NEW YORKERS FOR CLEAN POWER
https://nyforcleanpower.org

SFY 2026-2027 Joint Legislative Budget Hearing Testimony

January 28, 2026

Contact: Anshul Gupta, Policy & Research Director
(914) 441-2358; anshul@nyforcleanpower.org

New Yorkers for Clean Power (NYCP) is a statewide collaborative campaign to rapidly shift to a clean energy economy. Through research, education, advocacy, and organizing, the campaign seeks to advance a range of clean energy, building decarbonization, and clean transportation solutions as well as creating jobs in these industries for all communities in New York.

NYCP respectfully submits the following testimony before the Joint Hearing of the Senate Finance and Assembly Ways and Means Committees on the energy and environment proposals, or lack thereof, in the Governor's SFY2026-2027 budget.

Table of Contents

Introduction

Affordability is unmistakably the dominant theme of today's energy zeitgeist. The fossil fuel industry and affiliated business groups, with their well-oiled propaganda machine[1] and vast lobbying resources,[2] have deceptively exploited this to intimidate Albany into stalling New York's progress towards a clean, sustainable, and ultimately more affordable energy future.

This does not foster affordability.[3] Quite on the contrary, by bolstering our dependence on fossil fuels, they set the stage for a costlier and more uncertain energy future, not to mention higher pollution and healthcare costs. New York has seen little reduction in fossil-fuel pollution since the passage of the Climate Leadership and Community Protection Act (CLCPA), yet New Yorkers are facing skyrocketing utility bills. Our energy unaffordability crisis is the product of the fossil-fuel status quo and an aging energy infrastructure.

We urge the legislature to defend the CLCPA that it passed in 2019 and hold the Executive accountable for its implementation and funding. This would be the real long-term path for economic growth and affordability, besides adhering to state law. Our specific recommendations for the SFY 2026-2027 budget are as follows.

Appropriations Requests

In 2023, Governor Hochul announced her preferred vehicle for funding the implementation of the CLCPA – an economy-wide cap-and-invest program. A well-designed market-based program like this can be an essential component of a strategy to steadily reduce health- and climate-destroying pollution from burning oil and gas while improving public health, comfort, energy affordability, and quality of life.

A recent study[4] shows that this program, now known as the Clean Air Initiative (CAI), would generate approximately $30 billion in revenue for investment in its first ten years, supporting over 300,000 jobs and $47 billion in statewide economic growth. Households earning $200,000 or less per year, which comprise approximately 85% of New York's population, are projected to realize nearly $7 billion in cumulative net savings during this period, corresponding to average net annual savings of over $1,000 per household.

---

[1] How to spot five of the fossil fuel industry's biggest disinformation tactics; https://www.theguardian.com/us-news/2024/apr/14/climate-disinformation-explainer

[2] Fossil fuel, utility lobbyists targeting Gov. Hochul with big spending, new report shows; https://gothamist.com/news/fossil-fuel-utility-lobbyists-targeting-gov-hochul-with-big-spending-new-report-shows

[3] Affordability in NY requires leadership, not fossil fuels; https://www.lohud.com/story/opinion/2026/01/13/hidden-cost-of-fossil-fuels-stunts-affordability-in-ny-opinion/88159689007/ (Appendix)

[4] Economic impacts from New York Clean Air Initiative; https://www.greenlineinsights.com/new-york-clean-air-initiative

The CAI is currently paused, and as a result, the critical needs below must be funded through the budget process until the CAI program is launched.

1. **$1 Billion for the Sustainable Future Program**

Last year, Governor Hochul paused the launch of the cap-and-invest program and instead, working with the legislature, established and funded the Sustainable Future Program at $1 billion in the SFY 2025–2026 enacted budget. Despite a much lower funding level than what the cap-and-invest program would have generated, this marked a major milestone for New York's progress towards a healthy, sustainable, and pollution-free future.

That investment demonstrated a commitment to transitioning to in-state clean energy while delivering practical, on-the-ground benefits for New Yorkers. According to a recent report,[5] $1B in programmatic investments aligned with the Sustainable Future Program generates $1.5 billion in total economic output, 7,400 new jobs, and $685 million in labor income. Translating this strong start into lasting impact, the program requires sustained and robust funding.

