ACE NY
ALLIANCE FOR CLEAN ENERGY NEW YORK, INC.

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on New York's Climate Law Goals

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TESTIMONY of

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Thank you for the opportunity to provide testimony on New York's Climate Law goals 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. ACE NY is New York's premier advocate for the rapid adoption of renewable energy, energy efficiency, and transportation electrification 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, energy storage, 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.

New York has laid the groundwork for robust programs to address our climate emissions. Now, we are at the point where we need to take the hard steps necessary to fully implement these programs. ACE NY would like to thank the NYS Senate for taking bold action to address climate change. Addressing climate change does not weaken our state, it makes it stronger

by generating lower cost electricity, weatherizing our buildings so heating and cooling is more affordable, creating good paying jobs across the State, and improving our health with reduced air pollution. New Yorkers spend $28 billion importing energy from out of State[1] – Imagine how strong our state would be if those billions of dollars were invested in the New York State economy by generating our own energy.

New Yorkers continue to experience the increasing effects of climate change. Floods in August led to the declaration of states of emergency on Long Island, causing evacuations and destruction of infrastructure, with damage in Suffolk County estimated at $25 million. A historically dry fall led to wildfires in New Jersey sending smoke to cover much of the Hudson Valley and Capital Region. And we are again facing drought conditions this fall. New York set a new record for tornadoes reported, with four hitting Western New York in two hours in July, 2024.

New York State's Climate Impact Assessment paints a stark picture of how climate change will affect the state. It predicts that by 2050, there will be 5-9 multiday heat waves affecting the state, and all parts of the state will see days with a heat index over 103°F. The Assessment estimates a 1-8% increase in rain and snow across the state by 2030, with an increase up to 12% by 2050. The eastern part of the state is predicted to experience at least one 4-inch rainstorm per decade by 2050. The Assessment concludes that, "*there is **high** confidence that flood intensity and damages will increase during the 21st century. Such a conclusion is arguably intuitive when coupled with this assessment's projection of more frequent and intense heavy precipitation events.*"[2]

To quote the United Nations Environment Program Executive Director, Inger Andersen,
"*We must instead lift the needle out of the same old groove of insufficient ambition and not*

[1] https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy-Analysis/EEAPT2024-3NYS-Energy-Profileacc.pdf
[2] New York State Climate Impacts Assessment: Chapter 2: New York State's Changing Climate (nysclimateimpacts.org)

enough action, and start setting other records: on cutting emissions, on green and just transitions"[3]

This testimony specifically addresses the following actions:

- Renewable Energy Actions
- Interconnection and Transmission Actions
- Offshore Wind Actions
- Transportation Actions
- Building Actions
- State Funding Actions

RENEWABLE ENERGY ACTIONS

ACE NY believes that transitioning to renewable sources of energy is one of the best strategies in the fight against climate change. NYS Energy Research and Development Authority's (NYSERDA) 2024 RFP for wind and solar projects resulted in 38 projects totaling 3,500 MW applying. Similarly, the fifth offshore wind (OSW) solicitation received 21 proposals from three developers, totaling more than 5,000 MW of total offer capacity. This shows the renewable industry will continue to invest in NY, but there are actions the Legislature needs to take to support our climate transition.

The Legislature has a stake in the successful achievement of the Climate Law's achievable goals. Given that the law is so broad, and economy-wide and greenhouse gas emissions are so ubiquitous, you may believe that it is simplifying things to state 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 generation. To meet the goals in the law for offshore wind, distributed solar, and 70% renewable electricity by 2030, NYS needs more wind and solar. We will reduce emissions

[3] UN urges dramatic climate action as records keep tumbling | UN News

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 the snags in these processes need to be removed as soon as possible to construct as many projects as possible. Then, we can collectively and gradually move closer to the law's 2030 and 2050 mandates.

