

NYSERDA
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RE: New York State Climate Action Council Draft Scoping Plan – Comments

To whom it may concern:

This letter is in response to the newly released “**New York State Climate Action Council Draft Scoping Plan**”, released in December 2021. After careful review of the plan we have concluded the goal of the plan to reduce greenhouse gas emissions is certainly commendable, but the process in which this plan proposes to meet the lofty goals outlined is unaffordable, unrealistic and places an insurmountable burden on smaller communities, particularly in the rural upstate regions. The concept of “mandating” change rather than incentivizing and enabling change is both antagonistic and short sighted. New York communities are afforded home rule through the New York State Constitution; these sweeping and swift mandates are a violation of the home rule powers to self-govern, removing any ability of local governments to make decisions impacting their local residents in a manner that best serves them as individual towns and villages.

As a community in the upstate rural areas it is apparent little to no thought was put into the implementation and consequences of the proposed mandates. The case studies sited in the plan are primarily focused on urban core “disadvantaged neighborhoods” without concern for the low to moderate income communities in the more rural areas of New York State. The concept of ride share and public transportation are not practicable in more rural communities. The cost of operation in relationship to the ridership does not allow the system to work in a profitable manner. Factors to consider include commute distance; variable job shifts; distance between jobs, medical care, education and shopping; and multiple working members of each household.

The costs and safety associated with household heat conversions is also very different in upstate rural areas than in more urban areas of the state. Most housing stock in rural areas are older wood frame single-family homes that are heated with single source systems. Homeowners do not have the benefits of residual heating from the landscape and neighboring housing to offset heating demand, therefore, heating costs and needs are very independent per household. The average low temperature in Delaware County during December, January, February, and March are 16°F, 9°F, 11°F, and 18°F, respectively—which is below the temperature that heat pumps provide reliable and efficient heat. Many rural homes have unreliable electric services which poses a problem especially in the winter season due to the terrain, limited infrastructure and service providers. Electric service is often interrupted due to heavy snow, ice, wind and even cold, leaving homes without power for hours and even days. The cost burden to upstate homeowners to retrofit heating sources or pay an additional tax could deprive low to moderate income of affordable heating. The mandate would result in an increase in the use of wood and electric space heaters. -- the former posing a health impact and the latter posing a fire safety issue. The critical point is that upstate homeowners/businesses who review their options for heating their home/business could, for a variety of reasons including safety, affordability, and reliability, make a rationale decision to select an efficient fossil fuel system. Depriving our residents and businesses of that decision will only further drive residents and businesses out of our communities putting additional burden on our already struggling local economies.

Industrial, commercial and agricultural businesses require consistent and reliable sources for heat, operations and transportation. Without these basic services businesses cannot function profitably and will ultimately seek refuge in other states taking jobs and people with them. The current tax structure of New York State has already cost our communities hundreds of businesses and jobs, any additional job loss will only exacerbate an already strained economy.

As local leaders we acknowledge that climate change is here - the impacts of a rising temperature to world are known and, for the most part, will continue to the end of this century. Riverine upstate communities have a heightened awareness of the impacts from flooding, heavy winter snow and ice storms and major wind events. It is more likely that heavy precipitation events will intensify and become more frequent. The impacts of these weather related events have a common thread in that they cause damage not only to private homes and businesses but also to the very fragile electric infrastructure

in New York State. Loss of power from these events generally lasts days and even weeks, leaving home owners and businesses at the mercy of the elements. When these events happen during cold wet months a true threat to human life exists. Unlike more urban areas, shelter locations and warming facilities for displaced victims are limited, hot meals are at the mercy of volunteer organizations and repairs to the fragile infrastructure is often delayed due to the location of facilities in outlying, hard to reach areas in our mountainous terrain. A system solely reliant on electrification with no redundancy from other sources creates a threat to public health and welfare.

Efforts to address the impacts of climate change are better served by providing for research and funding to address the impacts of significant weather events. Communities must first be able to address community resiliency that will incorporate measures to reduce impacts from weather related events while reducing the carbon footprint over time. Once a community has the sense that they are secure, they can afford to invest in carbon reduction efforts that do not threaten their ability to support and sustain their homes, businesses and jobs. The ideal situation is a primary source of energy that will replace the use of fossil fuels on a daily basis with an emphasis on redundancy. A solid plan should allow for the use of fossil fuels to address lags in electric service, loss of power due to extreme weather and of course the ability to incentivize and enable homeowners and businesses to convert over time rather than make that decision for them.

Two years after adopting the Climate Act, New York voters approved an amendment to the State's Bill of Rights mandating that all New York State citizens have a basic human right to a "healthful environment." In New York State in 2022, a healthful environment includes access to water, sewer, broadband, cell service, medical service, affordable electricity/energy and emergency medical care. The State's Bill of Rights prioritizes a person's right to a "healthful environment". In the context of the Climate Act, a question now arises whether the Climate Act mandating a reduction in the average New Yorker's carbon footprint to near zero violates the constitutional right of many upstate communities and their residents to a "healthful environment." To answer that question, the Legislature (and the Executive Branch) must evaluate whether the 2040 Mandate and the 2050 Mandate are affordable, achievable, and sustainable. If not, then the mandates are unconstitutional.

