



Draft Scoping Plan Comments  
NYSERDA  
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June 1, 2022

To whom it may concern:

Thank you for the opportunity to comment on New York State's Climate Act. I appeared at the public hearing in Syracuse on April 26, 2022. This will supplement my comments. I would like to comment on the profound effect the Act will have on existing industries in the State.

By way of introduction, Hubbell Galvanizing is a fourth generation, family-owned business, founded in 1925. We care about the environment, we recycle and/or upcycle everything we can and put out a product that reduces society's overall carbon footprint in general construction by protecting steel from corrosion for over seventy years.

For a business with less than 100 employees, we use a lot of energy. Our average natural gas use is 5000 dekatherms per year. In addition, we use 1.1 million kW of electricity annually. As far as our process, steel is cleaned in preparatory baths prior to being immersed in a molten zinc bath. Our kettle has 850,000 pounds of zinc heated with natural gas. We keep this bath molten 24/7 since it takes less energy to keep the zinc fluid, rather than have it solidify and have to be remelted which would put us out of production for months. To get the most production out of the energy we use, we run product through the bath 24/7 as well. Our employment is presently 70 people to staff the 24/7 operation.

We would ask that there be some carve outs for energy reliant industries such as ours in developing the Act's plan. These can take the form of tax relief, assistance in attaining carbon offsets, and ultimately conversion cost assistance as we move from natural gas to renewable sources of energy.

**Tax relief:** The only specific mention of tax relief in the Plan relates to DEC's ability to preserve priority natural areas. There is no mention of relief for industries who have to convert to renewable energy sources. In fact, there have been discussions on increasing taxes on natural gas to incentivize decreased reliance on natural gas as an energy source. This will put New York industries at a competitive disadvantage if other states do not also tax at the same rate. While there are four galvanizers in New York, most of our competitors are located east of the Mississippi and along the entire east coast. Many are located in more tax friendly states. We need any carbon tax structure to be relative to that in other states in order to be competitive. The carbon footprint we have is partially offset by being centrally located in New York State. While we supply material both nationally and internationally, most of our products (95%) are located in New York. If that steel is sent out of state to other galvanizers, and then trucked back into the

state for installation, that has a dual negative effect. First, the increased carbon footprint from increased transportation, Second, it puts the galvanizers and fabricators in the state at a distinct competitive disadvantage.

**Carbon offset:** The Regional Greenhouse Gas Initiative (RGGI) established a cap-and-invest model for reducing pollution. However, offsets are being discounted as a method to incentivize those users having the ability to convert to renewable sources. It must be recognized that there are industries who do not have that ability and need assistance. We suggest that an industrial carbon bank be developed by the state to broker the offsets for those who cannot convert to renewable sources.

**Technical Assistance:** The plan recognizes industry as a key sector and outlines strategies for affected industries who will be forced to comply with the Act. New York State's Climate Act requires New York to reduce economy-wide greenhouse gas emissions 40 percent by 2030 and no less than 85 percent by 2050 from 1990 levels. While these goals are lofty, as we see it, they are detrimental to our survival as a business enterprise in New York State unless there is assistance in helping us meet those goals. At present, there are no alternatives that we are aware of to convert our energy use to reduce greenhouse gas emissions to the desired goals that are economically feasible. We will need help identifying economically feasible energy sources. Since we are a small company with huge energy needs, carbon taxes or offsets are not within our reach, especially if surrounding states do not match New York's goals. Large, multi-plant, international galvanizers will be much more competitive due to less restraint on their energy use. Natural gas is the most efficient energy source for our industry nation-wide. We cannot, on our own develop sufficient renewable energy sources. Nor can we afford conversion costs to other sources.

**Conversion Costs:** There are a few sources that are renewable that may be feasible in New York. Solar and wind power generation are commonly discussed. However, in a cloudy state these seem like a poor fit. In addition, the "shelf life" of these projects, 15- 30 years, seem like a short horizon when the environmental disposal costs are considered. Sure, we can dump turbine blades into the ocean to create artificial reefs, but is it the most ecologically friendly way of reducing our carbon footprint? Methane from cow manure may be promising technology. Micro-hydro is another. Hydro power is extremely efficient. Maybe instead of decommissioning dams due to a lack of maintenance and the cost of bringing them into a state of good repair, we should be investing in them. As a side benefit, investing in fish ladders will also improve our fisheries. However, whatever source that emerges, there will be significant costs associated with the conversion and we will need assistance to accomplish the Act's goals. In the past, Empire State Development has had programs to assist businesses in procuring capital equipment for business expansion. The metric used has been jobs created. As we proceed with the New York State's Climate Act Plan, this paradigm must shift to job retention as one of the impacts of the Act is that businesses such as ours will simply go out of business due to out of state competition

Hubbell Galvanizing and Fortress Fusion Coatings specialize in hot dipped galvanizing and powder coatings on steel and aluminum for corrosion protection. Hubbell is the premier supplier

of powder coating over galvanized material in the nation. It has supplied material throughout the country from Seattle to Florida, California to Maine. We have worked on projects as diverse as the Freedom Tower and the Baseball Hall of Fame. Hubbell's products have been shipped internationally to Russia, Afghanistan and Hong Kong to name a few. Galvanizing protects steel from rusting by immersing the steel in a molten zinc bath. When the customer desires an aesthetic coating over the zinc, powder coating is placed on the zinc surface and baked on, to provide an extremely resilient surface coating. It has been proven that galvanized steel is one of the most sustainable building materials in general use. The total energy demand and carbon footprint has the lowest strength per pound as evidence by an industry Environmental Product Declaration produced by the American Galvanizers Association and the International Zinc Association. It also has the lowest life cycle cost due to its long life without needing maintenance attention (over 70 years) and 100% recyclability at the end of life. Due to little maintenance care throughout its life, galvanized steel is good public policy.

In summary, in order to achieve The Climate Act's goals, we need:

- Tax relieve to allow parity with other states to relieve stress on New York State's industries.
- Assistance in identifying carbon offset possibilities.
- Assistance in identifying economically feasible alternative energy sources.
- Assistance in conversion costs to whatever replacement energy sources that emerge.

As an outdoorsman and conservationist, I understand we must do something to arrest greenhouse gasses. Nevertheless, as a small business owner and taxpayer, I do not believe the technology is currently available to achieve these steep goals of energy reduction without severely hampering New York State's businesses. This in turn will have an even more devastating effect on this beautiful state.

Thank you for the opportunity to respond. If you have any questions, please do not hesitate to contact me.

Sincerely,



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