The Climate Act requires all state agencies, in their permitting, approvals, and decisions, to consider if the actions are inconsistent with or will interfere with the attainment of the goals of the Climate law. This provision needs to be fully implemented, and all our state agencies and authorities need to make climate action a priority. This provision includes facilitating permits issuance and right of way grants in a timely manner to ensure the development of renewable energy and transmission projects. The issuance of an Executive Order, similar to the Governor's Executive Order No. 22, would reaffirm the State's commitment to meeting our Climate Law goals.

I. **Reduce the Permitting Review Time at ORES.** The Office of Renewable Energy Siting and Electric Transmission (ORES) has taken steps to reduce review timeframes. The Big Beautiful Bill has revised the dates to be eligible for the Federal Investment Tax Credit (ITC). The ITC saves ratepayers money by lowering renewable construction costs. The new dates are July 4th, 2026 to start construction and with a Commercial Operation Date by December 31st, 2027. Given this tightened time frame, ACE NY has a few suggestions for ORES to reduce permitting times. ORES should coordinate with the Department of Environmental Conservation on comment review so ORES Staff's Notice of Deficiency is provided to the developer at the same time as the regional stormwater permit comments. ORES should coordinate with the Department of Public Service Staff on Section 68 Certificate of Public Convenience and Necessity (CPCN) review to allow for tree-clearing prior to full section 68 review/approval to ensure projects can meet the start of construction deadline in for the ITC.

II. **Stabilize the Renewable Energy Taxation Appraisal Methodology.** Our members supported the 2021 legislation that directed the Department of Taxation and Finance (DTF) to publish a standard methodology for real property tax assessment for solar and wind energy systems because we believe that a standard and fair appraisal methodology increases certainty and convenience for both taxing jurisdictions and renewable energy development companies. A consistent appraisal methodology promotes economic development through the creation of thousands of high-paying construction jobs and provides local governments with a significant, increased, and stable revenue stream. It also provides budgeting certainty for assessors, towns, and developers, and reduces risk to local governments of tax certiorari created by the inconsistent and often contradictory practices used to appraise renewable energy projects prior to the development of the DTF model.

This law has faced numerous court challenges and recently the decision of the Albany County Supreme Court (Court) held in *Airey, et al. v. State of New York* that the law is an unconstitutional delegation of the Legislature's taxation authority. ACE NY thanks the Senate for moving swiftly to fix this issue by passing S.8012 (Harckham) / A.8332 (Lasher). This bill to address the legal uncertainty has passed both houses and we urge the Governor to immediately sign this bill into law. In the interim, some municipalities have increased property tax assessments by large amounts, resulting in a doubling or tripling of assessments in millions of dollars. These overblown property taxes for solar and wind projects will translate to higher electric rates.

III. **All Relevant NY State Agencies Must Expedite Permitting Approvals**. The federal Investment Tax Credit for renewable projects has offered significant cost reductions for New York ratepayers. The Big Beautiful Bill has ended these savings, but we still have a window to allow some projects to meet the Internal Revenue Service (IRS) deadlines. We request that the state marshal all its resources to expedite permitting approvals for all NYSERDA contracted projects to ensure these projects are placed

in service prior to the December 31, 2027 end date of the ITC, or are able to start construction by the July 4, 2026 deadline. We are asking State agencies to follow the model used for the Champlain Hudson Power Express (CHPE) on expediting reviews and approvals and having a person accountable for ensuring timelines are met.

IV. Sales Tax Exemption for Commercial Energy Storage. S.1527 (Parker) / A.313 (Paulin) would grant a sales tax exemption for commercial energy storage. Grid-scale energy storage reduces energy costs by capturing excess energy when the demand is low and releasing it when more electricity is needed. Energy storage also lowers electricity prices by reducing the frequency that more expensive power plants are generating and lowers transmission costs by releasing electricity locally to the grid instead of pulling electricity from further away when demand is high [4]. Additionally, since energy storage is a local resource, it can stabilize rates and the grid itself during periods of high demand, when energy prices spike. ACE NY urges the passage of this bill.

