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Legislative Roundtable on Meeting New York's Climate Targets

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New Yorkers for Clean Power (NYCP) is a collaborative campaign in New York State 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.

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) demand swift, powerful action by the New York State legislature, Governor, and state agencies. NYCP respectfully submits the following comments to NYS legislators for the Legislative Roundtable on Meeting New York's Climate Targets to share our perspective on the obstacles preventing New York from meeting our clean energy goals and some legislative, budgetary, and executive agency actions that the state can take to speed up an affordable transition going forward.

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1. Economywide solution: Cap-and-invest

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

Although, cap-and-invest is just one tool in a broader policy framework for reducing climate pollution and requires synergistic legislative and regulatory actions to be successful, it is the primary vehicle that Governor Hochul chose to enforce binding greenhouse gas (GHG) emissions limits mandated by the legislature through the CLCPA.

However, despite the CLCPA's statutory requirement to promulgate rules and regulations by January 1, 2025 to ensure compliance with the statewide GHG emissions reduction limits, Governor Hochul has unlawfully paused the roll out of the cap-and-invest program that she herself championed two years ago. This program is expected to generate and invest $54–$113 billion[1] in its first ten years.

The interim $1 billion Sustainable Future Fund offered by Governor Hochul, while wholly inadequate to fill the void left by the cap-and-invest pause, should be renewed each year with increasing funding levels until the cap-and-invest regulations go into effect.

2. State Energy Plan

While the state energy plan (SEP) is not a direct topic of the roundtable, we would like to share our deep concern and disappointment at the total lack of leadership and ambition in the draft plan. New York's Environmental Conservation Law §75-0103(11) is very clear in that the first SEP issued following the completion of the Scoping Plan shall incorporate the recommendations of the Climate Action Council.

The Draft SEP fails to follow the law and completely ignores the Scoping Plan. Instead, the draft plan alludes to several "hurdles" in the way of more robust climate action. Other than President Trump's vindictive attack on offshore wind, ***most of the hurdles are of the state's own making***, such as the failure to advance the cap-and-invest program to help pay for the energy transition, and the failure to legislatively curb costly investments in expanding and refurbishing the polluting gas distribution system as recommended in the Scoping Plan.

While the Draft SEP cites inflation and the rollback of federal clean energy incentives as some of the key hurdles, it should be noted that the Final Scoping Plan passed in December 2022 at

[1] Pre-proposal analysis for New York Cap and Invest; https://capandinvest.ny.gov/-/media/Project/CapInvest/Files/NYCI-Preliminary-Analysis-Data-Annex.xlsx

the height of post-Covid inflation (which has since subsided) when there was no federal Inflation Reduction Act.

We urge the legislature to call on the NYS Energy Planning Board to include the key recommendations of the Climate Action Council's Scoping Plan in the State Energy Plan.

3. Buildings

Buildings are not only New York's biggest contributor to Greenhouse Gas (GHG) emissions, but burning pipeline gas, oil, and propane for heating and cooking indoors also directly pollutes the communities and spaces where we live and work.[2]

Almost 19% of all childhood asthma in New York can be attributed to gas stoves;[3] and children living in homes with gas stoves have a 42 percent higher[4] incidence of asthma, primarily due to nitrogen oxides released by burning gas. In 2022, AARP warned[5] its members of elevated dementia risk from exposure to pollution[6] from gas stoves.

Outdoor pollution from burning fossil-fuels in buildings results in roughly 2000 premature deaths and $20 billion in additional healthcare costs.[7] Low-income households and communities of color experience a disproportionate negative impact of burning fossil fuels in buildings due to a variety of reasons, including smaller dwellings, denser neighborhoods, cumulative impacts of pollution, and exacerbation of other health issues, etc.[8]

Building electrification and energy efficiency not only improves health, but is also the leading segment of New York's growing clean energy jobs.[9]

Despite clear societal and climate benefits of building decarbonization, the state is falling behind. Worse, our inability to meaningfully reduce the use of pipeline gas in buildings is leading to costly and controversial buildout of fracked gas infrastructure, like the Transco NESE pipeline, which further lock-in our dependence on fossil fuels.