Continued investment will allow agencies and program partners to move beyond initial setup and scale proven solutions, ensure continuity for participating households and communities, and maintain momentum toward meeting the state's climate and energy goals. Consistent funding is essential to delivering the full promise of the Sustainable Future Program and ensuring its long-term success statewide.

We are disappointed to not see this funding renewed in the Executive budget proposal and urge the NYS Senate and Assembly to include it in their one-house budget proposals. The $1 billion in funding for the Sustainable Future Program is critical for maintaining effective levels of investments in Thermal Energy Networks (TENs), Clean Green Schools, the Green Small Buildings Program, electric school buses, EV charging infrastructure, and NYPA's renewable energy projects, etc. Through these investments, New York can deliver energy affordability, greater safety from extreme heat, and healthier air to residents.

2. **$200 Million Green Affordable Pre-Electrification (GAP) Fund**

The Executive budget proposal recognizes a long-standing problem that is barring too many New Yorkers from accessing cost-saving energy efficiency retrofits, but allocates only $2 million in the GAP fund to address this need.

There is an urgent need to fund and provide technical assistance for homes and buildings in need of a wide-range of currently unfunded retrofits that are necessary for healthy indoor space. Examples of such necessary rehabilitation work include outdated wiring, mold, lead paint, and asbestos removal and repairing leaks and structural issues, etc. These unfunded retrofits

[5] New York State Sustainable Future Program; https://static1.squarespace.com/static/65bfcbe2a8a54819d4edc27c/t/695ec1d6c06b263a370cd29f/1767817686325/GLI-NYCI-OnePagers_Sustainable_Future_Program.pdf

prevent many households and building owners from being able to participate in programs to fund energy efficiency, weatherization, and electrification projects because such projects cannot proceed without remediating the pre-existing hazards and addressing the latter is usually too costly for homeowners and building owners to take on themselves.

Low- and moderate-income households often face the biggest barriers to energy efficiency, weatherization, and electrification due to living in older housing stock with a lot of deferred maintenance. These are exactly the homes that would benefit from energy and cost savings, home comfort improvements, and healthier air, yet are locked out of the available funding due to said deferred maintenance.

A $200 million program in the state budget to remediate older houses and apartments of low- and moderate-income New Yorkers, readying them for weatherization and electrification, would finally begin to address a hole in existing programs and open up access to state and federal clean energy funding that is currently out of reach for many New Yorkers.

3. **$200 Million for a NEW Fund for Oil to Heat Pump Conversions**

Well over a million households in New York are stuck with old dirty oil heating and hot water systems when they could save an average of nearly $2000 annually by upgrading to efficient cold-climate heat pumps. The main barrier is that cash-strapped households lack the upfront funds to invest in heat pumps in order to realize the longer term energy affordability benefits. The new fund would supplement the NYS Clean Heat program to accelerate assistance to customers that heat with fuel oil (and other delivered fuels like propane) to install heat pumps to bring down their energy costs and reduce air pollution and greenhouse gas emissions.

4. **Additional EmPower+ Funding**

This highly successful program provides insulation, air sealing, and energy-efficient heating systems for 30,000 low and moderate income households each year. Without robust and consistent funding, this program faces shortfalls. Governor Hochul's budget proposal includes $50 million for this program. Together with other sources, the overall funding level for EmPower+ still falls short of recent years' levels, and the program faces steeper cuts in 2027. By some estimates, up to $200 million of budget funds are required to shore up the EmPower+ program, and we request the legislature to increase its funding accordingly. In order for EmPower+ to see ongoing success, the funding levels must be adequate, reliable and consistent over time. Anything less puts small businesses that serve New York's low and moderate income households with energy efficiency measures in jeopardy and erodes public trust in the program.

5. **Save the Weatherization Assistance Program (WAP) from a State Funding Cut**

The federally funded WAP program helps customers achieve long-term energy affordability through weatherizing their homes. Historically, 10% of federal Home Energy Assistance

Program (HEAP) funding from the federal government has funded WAP, but this year the Hochul administration is planning to redirect the money away from WAP, creating a 60% reduction in the program's funds and putting hundreds of jobs at risk. We recommend that the legislature specify in the State Operations Bill that 10% of HEAP funding should continue to be allocated to the Weatherization Assistance Program.