While solar panels and fuel cells enjoy a sales tax exemption, commercial energy storage systems are ineligible. The State must align tax exemptions with its policy goals. ACE NY was pleased that 2024-2025 final State budget included a sales tax exemption for residential energy storage systems. The Legislature should build upon the Energy Storage Roadmap that was approved last summer and extend this sales tax exemption to commercial energy storage systems. In addition to the new exemption for residential storage, other similar clean energy technologies, such as residential and commercial solar energy equipment and commercial fuel cells, are currently eligible for a sales tax exemption. The State Department of Taxation and Finance issued an advisory opinion[5] stating that to be eligible for state sales and use tax exemptions like solar and fuel cell equipment and installation, energy storage must meet specific, narrowly defined technical requirements that effectively make it

[4] https://cleanpower.org/resources/energy-storage-costs-fact-sheet/
[5] https://www.tax.ny.gov/pdf/advisory_opinions/sales/a09_36s.pdf

impossible to qualify for the exemption. We support a sales tax exemption for commercial energy storage systems, which would ensure that clean energy technologies are treated similarly under State tax law, thus creating a level playing field for these technologies.

V. **Raise the distributed solar energy goal to 20 GW by 2035.** ACE NY urges the passage of S.6570 (Harckham) / A.8758 (Barrett). The State recently announced it had met the Climate Law goal of deploying 6 GW of distributed solar by 2025 and is well on its way to meet the Governor's expanded goal of 10 GW by 2030, with over 3.4 GW under development. With this rapid installation of distributed solar, it is time to increase the goal to 20 GW by 2035. This expansion of rooftop and community solar will result in $50 billion in savings to ratepayers with reduced electricity costs and 15,000 jobs. The bill also requires the Public Service Commission to establish a flexible interconnection program, which will reduce interconnection costs and lead to ratepayers' savings.

VI. **Include Safe Energy Storage Permitting Under ORES.** ACE NY urges the legislature to pass S.5506 (Kavanagh) / A.8378 (Levenberg). The PSC has approved the 6 GW by 2030 Energy Storage Roadmap. In order to meet this necessary goal, the State needs to establish a statewide permitting system under ORES to reduce permitting delays currently faced by storage projects. Energy storage supports climate action while driving a more reliable, affordable electricity grid and creating economic opportunity for New York communities. New York State has recognized the critical need for clean, reliable, and affordable electricity, and the legislature has supported ambitious energy targets as part of the Climate Act of 2019. By allowing ORES to streamline and expedite the environmental review and permitting of major energy storage projects, the state will ensure the safe and timely deployment of energy storage in support of the 70% renewable by 2030 target, as well as the other clean energy and equity mandates of the Climate Act. ORES already oversees energy storage permitting for projects co-located with large-scale renewables. We would like ORES to be

empowered to oversee standalone energy storage permitting (for projects 25 MW and larger), in order to support safer energy storage deployments, improved regulatory consistency, and accelerated progress toward climate and equity targets.

VII. **Include Agrivoltaic Projects in the Agricultural Property Tax Exemption.** Currently, farmers receive a property tax exemption on land used in agriculture if they have 7 or more acres of land and gross sales of agricultural products that average over $10,000 for the preceding two years. However, local assessors assess agrivoltaic projects at full value, even if the land and the farm are eligible for the agricultural property tax exemption. This adds to the cost burden of implementing an agrivoltaics project and discourages farmers and developers from taking on these joint projects. The Agriculture and Markets law should be amended to clarify that if land hosting a solar project otherwise meets the eligibility requirements for an agricultural property tax exemption, then it still should be able to receive that exemption. This will encourage farmers to maintain farm operations even after deciding to host solar energy and will encourage them to co-locate agricultural activities and solar. We also would support language that would make this optional for localities, if they chose.

We would like to underscore that solar energy can help to protect farmland by enabling new income streams for farmers, preserving and improving soil health and supporting long-term agricultural viability. It can also support beneficial practices like sheep grazing, reducing water needs through shade, and providing energy for farm operations. ORES permitting requires projects to follow the Department of Agriculture and Markets solar guidelines and preserve topsoil. An operating solar project at a minimum would preserve farmland to be available for future generations, and accommodating agrivoltaics would only increase the farm viability benefits.