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[2] Natural Gas Used in Homes Contains Hazardous Air Pollutants; https://www.hsph.harvard.edu/c-change/news/natural-gas-used-in-homes/
[3] Population Attributable Fraction of Gas Stoves and Childhood Asthma in the United States; https://pmc.ncbi.nlm.nih.gov/articles/PMC9819315/
[4] Meta-analysis of the effects of indoor nitrogen dioxide and gas cooking on asthma and wheeze in children; https://academic.oup.com/ije/article/42/6/1724/737113
[5] Are Gas Stoves Hazardous to Your Health? https://www.aarp.org/health/healthy-living/info-2022/gas-stove-methane-leak.html
[6] Association of improved air quality with lower dementia risk in older women; https://www.pnas.org/doi/10.1073/pnas.2107833119
[7] What is the health impact of buildings in your state? https://rmi.org/health-air-quality-impacts-of-buildings-emissions#NY
[8] Gas appliance pollution inequitably impacts health; https://rmi.org/wp-content/uploads/2022/02/gas_appliance_equity_factsheet.pdf
[9] New York Clean Energy Industries Report, 2024; https://www.nyserda.ny.gov/About/Publications/New-York-Clean-Energy-Industry-Report

We recommend the following legislative and budgetary actions that can help accelerate an affordable transition of our buildings off of fossil fuels:

1. ***The 100-foot rule should be repealed immediately (legislative)***. This is an archaic handout to builders that offers them free or highly subsidized new gas hookups, adds nearly $200 million of additional annual burden on utility ratepayers to fund these subsidies, distorts the market in favor of dirty fuels, helps saddle homes with an unhealthy and volatile fuel that is easy to avoid, but will cost thousands in future upgrades to eliminate.

   We urge the legislature to call on Governor Hochul to sign A.8888/S.8417 that the legislature passed to repeal the 100-foot rule.

2. ***The gas mandate, or the utility obligation to serve gas should be amended (legislative)***. 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.

   It is 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. The role of a transition towards a singular energy system in taming investment-driven increases in energy costs was cited by none other than the Commission Chair Rory Christian during his 2025 budget testimony.[10]

3. ***We need to rethink rate design (PSC)***. Our utility rate structure is woefully outdated in the face of our energy affordability and climate challenges. Modernizing the electricity rate structure alone could help lower costs and emissions through a behavioural shift towards heat pumps and better utilization of the grid resources. A few examples are as follows:

   a. *Heat Pump rates*: A recent study found that most heat pump users in Massachusetts are overpaying[11] for electricity delivery with conventional rates that do not reward off-peak or off-season utilization of the grid, and the cost and the size of the electricity delivery infrastructure is determined in large part by the peak demand that must be satisfied reliably. In response to the study,

[10] Joint Legislative Hearing on 2025 Exec. Budget Proposal: Environmental Conservation/Energy-01/28/25; https://youtu.be/x4iZDXRm_Rg?t=27954
[11] Heat Pump rates in Massachusetts; https://www.switch.box/mahprates

Massachusetts is rolling out simple winter discounts to all-electric customers to make the delivery rates more equitable.[12]

b. *Default or mandatory time-of-use rates*: Many utilities offer time-of-use rates,[13] but very few customers tend to use these because they are either not aware of the option, or aren't sure of the impact on their bills. Higher rates during peak demand times and much lower rates during off-peak hours help reduce the need for expensive transmission construction or upgrades. If adopted widely, these have the potential to reduce overall emissions and cost of electricity.

4. ***Maintaining steady funding for EmPower+ is critical (budgetary)***. In 2022, Governor Hochul announced a plan to achieve two million climate-friendly homes by 2030.[14] The SFY 2022-23 budget also included an infusion of $200 million into the Empower+ program to support this goal. Partly due to this infusion, the program grew and has been a tremendous success. Since 2023, the program has enabled an additional estimated $25.8 million savings in yearly energy costs.