REV Bill Requests

1. **Modernize Residential Solar Tax Credit, S.2626/A.1373-A**

The distributed solar sector, which includes rooftop and community solar installations, is one of the rare bright spots in New York's quest for a clean, affordable, and reliable energy future. This is the only sector that is expected to meet its target, which currently stands at 10 GW of installed capacity by 2030.

Unfortunately, at a time when the clean energy industry is under attack by the federal government, this sector was dealt a cruel blow last year when the Public Service Commission abruptly clawed back $271 million in previously approved funding for the NY-Sun program that incentivizes distributed solar installations. We urge the legislature to lend its strongest support to the distributed solar and energy storage sector in the SFY 2026-2027 budget.

The New York State Residential Solar Tax Credit allows homeowners, including condo owners and co-op shareholders, to claim a tax credit on their state income taxes for 25% of the cost of installing solar, capped at $5,000. Unfortunately, the current incentive is not accessible to low-income and senior homeowners and the cap has not been increased since 2006.

S.2626/A.1373-A modernizes this tax credit by (1) increasing the cap for the first time in two decades to $10,000, (2) making energy storage systems eligible for the tax credit to encourage more resilient installations, (3) making the tax credit refundable so that low and fixed-income homeowners with insufficient tax liability can benefit, and (4) removing the system size cap on co-op and condo buildings.

2. **Exempt Energy Storage Systems from Sales Taxes, S.1527/A.313**

Energy storage is a key enabling technology to achieve the state's renewable energy and climate goals, providing increased grid flexibility, enabling the wide scale deployment of renewable energy, promoting efficient use of grid resources, and enhancing grid resiliency.

This legislation will help reduce the cost of deploying energy storage projects by providing an exemption from state taxes for the sale and installation of energy storage equipment, both residential and commercial, and providing municipalities the option to grant such exemptions for local sales tax. The legislation will give energy storage technology similar tax exemptions to solar energy and fuels cells, creating a fair and level playing field for clean energy technologies while stimulating the state's economy and creating new green collar jobs.

Article VII TED Bill Requests

1. Accelerated Solar for All (ASAP) Act, S.6570/A.8758

As mentioned previously, the distributed solar energy sector is the only clean energy sector that is projected to meet or exceed the targets of the Climate Leadership and Community Protection Act (CLCPA), and it is poised to do so ahead of schedule and under budget. The success of this sector in meeting its goals suggests that distributed energy assets can be deployed more efficiently and cost-effectively than many of the other emissions-reduction strategies.

Despite this momentum, serious headwinds, including the sunsetting of NY-Sun funding, and the lack of long-term certainty threaten to undermine New York's most successful clean energy sector. In 2024, the activity to initiate new distributed solar development declined to its lowest level since 2018. In addition to siting and permitting challenges, rising utility interconnection costs are slowing growth in this sector.

The ASAP Act address these challenges head on by (1) raising New York's distributed solar goal from 10 GW by 2030 to 20 GW by 2035, (2) advancing interconnection reforms and proactive investment in the distribution system to lower costs and shorten timelines, and (3) directing NYSERDA to develop an implementation plan to cost-effectively achieve the expanded rooftop and community solar goal.

A new independent study[6] finds that expanding distributed solar and energy storage across New York could deliver $1 billion in annual energy cost savings by 2035, lowering electricity bills for households across the state, strengthening reliability during peak winter electricity demand, while reducing reliance on volatile gas markets.

The analysis, conducted by Synapse Energy Economics for the Coalition for Community Solar Access (CCSA), shows that increasing distributed solar capacity to 20 gigawatts by 2035—paired with additional distributed storage—would reduce average residential electricity bills by $87 per year for upstate customers and $46 per year downstate, regardless of whether customers directly participate in solar programs.

In addition to direct savings for solar customers, distributed solar installations help reduce electricity costs for all customers by alleviating grid congestion and reducing demand during summer peak hours. On June 24, 2025, the peak demand day during last summer's heat wave, distributed solar reduced the peak by 5% and shifted it by three hours,[7] demonstrating the ability of this resource to reduce infrastructure demand – a key driver of energy delivery costs.