INTERCONNECTION AND TRANSMISSION ACTIONS

I. **Direct Utilities to Make Interconnecting Completed Renewable Projects a Priority.** The NY Independent System Operator (NYISO) has revised its interconnection process which should reduce the delays for renewable projects to receive interconnection approvals, but there remain risks of significant delays by utilities in completing the grid upgrades necessary to interconnect a project. Renewable projects that have completed construction and are ready to start generating electricity are waiting months for the utilities to finish their grid construction. The Public Service Commission should review these delays and establish protocols for utilities to initiate grid upgrades when they become aware that a renewable project has received its final permit approvals.

II. **Direct the PSC to Select one or more upstate PPTNs to Assist in Solving Transmission Constraints.** Currently, one of the largest barriers to the decarbonization of the New York grid is insufficient transmission capacity in certain locations. This restricts the interconnection of renewable energy projects and results in the congestion or curtailment of renewable power. The loss of this lower cost electricity increases New Yorkers' energy costs. The Public Service Commission (PSC), in consultation with New York Power Authority (NYPA), NYISO, and NYSERDA should identify three or more areas on the grid where there is renewables development potential in terms of resource or land availability but where this development is limited by a lack of transmission capacity. This is materially different than the Clean Energy Zones approved in the 2025 budget. An alternative approach would be to utilize NYISO's identified Areas W1 and Y1 from its *2023-2042 System and Resource Outlook*[6]. NYISO should subsequently be directed to study and propose bulk transmission solutions for these "Constrained Grid Zones" by December 31, 2026. This effort would complement and contribute to the

[6] New York Independent System Operator. 2023-2042 System & Resource Outlook (The Outlook). July 23, 2024. https://www.nyiso.com/documents/20142/46037414/2023-2042-System-Resource-Outlook.pdf/8fb9d37a-dfac-a1a8-8b3f-63fbf4ef6167

Comprehensive Grid Planning Process (CGPP) that the PSC is currently pursuing but with a focus on local transmission solutions (as opposed to bulk transmission needs).

III. **Establish a Policy for the Use of Highway Rights-of-Way for Transmission.** ACE NY urges the legislature to pass S.8114 (Cooney). Other states have successfully used highway rights-of-way to expand their bulk transmission systems, and such utilization will solve transmission problems in built-up areas of the state, especially with offshore wind transmission issues. Co-locating transmission lines on highway rights-of-way can speed up the permitting process and lessen private landowner and environmental impacts. In 2021, the Federal Highway Administration released "State DOTs Leveraging Alternative Uses of the Highway Right-of-Way Guidance"[7]. It clarified that State DOTs are allowed to use highway rights-of-way for "pressing public needs relating to climate change, … renewable energy generation, electrical transmission and distribution projects." The DOT and state transportation authorities should be directed to collaborate with utilities, transmission developers and other stakeholders to assess the feasibility of using the State's highway rights-of-way to locate buried transmission lines.

OFFSHORE WIND ACTIONS

All testimony in this section is expanded upon in the testimony given by the New York Offshore Wind Alliance. For further detail, please refer to that document.

I. Transmission Upgrades & Coordination

New York's downstate grid outdated is congested and lacks access points which is a major barrier to connecting offshore wind energy generation. ACE NY supports coordinated transmission planning which will reduce costs by allowing multiple developers to plug in efficiently rather than piecemeal. Unfortunately, past

[7] State DOTs Leveraging Alternative Uses of the Highway Right-of-Way Guidance, Federal Highway Administration, https://www.fhwa.dot.gov/real_estate/right-of-way/corridor_management/alternative_uses_guidance.cfm?stream=top

underinvestment has created massive upgrade needs but starting these upgrades now is the cheaper option and avoids compounding ratepayer costs. This will require strong coordination among state agencies, NYISO, utilities, and municipalities. These transmission upgrades could save New Yorkers $40–70 billion in production costs, in addition to public health and environmental benefits from offshore wind generation.

