for including another $500 million for the Clean Water Infrastructure Act (CWIA) in this year's Executive Budget. This popular and oversubscribed subscribed program has sustained the annual $500 million level of funding since 2017, is much needed, and contributes to addressing the over $90 billion in unmet water infrastructure needs that New Yorkers face, including upgrading drinking water, wastewater and sewer infrastructure, helping water suppliers address emerging contaminants like PFAS and 1,4-dioxane, replacing lead pipes, and upgrading communities reliant on septic systems and cesspools.

This year the proposed Executive Budget included for the first time a new funding category for sewer and drinking water infrastructure for housing development at the level of $200 million and $50 million for rural water infrastructure. We have questions about the provisions and purpose of the $200 million for sewer infrastructure for housing. It may be the case that State subsidies for new sewer infrastructure for new housing are an appropriate part of the solution to New York's housing crisis - that is not a question that our organization has the expertise to weigh in on - but it does not seem to us that it is an appropriate use of funds from the Clean Water Infrastructure Act, which is targeted to meet the State's existing water infrastructure needs. We urge you to ensure that most of this additional clean water funding is more carefully targeted to traditional clean water needs and that sewer funding for new housing development, if included in the final budget, is limited to in-fill affordable housing development and move the bulk of the increase to traditional CWIA programs.

NYLCV supports the New York State Education Department's (NYSED) budget ask for $2.6 million for standards and technical assistance, including for launching a statewide climate change curriculum, something NYLCV has long supported as a way to both teach our children the science behind climate change, its impacts, and how it can be addressed, and to begin to prepare interested young people for a career in the green economy. This funding was not included in the Executive Budget; we urge you to include it in the final budget.

The biggest missed funding opportunity in this year's Executive Budget is the lack of further investment in the Sustainable Future Fund (SFF), created in last year's budget at a level of $1 billion to fund climate mitigation and adaptation programs. In light of the continued delay of the Clean Air Initiative's cap and invest program, which would provide several billion dollars per year in stable, recurring revenue for climate mitigation and adaptation, New York must maintain its commitment to acting on climate and include another $1 billion SFF in this year's budget. Policy-wise, this would fund vitally important projects that not only reduce greenhouse gas emissions and make New York more resilient to the impacts of climate change while also creating middle-class jobs and directly addressing the affordability crisis by investing in things like weatherization and energy efficiency, affordable clean energy, clean heating and cooling technology, and zero-emission vehicles. The climate crisis is here, now, and will continue to worsen in the absence of aggressive action at every level of government around the world. This remains true regardless of the state of the economy, the rate of inflation, which political party controls Congress and the White House, and any number of other reasons we have heard for why acting on climate right now is just too difficult.

NYLCV respectfully asks the Legislature to ensure that an additional $1 billion is invested in the SFF in this year's final budget agreement. Within this $1 billion we urge you to allocate $200 million for thermal energy networks (TENs) to decarbonize building heating and cooling at scale on SUNY campuses and other State and municipally-owned properties, including New York City Public Housing Authority (NYCHA) campuses. We also urge you to include $200 million for the Green Affordable Pre-Electrification Fund to help every New Yorker access the building upgrades often necessary for the installation of clean heat technologies and distributed solar generation; upgrades that can also reduce costs and improve quality of life by improving energy efficiency and indoor air temperature and quality, and fixing problems like mold and leaky roofs. Finally we urge you to include $200 million for EmPower+, which the Executive Budget proposes to fund at $50 million, to help low- and moderate-income New Yorkers make energy efficiency upgrades that will save them money on their utility bills and speak directly to the affordability crisis.

Article VII Legislation

NYLCV supports Parts H and I of the TED Article VII legislation, extending the MTA's tax increment financing authority by a decade and directing the MTA to begin an environmental review for extending the Second Avenue Subway west across 125th Street, respectively. We also support Part L, which doubles the loan cap from $25,000 to $50,000, tweaks payback periods, and clarifies on-bill financing rules for the Green Jobs-Green New York program, which is an important part of the State's weatherization assistance efforts. NYLCV supports Part S of TED, which lifts the per-facility cap and per-vehicle cap for the Municipal Zero Emission Vehicle (ZEV) Grant Program, which will give both the State and local governments more flexibility in financing new ZEVs for municipal fleets.

NYLCV supports Part N of the ELFA Article VII legislation, which increases the cap on land banks in the state from 35 to 45. Land banks can be an important tool for local governments to spur the development of affordable housing and new businesses as well as environmentally friendly public uses like parks, community gardens, and open spaces.

NYLCV also supports Part O of ELFA, which extends the J-51 tax abatement in New York City by ten years to 2036 and tweaks the program design. J-51 provides tax abatements for rent-regulated and affordable housing units in NYC to fund building improvements. While the program has been important since its inception for keeping affordable housing in a state of good repair, it is more important now than ever as a tool that can help buildings to finance the emission reduction upgrades required by Local Law 97.

NYLCV supports the intent of Part O of the Revenue Article VII legislation to create a sales tax exemption for the electricity sold at commercial ZEV charging stations, which theoretically would bring down charging costs for ZEV owners and operators. However, we have been aware of concerns raised by charging station operators that this provision would not work as intended and so we urge you to consult stakeholders who have more expertise than we do to ensure that this policy delivers on its intended benefits.