   However, the program is now facing cuts due to a confluence of factors. Maintaining a steady level of overall funding for this program is critical for not only our climate goals, but also for reducing energy burdens for LMI households, for workforce development, and for the contractors to train and hire workers without risking subsequent layoffs.

   In addition to keeping the funding for the Empower+ program steady, we also recommend that the Energy Affordability Guarantee Pilot Program[15] be made permanent. This program ensures that income-eligible EmPower+ participants who have electrified their space and water heating pay no more than 6% of their annual household income toward electricity costs.

5. ***Green Affordable Pre-Electrification Fund needs to be funded (budgetary)***. The Green Affordable Pre-Electrification (GAP) Fund would address major barriers to many LMI households' ability to participate in the Empower+ program. The GAP fund would enable necessary structural and building repairs, such as fixing mold, replacing old roofs, and upgrading outdated electrical systems, which are required before homes can become energy-efficient and electrified. The SFY 2025-26 budget includes a $2 million pilot GAP program. For the program to be meaningful, funding levels need to be around $200 million per year.

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[12] All Electric Utility Customers Will Soon Be Eligible for Heat Pump Discount Rates; https://www.mass.gov/news/all-electric-utility-customers-will-soon-be-eligible-for-heat-pump-discount-rates

[13] Time of use and dynamic pricing rates in the US; https://fsrglobal.org/time-of-use-and-dynamic-pricing-rates-in-the-us

[14] Governor Hochul Announces Plan to Achieve 2 Million Climate-Friendly Homes By 2030; https://www.nyserda.ny.gov/About/Newsroom/2022-Announcements/2022-01-05-Governor-Hochul-Announces-Plan-to-Achieve-2-Million-Climate-Friendly-Homes-By-2030

[15] Energy Affordability Guarantee Pilot Program; https://dps.ny.gov/energy-affordability-guarantee-pilot-program

4. Clean Electricity

The biggest hurdles to faster deployment of solar, wind, battery storage projects in New York are related to siting, permitting, interconnection, and growing local opposition. Additionally, there is a need to continue to rapidly build renewable energy resources along with necessary transmission upgrades in a manner that minimizes electricity rate increases, which can jeopardize public support for climate policy and thwart our building- and transportation-electrification goals.

We recommend the following legislative and budgetary actions that can help the clean energy industry thrive in New York despite federal headwinds.

1. Make distributed solar and storage faster and cheaper

The distributed solar energy sector is the only clean energy sector that has met or exceeded the CLCPA targets so far, as indicated by the success of the NY-Sun program. The success of the distributed energy industry in meeting its goals without exceeding cost forecasts suggests that distributed energy assets can be deployed more efficiently and cost-effectively than many of the other emissions-reduction strategies.

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 this summer's heat wave, distributed solar reduced the peak by 5% and shifted it by three hours,[16] demonstrating the real-life ability of this resource to reduce infrastructure demand–a key driver of energy delivery costs.

There is significant potential for improving the economics of distributed solar to compensate, at least in part, for the loss of federal incentives. These include increasing state incentives and reducing soft costs related to permitting and interconnection, which are extraordinarily high in the US.[17] Accordingly, we recommend passing the following bills:

a. *Accelerate Solar for Affordable Power (ASAP) Act, S.6570/A.8758 (legislative)*: Raises New York's distributed solar goal to 20 GW by 2035, enacts interconnection reforms to reduce costs.
b. *Automated Permitting for Residential Solar, S.5781/A.6270 (legislative)*: Simplifies and speeds up residential solar permitting with a no-cost automated platform for jurisdiction with 5000+ residents.

[16] June Heatwave Tests Electric Grid in New York; https://www.nyiso.com/-/june-heatwave-tests-electric-grid-in-new-york
[17] 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/

c. *Modernize Residential Solar Tax Credit, S.2626/A.1373-A (budgetary)*: Makes state tax credit refundable for low-income residents, increases cap to $10,000 per customer, expands access to co-op and condo residents.
d. *Community Solar Siting Reform, S.8119-A/A.9087 (legislative)*: Establishes statewide solar guidelines to reduce the impact of restrictive local laws and moratoria, while maintaining local authority for community solar permitting.