---

[6] Sunlight and Storage Into Savings: Evaluating energy cost savings from distributed solar and storage additions in NY; https://drive.google.com/file/d/1_7B7gHlzZ7QlEewtJ-X_QfRQtDyNvf-J/view?usp=sharing

[7] June Heatwave Tests Electric Grid in New York; https://www.nyiso.com/-/june-heatwave-tests-electric-grid-in-new-york

Raising New York's distributed solar goal and doubling down on this successful market segment can help New York close its renewable electricity supply gap while delivering immense financial and workforce development benefits to New York families, businesses and local governments. Raising the goal will also send an important market signal and attract private investment to the state, bolstering local economic development and replenishing New York's pipeline of distributed solar projects under development.

For all the above reasons, we urge the legislature to include the ASAP Act among the Article VII policy bills in their respective one-house budget proposals.

2. Amending the Utility Obligation to Serve Gas in the Public Service Law

The Public Service Law needs to be amended to modify the utility obligation to serve gas into a fuel-agnostic obligation to serve energy for heating, cooling, and other household appliances. Our current outdated public service law is being exploited by gas utilities to replace billions of dollars worth of gas pipes with brand new ones at tremendous cost to ratepayers, even as cheaper alternatives exist. *This is a key driver of rising gas delivery charges.*

Despite slowing residential gas demand, New York is on a costly gas-pipe laying spree that locks in handsome profits for utilities. Over the last 10 years, the six largest gas utilities grew their gas assets from $17 billion to over $37 billion, despite homes using less gas.[8] During the same period, these investor-owned utility companies collectively increased their profits by over 63%.[9]

The utility obligation to serve gas represents a direct contradiction between our public service law and the climate law. As a result, we are being forced to simultaneously invest in the gas energy system of the past and the electrical energy system of the future, and the gas utilities are slated to spend tens of billions of ratepayer dollars on pipe replacement in the coming years.[10]

Gas heating bills are expected to rise so much in the future due to unnecessary investments in the gas system that the recently released State Energy Plan suggests raising the already high electric rates or adding non-bypassable utility charges[11] to pay gas utilities for these pipes and their profits. All this because Albany hasn't yet mustered the political courage to stand up to the gas utilities and redirect these wasteful investments towards modern, clean and cost-effective alternatives.

---

[8] Paying More For Less: Rising gas bills in New York; https://thefutureofheat.com/s/FoHI-Gas-Primer-NY.pdf
[9] New York utilities make vast profits off residents by expanding gas system; https://renewableheatnow.org/wp-content/uploads/2025/10/NY-Utility-Profits-Brief-1.pdf
[10] The future of gas in New York State; https://buildingdecarb.org/wp-content/uploads/BDC-The-Future-of-Gas-in-NYS.pdf
[11] 2025 New York State Energy Plan - Volume II (Natural Gas, p. 36); https://energyplan.ny.gov/Plans/2025-Energy-Plan

It is, therefore, critically important to curb unnecessary investments in the gas system for our future energy affordability and for our ability to eventually decarbonize the building sector affordably. We therefore urge the legislature to include in their respective one-house budget proposals §3 of the NY HEAT Act, S.4158/A.4870 for a statewide gas transition plan and utility home energy affordable transition programs, as well as related sections governing these plans.

3. **Clean Deliveries Act, S.1180-B/A.3575-B**

E-commerce mega-warehouses are facilities that are used to facilitate deliveries directly to customers. They are often located in or near urban areas and are used to sort, consolidate, and distribute packages for delivery to customers' homes or businesses. E-commerce mega-warehouses play a critical role in the e-commerce and logistics industry, as they allow for the efficient and timely delivery of goods to customers, but they also generate significant emissions from the large number of delivery trucks that come in and out of the facility, which adversely impact workers and can contribute to poor air quality in surrounding communities. These emissions are not only harmful, but currently unregulated. These mega-warehouses are disproportionately sited near environmental justice communities who experience the most harm from vehicle emissions in and out of these facilities.[12]

In order to meet demand for fast delivery times, these facilities are sited close to major population centers. Unlike traditional warehouses, these warehouses are larger (some are over 1 million square feet), operate 24/7, and may span multiple stories – concentrating emissions and other impacts onto generally overburdened communities where logistics facilities tend to be sited. They require hundreds, sometimes thousands, of vehicle trips per day, including a large number of large heavy-duty trucks. These trucks emit pollutants such as particulate matter, nitrogen oxides, and volatile organic compounds, which contribute to poor air quality and negative health effects in surrounding communities. Delivery vehicles are also a significant source of greenhouse gas emissions, specifically carbon dioxide (CO2), which contributes to climate change.