II. Procurement Reform

Our current procurement processes are rigid, uncoordinated, and impose unnecessary risk on developers. Offshore wind solicitation timelines must be aligned with NYISO interconnection studies and transmission proposals to avoid cost escalation. These reforms should include:

- Flexible, adaptable contracts with backstops if transmission CODs are delayed.
- Relief from financial penalties when delays stem from setbacks that are out of the control of the developers.
- Decoupling projects from supply chain mandates to improve competitiveness.

III. Reducing Risk & Smart Investment

Offshore wind projects face high upfront costs and lengthy permitting processes. The state needs to streamline requirements and implement the RAPID Act principles to shorten timelines without weakening environmental protections. The $500 million allocated by NYSERDA should be appropriated to predevelopment activities that reduce risk and stabilize projects. This early-stage support sends a clear signal that New York is "open for business," encouraging investment and supporting supply chain and workforce growth.

TRANSPORTATION ACTIONS

I. **Create a Zero-Emission Vehicle Rebate Program** – The used electric vehicle (EV) market is growing with current EV owners purchasing newer models and older EVs coming off of leases.[8] Legislation, S.2032 (Harckham) / A.349 (Barrett), has been introduced that would establish a rebate program for used zero-emission vehicles (ZEV) for up to $2,000. Used vehicle sales represent 76% of car sales. This rebate will make EVs more price competitive for the majority of New Yorkers that purchase used vehicles. This rebate should replace the Federal Income Tax Credit available for used EVs that ended this September. ACE NY urges its passage.

II. **Adopt the Clean Fuels Standard (CFS).** S.1343-A (Parker) / A.472-A (Woerner) establishes a carbon intensity standard for all transportation fuels. ACE NY thanks the Senate for its overwhelming support in passing this bill (42 to 17). Entities must meet the standard by producing or purchasing low carbon fuels or credits, encouraging the gradual transition away from gasoline to electric vehicles (EVs). A similar policy has been used successfully in California[9] and Oregon[10] for years. Private revenue from the CFS could secure sustainable funding for EVs and charging infrastructure, mass transit, and biking and pedestrian infrastructure at no cost to the State's General Fund. The passage of this bill will foster emissions reductions in the short-term and is therefore a great complement to Senator Harckham's legislation, Chapter 423 of 2021, that adopted California's zero-emission vehicle sales requirements, thereby driving reductions in the long-term.

[8] https://www.nytimes.com/2025/09/13/business/used-electric-vehicles.html

[9] "Since its start in 2011 the program has generated credits representing a total reduction of 47.1 million metric tons of climate changing gases." https://ww2.arb.ca.gov/news/cleaner-fuels-have-now-replaced-more-3-billion-gallons-diesel-fuel-under-lowhttps://ww2.arb.ca.gov/news/cleaner-fuels-have-now-replaced-more-3-billion-gallons-diesel-fuel-under-low-carbon-fuelcarbon-fuel.

[10] "The Oregon Clean Fuels program prevented 3.6 million tons of climate pollution, the equivalent of 778,000 tailpipe emissions over the near four years the program has been in effect, at a cost of pennies per gallon." https://oeconline.org/cfs-march-2020/#:~:text=The%20Oregon%20Clean%20Fuels%20program%20has%20prevented%203.6,at%20how%20much%20climate%20 pollution%20transportation%20fuels%20emit.

III. **Exempt Electric Vehicles from Sales Tax.** S.7073 (Fahy) / A.4436 (Tapia) provides a State sales taxes exemption on the first $35,000 of battery, electric, or plugin hybrid EVs purchase or lease and authorizes local governments to elect to do the same. The inclusion of this tax exemption in the Executive Budget will reduce the upfront cost of purchasing or leasing an EV, a critical barrier to EV adoption, support EV deployment and market development in New York. With the loss of the EV tax credit that was in the Inflation Reduction Act, NYS should help our residents reduce their driving costs by switching to an EV. Studies have shown that EV drivers save about $1,100 per year on fuel costs[11]. ACE NY urges the passage of this bill. We would also support a phase-out plan for this tax exemption. For example, the sales tax exemption could be valid between now and 2035 for light duty vehicles.