NYLCV also supports Part Q of Revenue, which extends the sales tax exemption for residential battery energy storage systems (BESS) by two years, though we urge you to make this exemption permanent. Residential BESS can be used to bank rooftop solar power during times of peak production for later use to either further reduce a resident's electric bill during times of peak demand or to feed power back onto the grid when it is under strain, thereby helping to prevent blackouts, as well as reduce reliance on diesel generators.

Regarding Parts N, O, and P of TED, all of which deal with utility regulation with a focus on transparency and affordability, NYLCV supports all efforts to boost transparency in utility rate case proceedings and assist New Yorkers who are energy burdened though we do not have a formal opinion on the substance of these specific proposals. However, we believe that there is much more that the State could and should be doing to address the energy affordability crisis by expanding access to renewable energy, which I will discuss in the next section of my testimony.

The most significant environmental legislation in this Executive Budget is Part R of TED, which eases certain requirements under the State Environmental Quality Review Act for certain types of construction on previously disturbed land. Broadly speaking, NYLCV is comfortable with easing SEQR requirements for dense, transit-oriented development and in-fill development on previously disturbed land because these types of projects rarely raise non-aesthetic concerns during the environmental review process and contribute to achieving the CLCPA's goals since dense, walkable communities have significantly lower per capita greenhouse gas emissions than communities that cover more land area and are more car-centric.

NYLCV is still discussing the implications of this proposal with our partners and we look forward to sharing potential amendments with you very soon. Specifically, we plan to suggest a tighter definition of "previously disturbed land" in order to ensure that there are no unintended consequences from these proposed changes that could harm the environment, and it is possible that after further consideration with our partners we may also suggest other tweaks to the proposed language.

Affordable, Clean Energy and CLCPA Implementation

There are several proposals not included in the Executive Budget that align with Governor Hochul's focus on affordability while also advancing access to affordable, clean energy and making progress toward achieving the CLCPA's goals.

First, the State needs to do more to expand access to solar energy, both for its benefits in achieving the CLCPA's goals and for its benefits in saving homeowners and ratepayers money. Going solar is the best thing a homeowner can do to reduce their electricity bills, but it also saves all ratepayers money by reducing strain on the grid during times of peak demand - on the hottest day of 2025 New York's distributed solar systems saved all ratepayers $90 million in avoided costs.[1]

There are several worthy bills active in the Legislature that I want to highlight for potential inclusion in the final State budget or for passage as standalone but complementary bills before this session is out. The ASAP Act would increase New York's distributed solar goal from 10 GW by 2030 to 20 GW by 2035, direct the PSC to restore the NY-SUN program, which supports new solar projects and community solar projects around the state based on their value to the grid and was ordered to be wound down by the PSC last year, and reform the interconnection process for distributed solar to allow limited self-certification of interconnection work by solar installers and otherwise set maximum time limits for electric utilities to connect a distributed solar project to the grid.[2] Taken together, the components of the ASAP Act would reduce electric bills by $1 billion by 2035 while also reducing greenhouse gas emissions by 3.2 million metric tons.[3]

While the ASAP Act addresses some barriers that prevent New Yorkers from going solar, the municipal permitting process can also be an obstacle, with permit applications that meet all of a municipality's standards still waiting days, weeks, or even months for approval, adding both time and expense to the process of installing solar panels on your property. Fortunately, there are multiple software platforms that are free for governments to use - they are paid for through a small fee on permit applications that is paid by the solar installers who apply for the permit - that allow for a permit application to be filed online and instantly checked against that government's solar zoning and rules, with applications that meet the required standards approved instantly and applications that fall short either being rejected instantly with notes identifying their shortcomings or referred for further human review.

That is why NYLCV supports legislation requiring municipalities with more than 5,000 residents to adopt this automated permitting technology in order to make it faster, cheaper, and easier for New Yorkers to go solar.[4] It is important to note that this legislation does not override local solar rules or impose new costs on local governments - this is a straightforward and easy way to make government work better for everyday New Yorkers and to help more New Yorkers benefit from lower electric bills. Furthermore, this proposal is popular, with a recent statewide opinion poll finding that 70% of New Yorkers support automated solar permitting.[5]

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[1] https://www.aceny.org/blog/solar-power-is-already-saving-new-yorkers-millions-and-its-just-the-beginning

[2] S. 6570/A. 8758 (Harckham/Barrett) - https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=S06570&term=&Summary=Y&Memo=Y&Text=Y

[3] https://www.synapse-energy.com/new-york-distributed-solar-and-storage-savings

[4] S. 5781-A/A. 6270-A (Harckham/Cunningham) - https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=S05781&term=&Summary=Y&Memo=Y&Text=Y

[5] https://permitpower.org/wp-content/uploads/sites/35/2025/12/NY-Polling-Press-Release.pdf

NYLCV also supports doubling New York's solar tax credit, which has not been increased since 2006, from $5,000 to $10,000 to account for inflation, the repeal of federal tax credits for distributed solar, and the benefits of expanding access to rooftop solar so that more New Yorkers can lower their energy bills.[6]

Second, the State needs to do more to expand battery energy storage systems (BESS), which bank renewable energy during times of peak production and low demand and then discharge it onto the grid during times of peak demand. BESS technology needs to be massively scaled up in New York in order to achieve a 100% clean electric grid by 2040 as the CLCPA requires, and it is also crucial to addressing environmental justice - the dirty peaker power plants responsible for much of the air pollution in New York's disadvantaged communities cannot be shut down without endangering grid reliability unless sufficient BESS to replace their output during peak summer demand have been brought online.