In areas like the South Bronx – where 40% of residents live below the poverty line, and 95% identify as Hispanic or Black – over 15,000 diesel trucks spew dangerous pollution into the community every day. The constant pollution is causing dangerous health impacts, largely because of this relentless tailpipe pollution, one in every five children in the South Bronx has asthma, an asthma rate that is eight to twelve times the national average.

The Clean Deliveries Act addresses the impacts of e-commerce mega-warehouses by establishing an **indirect source rule** for transportation. Its key provisions include:

- A review of emissions from e-commerce warehouses exceeding 50,000 sq feet
- An air emissions reduction and mitigation plan requiring warehouse operators to minimize pollution by implementing one or more of the following:

[12] When Amazon expands, these communities pay the price; https://www.consumerreports.org/corporate-accountability/when-amazon-expands-these-communities-pay-the-price-a2554249208/

    - Acquiring zero-emission vehicles & charging infrastructure
    - Installing solar panels and/or batteries on-site
    - Considering alternative transportation modes where appropriate
    - Paying additional fees
- Enhanced protections for warehouses operating in disadvantaged communities or that impact schools and similar facilities
- A zero-emission zones study on the feasibility, benefits, and costs of implementing low and zero emissions designated areas for air pollution and congestion hotspots within New York State

4. Additional Distributed Solar Bills

There is significant potential for improving the economics of the immensely valuable distributed solar sector to unleash much needed new electricity generation fueled by free in-state sunshine without massive investments in large transmission projects. In addition to increasing state incentives, a key strategy is to reduce soft costs related to permitting and interconnection, which are extraordinarily high in the US.[13] Accordingly, we recommend passing the following bills during the 2026 legislative session:

a. *Automated Permitting for Residential Solar, S.5781/A.6270*: Simplifies and speeds up residential solar permitting with a no-cost automated platform for jurisdiction with 5000+ residents. Multiple states have passed such permitting reform, neighboring New Jersey being the latest one.
b. *Community Solar Siting Reform, S.8119-A/A.9087*: Establishes statewide solar guidelines to reduce the impact of restrictive local laws and moratoria, while maintaining local authority for community solar permitting.
c. *Solar Up Now NY (SUNNY) Act, S.8512-A/A.9111A:* Legalizes “balcony solar” by exempting small portable solar generation devices from interconnection or net metering requirements and allows such devices to be connected through an electrical outlet. Multiple states are considering this energy democracy and affordability measure, Utah being the first one to pass it.

Concluding Remarks

The energy affordability and climate crises, the health impacts of pollution, the principles of economic and environmental justice, and the mandates of the Climate Leadership and Community Protection Act (CLCPA) require sustained actions and commitments from the New York State legislature, Governor, and state agencies to keep the state on a steady trajectory of progressively declining health- and climate-destroying pollution from fossil fuels like oil and natural gas.

[13] Rooftop solar three times cheaper to install in Australia than US, Canada; https://reneweconomy.com.au/rooftop-solar-three-times-cheaper-to-install-in-australia-than-us-canada/

Unfortunately, New York has strayed in the last year. We urge the legislature to help correct the course and guide the state towards a stable, affordable, and clean energy future that fossil fuels can never deliver.

Appendix

lohud.

OPINION *This piece expresses the views of its author(s), separate from those of this publication.*

Affordability in NY requires leadership, not fossil fuels | Opinion

3-minute read

Anshul Gupta Special to the USA TODAY Network

Jan. 13, 2026, 12:06 p.m. ET

Affordability is unmistakably the dominant theme of today's political zeitgeist. The fossil fuel industry and affiliated business groups, with their well-oiled propaganda machine and vast lobbying resources, have deceitfully exploited this to intimidate Gov. Kathy Hochul into halting New York's progress towards a clean, sustainable and ultimately more affordable energy future.