IV. **Classify EV Charging Stations as an Accessory Use of a Site.** EV charging stations are typically constructed near existing infrastructure as part of an existing or new site. They are an adjunct to the project, *i.e.*, they are not the main purpose of the property and should be considered an accessory to the existing site's use. This separation of the charging station permit review from the larger project will reduce the complexity and permitting timeframe, since it removes the need for separate zoning approval, which can add considerable costs and months to the permitting timeline. This action is recommended in NYSERDA's *DC Fast Charger Streamlined Permitting Guidebook for Local Governments* [12] and enacted in law by California in 2016[13]. The Department of State should be directed to revise the state building code and to assist local governments in revising their local permitting and review structure to classify charging stations as an accessory use.

[11] https://www.aceee.org/press-release/2024/08/study-greater-efficiency-can-cut-ev-cost-5000

[12] DC Fast Charger Streamlined Permitting Guidebook for Local Governments. February 2020. NYSERDA. https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Clean-Energy-Siting/DC-Fast-Charger-Guidebook.pdf

[13] California Assembly Bill 1236 (AB 1236). Bill Text - AB-1236 Local ordinances: electric vehicle charging stations.

BUILDING ACTIONS

I. **Fund the Empower Plus Program.** The Empower Plus program offers low and moderate income New Yorkers energy efficiency improvements, including weatherization and heat pumps. Funding for the program was included in the 2023-24 budget at $200 million, and additional funding that was expected this year from the Sustainable Futures Fund has run into issues since that Fund is only for bonded capital projects. ACE NY supports an annual appropriation to the Empower Plus program of $200 million. The program has a long waiting list of projects, and building and heat pump contractors have taken the steps needed to be approved contractors by NYSERDA. This program both reduces residents' energy bills and reduces our climate emissions.

II. **Create the Green Affordable Pre-electrification Program.** The Green Affordable Pre-electrification program (GAP) would be created by S.3315-A (Gonzalez) / A.2101-A (Kelles) to assist owners and tenants in residential properties in repairs if the properties were ineligible for energy efficiency or climate emissions reductions programs due to structural or building code defects, such as the presence of lead paint. New York state and utilities offer numerous energy efficiency and weatherization programs for homeowners and tenants to affordably retrofit their dwellings. However, low to moderate income residents face a catch-22. They often live in buildings that require additional upgrades to prepare for retrofits but cannot access the utility assistance program until the upgrades are completed. ACE NY urges the passage of this bill.

III. **Sales Tax Exemption for Heat Pumps.** Heat pumps are the key to our transition to efficient electric heating for our buildings. They offer homeowners and landlords an efficient all-in-one heating and cooling system. Air source heat pumps are two to three times more efficient than fossil fuel or electric resistance heating systems.[14] Weatherized homes switching from heating oil to a heat pump can save up to $2,800

[14] Air Source Heat Pumps, DOE https://climate.ny.gov/resources/scoping-plan/

annually in heating costs[15]. The Climate Scoping Plan[16] calls for the scaled-up installation of heat pumps and also a scale-up of financial incentives for heat pumps. To reach the Governor's goal of two million climate friendly homes by 2030, and the emission reductions required by the Climate Law, the state should eliminate the State sales tax for the purchase and installation of residential and commercial heat pumps and allow for local municipalities to suspend their share of the sales tax. The state currently provides a sales tax exemption on the purchase and installation of residential and commercial solar energy systems, fuel cells, and residential energy storage systems. This sales tax exemption will make the climate transition more affordable for homeowners, which is all the more important with the loss of the Inflation Reduction Act tax credit.