The Draft Scoping Plan estimates the net present value of direct costs from the low carbon plan relative to the current energy system for the period 2020 through 2050 is \$500 billion. The Draft Scoping Plan estimates the **annual** net direct costs from the low carbon plan relative to the current energy system is approximately \$20 billion in 2030 and \$70 billion by 2050. The plan estimates these costs will be offset by global benefits from reduced carbon emissions and public health improvements. However, the health benefits related to improved air quality and better health realized from walking or public transportation are only applicable in urban areas where air quality will be slightly improved (from clean to cleaner) and public transport and walkability to services is possible. Therefore, the cost burden and impacts are absorbed by rural communities while urban areas receive the lions' share of the benefits.

Ultimately, local municipalities want the state and developers to respect their home rule and they want the energy sector to pay its full property tax. Below are a few minimum changes that need to be made to the Climate Act and the Draft Scoping Plan to ensure an affordable and fair transition from reliance on fossil fuels.

1. The Legislature should leave the decision in the upstate area whether to change to all electric home or business to the homeowner and business owner.

The upstate rural counties support the Climate Council objective of promoting the transition to electric heating from fossil fuel heating. However, the upstate rural counties do not support (and vigorously object) to the mandate approach selected by the Climate Council requiring all homes to install electric heating regardless of cost and feasibility. In lieu of a mandate and/or penalties, we suggest and encourage that the Climate Council develop a plan to incentivize/enable the installation of heating systems, such as electric heat pumps, as the preferred and affordable technology when the homeowner needs to replace their existing heating system.

2. The Legislature should leave the decision whether to change to all electric equipment to the user.

Similarly, users should have the choice as to whether they use gas fueled equipment and/or electric equipment based on affordability, reliability and need. There is a role for both gas and electric power equipment and the decision should be left to the individual that is using the equipment, and the circumstances of what the equipment is being used for.

3. With respect to Transportation, the Legislature (and/or the DEC) should focus on enabling the transition to electric vehicles rather than trying to force the transition.

The transition to electric vehicles is beyond the control of New York State. The proper role for the State is to develop a plan/program so that electric vehicles become the consumer's preferred technology. Whether it becomes the only technology will depend on the market, the manufacturers, and the national government. The challenge for the electric vehicle transition is similar to the challenge for electric heat pumps. In upstate rural areas, a car or truck is a necessity – not a luxury. As a necessity, it must be affordable, available, and feasible to the vehicle owner. There needs to be enough electricity in the local grid to handle the additional load; the charging station must be accessible, convenient and not be inordinately time consuming. We recommend that the Climate Council focus on developing a plan/program that makes electric vehicles the preferred choice because they become affordable, available, and feasible.

With respect to vehicles miles driven, we recommend that, at least with respect to rural communities, the Climate Council develop a plan to ensure robust cell coverage and broadband coverage in rural areas. The pandemic demonstrated that the key to reducing vehicles miles driven is to avoid the need to travel to remote meetings.

4. The Legislature should not impose a carbon tax, a mileage surcharge, increased registration fee for gasoline powered cars, or any additional tax on gas, propane, natural gas or home heating oil or a tax on solid waste.

In developing its recommendations, we request the Council consider that most rural communities have less access to technologies to reduce GHG emissions and are more reliant on higher carbon fossil fuels to meet energy needs. A carbon tax on the building heating sector and the transportation sector would simply make natural gas, gasoline, fuel oil and propane more expensive and thus make a vital necessity less affordable to our residents. Our residents need to travel day-to-day for work, school and services while also heating a home in a colder climate. The utility bills are already too high and not sustainable on the median family income for most upstate rural communities. Additionally, our communities are being forced to host the land intensive energy renewable projects and provide those projects a real property assessment that is only a fraction of their construction costs. Our communities are also being forced to share the capital transmission cost (\$24 billion) of bringing the upstate renewal energy to NYC to replace the zero-emission electricity lost due to the closing of Indian Point. Even though our communities and their residents are significantly poorer than the typical downstate resident, the 35% to 40% of the carbon tax funds will be directed to disadvantaged communities, which due to the formula/algorithm, are non-existent in rural communities.

The primary behavior impact of the carbon tax on the building heating sector and the transportation sector in rural communities will, most likely be less heat and less vehicles miles (both of which are a basic necessity). As a result, the only justification for the carbon tax on the building heating sector and the transportation sector in rural communities is to raise revenues. If the Legislature needs to raise funds to implement the Climate Act, it should rely on income tax proceeds – not a tax on basic necessities for the working class and poor.

Thank you for your consideration of these comments. We welcome future dialog to help gain a better understanding of the plan and to address these very real issues.

Sincerely,

LEX A. FAULKNER III