2. Reduce hurdles for large Battery Energy Storage Systems (legislative, regulatory)

We recommend state-level permitting for battery storage projects larger than 25 MW. The Office of Renewable Energy Siting (ORES) should be tasked with the responsibility for permitting larger battery storage projects because of ORES's ability to evaluate such projects with uniformity, fairness, and appropriate technical expertise.

3. Tap public financing for large transmission projects (legislative, budgetary)

Large transmission projects like Propel and Clean Path can take years to reach their full capacity after they are put into service. However, current ratepayers start incurring the full cost of the projects as soon as they come online based on the straight-line depreciation methodology that we use for cost-recovery. This disproportionately burdens the current ratepayers who are not experiencing the full benefits of the projects and are effectively subsidizing future customers. The future customers will also see lower per kWh costs from the same transmission projects because the cost will be spread over more kWhs as the utilization increases.

Just this month, California passed a landmark bill, SB 254,[18] that authorizes and facilitates public financing and public-private partnerships for new transmission projects[19] to address some of the same issues that we are experiencing in New York. We strongly urge the legislature to consider legislation similar to California's SB 254 and then apply the public financing model for building the nearly shovel-ready Clean Path project.

4. Let's not lose sight of CLCPA's "100% zero-emission electricity by 2040" target

The CLCPA requires New York to meet 70% of its electricity demand through *renewable energy sources* by 2030. The state has fallen behind in progress towards meeting this goal. However, the CLCPA also has a target of meeting 100% of the state's electricity demand from *zero-emission sources* by 2040. Meeting that goal would require deployment of clean firm resources, as indicated in the figure below from the integration analysis[20] accompanying the Scoping Plan.

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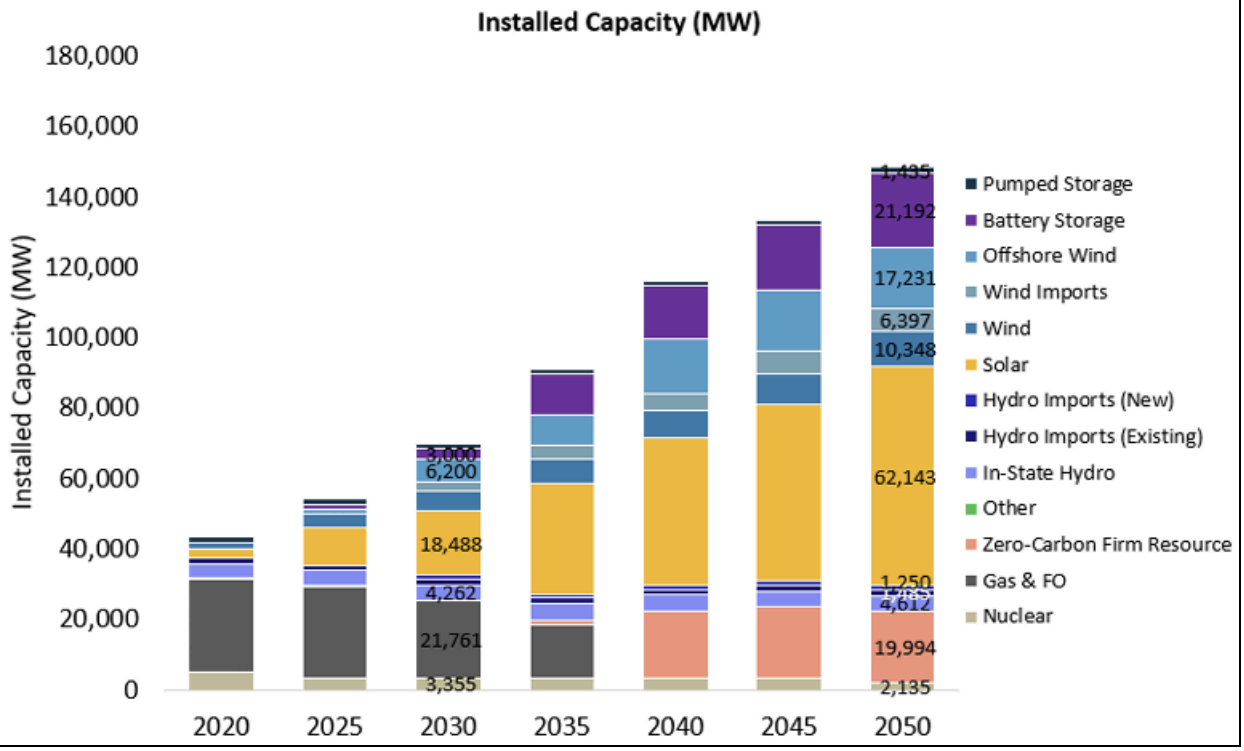
[18] CA SB254 | 2025-2026 | Regular Session | Amended; https://legiscan.com/CA/text/SB254/id/3220315
[19] California legislature passes landmark energy and affordability package, saving ratepayers billions; https://www.catf.us/2025/09/california-legislature-passes-landmark-energy-and-affordability-package-saving-ratepayers-billions/
[20] Appendix G: Integration Analysis Technical Supplement New York State Climate Action Council Scoping Plan (pp. 45, Fig 29); https://climate.ny.gov/resources/scoping-plan/-/media/project/climate/files/Appendix-G.pdf