V. **Reduce Residential Heat Pump Electricity Costs**. The success of the Clean Heat Program has led to a growing adoption of heat pumps, and the reauthorization of the program will see a continued transition to residential heat pumps. At the same time, we are seeing electricity rates rise. The State should direct the PSC to initiate a proceeding to require the utilities to develop an electricity rate for heat pump users so they do not see their energy bills skyrocket. This proceeding should also require the utilities to make enrollment in the new rate easy, and an enrollment opt-in as part of their Clean Heat program. Currently, ConEd has a heat pump rate, but less than 500 households are enrolled. Thousands of customers could see reduced energy bills if ConEd increased public outreach and simplified enrollment.

STATE FUNDING

ACE NY urges the state to implement the New York Cap and Invest (NYCI) program to add billions in funding for the clean energy transition and support local communities. The NYCI program is designed to ensure that energy remains affordable for all New Yorkers. While one of the primary concerns about NYCI is affordability—specifically, the potential for short-

[15] https://www.energy.gov/policy/articles/most-americans-heat-pump-can-lower-bills-right-now
[16] Page 179, Climate Scoping Plan https://climate.ny.gov/resources/scoping-plan/-/media/project/climate/files/Chapter12Buildings.pdf

term increases in electricity prices as emitters are required to purchase emissions allowances. To counteract this, the program includes several safeguards to minimize the impact on consumers, especially the most vulnerable. To address these concerns, NYCI will establish a Climate Investment Account Portfolio with a strong focus on affordability. The portfolio will direct 30% of the proceeds from the NYCI to affordability measures, including direct rebates to households, particularly low- and middle-income families, to help keep energy bills low where it's needed most.[17]

The NYCI program will play a pivotal role in accelerating New York's clean energy transition statewide. Through the Climate Investment Account, 67% of proceeds will be directly reinvested into the state's energy infrastructure, prioritizing clean energy.[18] Since the NYCI program is estimated to generate $6 to $10 billion annually, significant capital will be invested into this account.[19] These funds will support major upgrades to New York's aging infrastructure, advancing projects in climate mitigation, energy efficiency, and clean transportation. For example, NYCI funds could support community-driven projects across the state, including green affordable housing, rooftop solar installations, zero emission (ZEV) buses, the ZEV school bus transition, bike lanes, and more, with a priority on disadvantaged communities. With these initiatives, New York can transform urban heat islands into vibrant, livable neighborhoods. Additionally, by 2035, the program could help facilitate the installation of heat pumps in 46% of New York households, significantly reducing energy costs and accelerating energy efficiency statewide.[20]

The 2025-26 final State budget contained $1 billion for the Sustainable Future Fund. ACE NY supports the continued funding for this Fund at the same level in the 2026-27 State Budget.

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[17] "Clean Air Initiative," New York State, accessed June 30, 2025, https://capandinvest.ny.gov/Use-of Proceeds.
[18] "Clean Air Initiative," New York State, accessed June 30, 2025, https://capandinvest.ny.gov/Useof-Proceeds.
[19] Alan Krupnick and Wesley Look, "The Future of a Cap-Trade-and-Invest Program in New York State," Resources for the Future, March 12, 2025, https://www.resources.org/common-resources/the-future-of-a-cap-trade-and-invest-program-in-new-york-state/.
[20] Kate Courtin, "Despite $1 Billion Budgeted for Clean Energy, New York's Delayed Cap-and-Invest Rollout Is Costing Residents Billions More in Savings," Environmental Defense Fund, May 16, 2025, https://blogs.edf.org/climate411/2025/05/16/although-new-yorks-budget-includes-1-billion-for-clean-energy-cap-and-invest-delay-is-costing-new-yorkers-billions-more-in-savings/.

We believe that the zero-emission school buses transition will continue to need funding, especially after the loss of federal funds for ZEV school bus purchases. We also support continued funding for building decarbonization projects, and support the following project categories in this year's Fund: State University thermal energy networks, municipal energy efficiency programs, Empower Plus, and Clean Green Schools. ACE NY supports continued funding for renewable energy category for grid connectivity and suggests that this funding be focused on grid upgrades needed for municipal fleet or building electrification, or solar or storage generation projects.

Thank you for the opportunity to provide input. ACE NY looks forward to continuing to work with the New York State Senate to create a clean and equitable future for all New Yorkers.