Echoing buzzwords like "affordability and reliability" that the oil and gas industry has carefully curated for messaging effectiveness, in 2025, the Hochul administration halted the implementation of New York's landmark climate law, greenlighted massive fracked gas pipeline and energy-intensive cryptocurrency projects, cancelled clean-electricity transmission projects, abruptly suspended building codes for new construction without fossil fuels and advanced a state energy plan to burn costly, polluting oil and gas largely unabated for decades.

None of these actions foster affordability. Quite to the contrary, by bolstering our dependence on fossil fuels, they set the stage for a costlier and more uncertain energy future, not to mention higher pollution and health care costs. New York has seen little reduction in fossil-fuel pollution since Hochul took office, yet New Yorkers are facing skyrocketing utility bills. Our energy unaffordability crisis is the product of the fossil-fuel status quo and an aging energy infrastructure.

Why is New York remaining so reliant on oil and gas?

New York doesn't produce any of its oil and gas, whose prices are shaped by geopolitics, supply disruptions and price manipulation. Natural gas prices are already soaring from burgeoning imports and skyrocketing demand for electricity generation to power data centers.

Despite slowing residential gas demand, New York is on a costly gas-pipe laying spree that locks in handsome profits for utilities. Gas heating bills are expected to rise so much in the future due to these unnecessary investments that Hochul's energy plan suggests raising the already high electric rates to pay gas utilities for these pipes and their profits. All this because Albany hasn't mustered the political courage to stand up to the gas utilities and redirect these wasteful investments towards modern, clean and cost-effective alternatives.

Fossil fuels also have hidden costs that are paid through higher healthcare spending, missed workdays, and lower quality of life. Communities near power plants, major roadways and gas infrastructure bear higher rates of asthma, heart disease and other pollution-related illnesses. New York leads the nation in pollution from heating homes and buildings with fossil fuels. Gas stoves account for nearly 19% of the state's childhood asthma incidence.

Market uncertainty due to half measures and policy reversals is a cost multiplier. President Donald Trump's vindictive attacks on clean energy are already resulting in nationwide job losses, disinvestments and predictions of higher electricity bills. In New York, Hochul exacerbated these with her own retreat from the state's climate commitments, even though several states responded to federal policy changes with resolve and leadership.

Illinois, Maine and Connecticut set new, stronger targets to phase out fossil fuels and cut carbon pollution. California and Washington reaffirmed their commitment to cap-and-invest programs, in which large polluters pay a fee for the societal cost of

their emissions, and the proceeds are used for energy rebates and pollution reduction. The Hochul Administration designed a similar program but paused its launch.

Surrendering like this to fossil-fuel interests signals weakness, and with astute advisors and effective communications, isn't politically necessary at all. In a Washington State referendum during the 2024 general elections, the cap-and-invest program garnered more votes than Vice President Kamala Harris. More recently, gubernatorial candidates in Virginia and New Jersey scored resounding victories on platforms that rightly associated affordability with sustainability — not pitting one against the other as Albany is doing.

Opinion: NY leads in science. We must invest in biomedical research

How New York can move forward

Current federal energy policy does present challenges, but the state has several tools to mitigate its impacts.

Removing bureaucratic barriers to cost-effective rooftop and small-scale solar and easing interconnection and permitting for renewable energy will create local energy-infrastructure jobs and unleash much needed new electricity generation fueled by free in-state sunshine and wind. We can invest in the grid without overburdening ratepayers through innovative financing and units-of-production depreciation methods.

Renewing the Sustainable Future Program's funding can help make home heating cleaner and healthier; on-bill financing and targeted rate design can ensure that families see immediate net savings along with long-term benefits. Amending the gas-only heating mandate embedded in the state's antiquated Public Service Law to Hochul's favorite "all-of-the-above" energy option will unlock billions of dollars to upgrade our homes instead of throwing money on potentially stranded gas-pipe assets.

In 2026, Hochul has an opportunity to recalibrate. New York has strayed, but it's not too late to correct the course.

Anshul Gupta, a retired research scientist, is the Policy & Research Director at New Yorkers for Clean Power.