Figure 29. Installed Capacity and Annual Generation for Scenario 3: Accelerated Transition away from Combustion[34]



While no immediate action is required, it must be noted that currently there are no commercially available zero-emission firm sources of electricity (pink portion of the bars) that can be deployed at a short notice, and any such technologies would likely require 15–20 years for commercial deployment at the scale necessary to meet the CLCPA's zero-emission target. ***If New York does not start exploring clean, firm sources of electricity generation now, then the state risks locking in substantial fossil-fuel use for electricity generation into the 2040s and beyond.***

5. Transportation

We recommend the following actions by the legislature to reduce climate and health pollution from the transportation sector.

1. Enact feebate legislation to fund EV incentives

The Scoping Plan[21] recommends that New York should enact legislation to establish a revenue-neutral "feebate" program that would offer direct rebates for zero-emission vehicle purchases supported by a fee on purchases of fossil-fuel vehicles. NYCP has prepared a

[21] NYS Climate Action Council Scoping Plan (pp. 156); https://climate.ny.gov/-/media/Project/Climate/Files/NYS-Climate-Action-Council-Final-Scoping-Plan-2022.pdf

proposal[22] for a modified and equitable fuel-agnostic feebate program that can replace or supplement NYSERDA's Drive Clean Rebate. Our progressive proposal rewards energy efficiency for both gasoline-powered and zero-emission vehicles and can help maintain the state's progress towards electrification of private vehicles as the federal EV tax credits end.

2. Pass the Clean Deliveries Act to enact an indirect source rule for transportation

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.[23]

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

- A review of emissions from all e-commerce warehouses exceeding 50,000 square feet.
- An air emissions reduction and mitigation plan requiring warehouse operators to minimize pollution by implementing one or more of the following:
    - Acquiring zero-emission vehicles & charging infrastructure
    - Installing solar panels and/or batteries on-site
    - Considering alternative transportation modes for incoming or outgoing trips where appropriate
    - Paying additional fees

6. Conclusion

The current federal administration's hostility towards clean energy does pose some challenges for New York, but with ingenuity and political will, the state can make very meaningful progress towards meeting the CLCPA's targets. And with the right policies, it can do so affordably while accruing the health and economic benefits from a transition to a clean energy economy.

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[22] Outline of a Feebate program to accelerate EV adoption; https://docs.google.com/document/d/1ZeJ0u-bzYLr8cFWnb5hEZwvoaynmUQyUfcls8aS3utc/edit?tab=t.0

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