



Building and Construction Trades Council of Nassau and Suffolk Counties

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Draft Scoping Plan Comments
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399

Re: Nassau-Suffolk Building and Construction Trades Comments in Support of Including a Clean Fuel Standard in New York's Scoping Plan

To whom it may concern:

The Building and Construction Trades Council of Nassau and Suffolk Counties, representing 65,000 members, applauds the Climate Action Council for including a Clean Fuel Standard (CFS) in the draft scoping plan, and we write to strongly urge you to include the CFS in the State's final Scoping Plan later this year. The transportation industry is the second-largest source of greenhouse gas emissions in New York State. With a Clean Fuel Standard, New York can build a market to aid the transition to clean fuels, reduce reliance on fossil fuels, improve public health, and help the state reach its climate goals without state tax funding.

A CFS is a performance-based approach to decarbonizing the transportation sector, which will help enable New York to meet its aggressive climate goals. Currently, New York remains more than 95% dependent on petroleum in transportation, consuming 6.78 billion gallons of diesel and gasoline in 2019. By comparison, in 2019 alone, the California CFS resulted in the reduction of 2.5 billion gallons of fossil fuels with 20 percent of the credits awarded to the electric industry despite accounting for a small share of transportation fuels. We need to adopt policies that will speed up our transition to non-fossil fuels in a manner that will decarbonize the entire industry, including both on road and offroad vehicles and engines. Our Building Trades Council is united in our commitment to decarbonization, and we strongly believe in a zero-carbon future.

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In addition, we can foresee a future that utilizes low-carbon, renewable drop-in replacement fuels as much as possible. Indeed, according to the Department of Environmental Conservation's integration analysis, without looking at other options, it would take EV market penetration reaching 98% of new sales for light duty vehicles and 40% for medium and heavy-duty vehicles in only eight years for New York to meet its goal of reducing emissions 40% by 2030. Since it is hard to imagine New York's car, truck, bus, and offroad equipment market transitioning to EV technologies that quickly (or that New York will have the renewable energy available to consumers that quickly to ensure that these EVs are as clean as modeled), we will need to accelerate our use of low-carbon, clean and renewable fuels at scale this decade – while we are accelerating all of the requisite vehicle, charging, transmission, and grid investments to enable the EV market that will be needed to meet our 2050 goals.

That is why we strongly believe that we need to rely on a balanced set of proven technologies to avoid relying on fossil fuels for transportation for at least the next 25 years. A Clean Fuel Standard will both accelerate electrification and promote rapid growth in low carbon, renewable liquid and gaseous fuels. It will help cover the operating costs of fleets making the switch to electric and will incentivize and accelerate the transition to liquid and gaseous clean fuels, especially for hard to electrify sectors. In addition to the emissions reductions available through electrification, substituting low-carbon, renewable fuels will help to offset fossil fuel use and reduce harmful pollutants for combustion engine vehicles that will remain on the road for decades to come.

Clean fuels are critical in hard-to-electrify sectors. Non-road fuels account for 12% of total transportation emissions in New York. Policies like the Clean Cars and Clean Truck rules will not fundamentally decarbonize these sectors. To transition away from fossil fuels, investments in biofuels and green hydrogen are absolutely necessary. A clean fuel standard will accelerate this transition.

A Clean Fuel Standard in combination with legislation that requires low emissions in other sectors, such as a Clean Truck Rule, will form a highly effective carrot-and-stick combination for investors. The Clean Fuel Standard will give an incentive to developers to make breaking into zero and near-zero emission technologies economically feasible. The CFS will allow companies to utilize these technologies with less concern about financial burdens they may impose. It is only logical that when given these incentives, businesses, especially those who have previously made climate commitments, will begin enforcing their climate commitments. This will work in tandem with New York's rule, which will penalize businesses for not meeting a low-emission minimum.

In addition, there are clear opportunities in a Clean Fuel Standard to structure investments that reduce emissions in disadvantaged communities, but maintain the benefits of a market-structured system. The Building and Construction Trades of Nassau and Suffolk Counties strongly supports provisions which direct at minimum 40% of these investments towards transit, school busses, charging infrastructure, and other zero-emission investments in these communities. This provision has already been included in the most recent legislative proposal for a CFS (A.862B, S.2692B).

Further, based on the price of credits issued in California, and the volume of fossil fuels used in New York, the state could see between \$1-1.4 billion in clean fuel credits each year, a credit which would stay within transportation and would not be diverted for any other budgetary purposes.

The advantages of a Clean Fuel Standard have been widely proven via academic research. In the last two years, a significant body of research has clearly demonstrated that a CFS will provide significant improvements to air quality, our climate, economic development, and especially union jobs. A CFS gives us an opportunity to provide critical assistance and benefits to low-income communities, communities of color, and many other historically disadvantaged communities.

The study, Scioto Analysis, “Economic and Health Impacts of a Clean Fuel Standard for New York,” May 2022, analyzed economic, national security, and health implications of a CFS to quantify the costs and benefits of adopting a CFS in New York. This study found that projects inspired by a state CFS could create 9,200 jobs, equating to \$2.6 billion in wage income and \$1.3 billion in investments by 2030. As a true Labor organization, we will always advocate for a path to higher wages and job creation for all. By incentivizing the diversification of transportation fuels and reducing reliance on petroleum, a clean fuel standard creates more stability in fuel prices while improving energy security.

In sum, meeting our near-term 2030 goals will require replacing the fossil fuels we currently use with low-carbon, renewable drop-in replacement fuels and scaling up new EV vehicle sales, especially in the passenger vehicle, school bus, and transit bus markets as much as possible, while also laying the groundwork with charging and other infrastructure investments that will enable the EV market to scale up to meet our longer-term 2050 goals. There is no scenario (including DEC’s own integration analysis) that does not require each of these steps to be taken, if New York is to meet its climate and clean air goals. As we have shown in the research and case studies included herein, implementing a Clean Fuel Standard will enable the State to move forward with each of these goals, in ways that will create thousands of jobs and billions of dollars of new economic development, direct unprecedented levels of investment in zero-emission vehicles and charging infrastructure and low-carbon, renewable fuels towards low-income communities of color and other under-served or disadvantaged communities, eliminate millions of barrels of oil, reduce air pollution, and improve human health – yielding billions of dollars of net benefit to New York.

For all of the foregoing reasons, the Building and Construction Trades Council of Nassau and Suffolk Counties strongly urges the Council to include a Clean Fuel Standard in its final Scoping Plan.

Thank you for the opportunity to comment.



Matthew Aracich
President, Building and Construction Trades Council