There are two specific proposals related to BESS that NYLCV is supporting this year. The first is a sales tax exemption on utility-scale BESS.[7] Most BESS projects in New York eventually receive a sales tax exemption through local economic development agencies, but the uncertainty around obtaining the exemption and the time it takes to get approved for one still add time and cost to BESS projects, costs that are ultimately paid for by ratepayers, if they do not discourage BESS developers from being active in the New York market in the first place. A sales tax exemption for utility-scale BESS is an easy way to boost BESS in New York without breaking the bank, especially as given the limited number of BESS projects currently operative in New York this would not represent a significant loss of revenue to the State or local governments, and we urge you to include this in the final budget. It is important to note as well that diesel generators are not subject to sales tax, meaning that right now the State effectively subsidizes fossil fuels at the expense of BESS.

The second proposal related to BESS that NYLCV is supporting is to add State oversight of utility-scale BESS permitting to the portfolio of the Office of Renewable Energy Siting (ORES). BESS moratoria, and BESS zoning rules that are so strict they are effectively a ban, have cropped up all over New York State. While many of these moratoria are driven by good faith concerns about fire safety and can be overcome through education and stakeholder engagement, others are driven by the same astroturf groups underwritten by fossil fuel interests that have worked against offshore wind up and down the East Coast. This technology is safe, it is ready to be deployed at massive scale, and it is necessary to protect public health and achieve the CLCPA's goals. Therefore, it is appropriate for ORES to oversee utility-scale BESS permitting, work with local governments to address legitimate concerns and, in cases where it is warranted, override unreasonable restrictions on BESS in the interest of the State's energy policy.

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[6] S. 2626/A. 1373 (Harckham/Walker) - https://www.nysenate.gov/legislation/bills/2025/S2626

[7] S. 1527/A. 313 (Parker/Paulin) - https://assembly.state.ny.us/leg/?default_fld=&leg_video=&bn=A00313&term=&Summary=Y&Memo=Y&Text=Y

Third, NYLCV once again urges the Legislature to enact a Clean Fuel Standard (CFS).[8] Transportation is one of the largest sources of greenhouse gas emissions in New York State - and emissions have actually increased since the CLCPA was adopted in 2019 - 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 lower tailpipe pollution, which impacts public health, as well as significantly lower lifecycle GHG emissions than fossil diesel.

Many New Yorkers, including many business owners around the state, want to go green in their transportation both to be more environmentally sustainable and to have more stable and reliable prices than they get with fossil fuels. But for too many New Yorkers the upfront costs of switching to a ZEV or fueling with lower carbon biofuels instead of fossil fuels makes it seem like an unaffordable option. These challenges have been exacerbated by a federal administration that is actively hostile to not just ZEVs but seemingly any measure to reduce transportation emissions, one consequence of which is that nearly all federal support for ZEVs and lower carbon fuels has been repealed or paused through questionably legal orders. According to an independent analysis by the consulting firm AJW, **repeal of the Inflation Reduction Act's provisions supporting transportation decarbonization will cost New York approximately $8.8 billion between 2025-2034**.[9] A CFS would help to close some of that gap by making fossil fuel companies pay for our transition to cleaner vehicles, making it cheaper for school districts to purchase electric school buses, transit agencies to purchase electric transit buses, operators of fleets of small and mid-sized trucks to go electric, and operators of fleets of large-sized trucks, airplanes, marine fleets, and other hard to electrify vehicle types to purchase lower-carbon, cleaner fuels for their vehicles.

We recognize that responsible budgeting is both more challenging and more important than ever in the face of massive federal budget cuts, unlawful attempts to freeze one pot of money after another that Congress has already appropriated, and the looming threat of economic shocks brought on by federal mismanagement of the economy. That is why the proposals NYLCV is suggesting be added to the budget for the purposes of implementing the CLCPA and addressing affordability are all either no cost or very low cost for the State to implement yet would still have an outsized beneficial impact. We urge you to include these proposals in your one-house budgets and in the final budget agreement, and I would be happy to follow up with any legislator or legislative staff who have questions about these proposals.

Thank you again for the opportunity to testify.

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[8] A. 472-A/S. 1343-A (Woerner/Parker) - https://www.nysenate.gov/legislation/bills/2025/A472/amendment/A

[9] https://www.linkedin.com/posts/richkassel_ajw-analysis-of-hr-1-lost-zev-funding-for-activity-7391619453840621568-PIYM/?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAE1YC8Bq5ZTEawK7gWkhZZo4ER2HBatNjo