



New York Association of Convenience Stores

130 Washington Avenue | 3rd Floor | Albany, NY 12210

PHONE: 1 (800) 336-9227 or (518) 432-1400 | FAX: (518) 432-7400

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Draft Scoping Plan Comments

NYSERDA

17 Columbia Circle

Albany, NY 12203-6399

Re: Climate Action Council Draft Scoping Plan

To Whom It May Concern:

The New York Association of Convenience Stores (NYACS) is a statewide trade organization representing more than 8000 neighborhood stores across the state. NYACS and its members are committed to doing our part to ensure a cleaner, healthier future and submits these comments in hopes of finding common cause with the Council, the Legislature, and other interest groups.

It needs to be noted that NYACS members are not anti-environment and have been long-time supporters of many state environmental policies. New York convenience store operators have redeemed and recycled millions of deposit beverage containers, invested millions of dollars on upgraded petroleum storage and dispensing equipment to prevent groundwater contamination, and are constantly upgrading lighting and fixtures to reduce energy consumption and emissions.

We understand that climate change must be addressed and everyone needs to do their part. The draft scoping plan has laid out many potential proposals for the state legislature and Governor to consider – including a transition to electric vehicles, all-electric buildings, and expanded recycling and waste reduction programs. Policies like this need appropriate industry input, funding, and reasonable amount of time to transition. As currently drafted, these proposals do not provide any funding estimates and, in our opinion, provide for an unrealistic timeframe for compliance.

These proposals will impact all parts of New Yorkers' lives – from the vehicles they drive to the homes and buildings they live and work in. This will require hundreds of billions of dollars of investment and a complete overhaul of the state's energy system while relying heavily on technologies that cannot currently meet the state's electricity usage or transportation energy needs. Abrupt, radical and underfunded policy changes are not workable and will hurt small businesses, consumers, and the state.

Electric Vehicles

Increasing electric vehicle usage will inevitably lead to an increased demand for electric charging stations. NYACS believes the best policy for expanding EV Fast Charging stations should be an open, competitive market. To be effective, policies designed to encourage private sector investment in alternative fuel infrastructure, including but not limited to electric vehicle

charging stations, must be based upon clear policy signals that such alternatives create attractive economic propositions for our industry and for our customers.

To do that, the state should incentivize and leverage private investment in bringing to market a variety of alternatives. Allowing the private sector to compete evenly is the best way to spur investment in and the development of electric charging infrastructure. It is also the best way to ensure that vehicle owners get the best prices and experience over the long-term.

Buildings

Natural gas, propane, and heating oil are vital for New Yorkers' quality of life both personally and professionally. This proposal requires massive electrification of our grid without guaranteeing that there are enough power sources to keep up with demand. Wind and solar, because of the unpredictability of weather, and are not an equal replacement for traditional energy sources. Additionally, electrification is at least 3.5 times more expensive than natural gas, which doesn't include the costs associated with converting buildings to electric.

Without other technologies that can supply power on demand, at a moment's notice, there will be consequences, namely a possible lack of power when New Yorkers need it most – on very hot and very cold days. Limiting or eliminating access to dependable energy sources would make cooling and heating homes and businesses unaffordable. It should be noted that converting a single home – including updating appliances like water heaters, furnaces, and stoves – is estimated to cost at least \$25,000 to \$50,000 with a new HVAC system costing between \$18,000 and \$40,000 alone. Small businesses would also need to spend similar amounts of capital in order to be in compliance, which would force some out of business.

Before any plan is approved, New Yorkers deserve a better understanding of what these recommendations mean for them. There has been no comprehensive cost analysis of what it would cost individuals and businesses to achieve the goals of the CLCPA. Estimates put costs in the billions of dollars.

Extended Producer Responsibility

During the COVID Pandemic, convenience stores were impeded from fulfilling increased consumer demand by disruptions in the supply chain for food, beverages, snacks, paper products, and a wide range of other consumables they sell. This is still the case in many places. Deliveries don't arrive when they're supposed to, orders are incomplete when they do arrive, and the wholesale prices of what does get delivered have risen sharply.

Experts forecast these supply disruptions to persist for at least several years. Passing a new Extended Producer Responsibility (EPR) law that would require the truck making deliveries to also pick up recyclable packaging from the store is like throwing fuel on the fire. It's going to tie up the truck longer, slowing deliveries to the subsequent stops, adding cost which will get passed down to the store and ultimately the consumer. Additionally, if the recyclable packaging isn't clean, it will risk contaminating fresh product yet to be delivered.

With inflation at a 40-year high, our customers already are shouldering runaway prices for gasoline, food, and a wide range of other products due to supply-and-demand forces surrounding New York's emergence from the pandemic. The EPR mandate would send prices into the stratosphere to the tune of \$800 million in new direct costs on consumer products.

Conclusion

Convenience store operators know first-hand the unforeseen costs and other burdens that well-intended environmental policies can impose on businesses. The best example of this is the state's Bottle Bill, which requires our stores to collect and redeem deposits on carbonated beverage and water containers. It further requires distributors to pick up redeemed bottles and cans from stores at least as frequently as they deliver. Yet today, in communities across New York, small retailers often have to remove bags of empty bottles – at their own expense, and forfeiting their handling fee – because distributors or their designated third-party collectors fail to pick up as frequently as required, clogging their back rooms with mounds of empty containers that attract bugs and rodents, jeopardizing sanitation in convenience stores that increasingly sell prepared food. This is just another case of a well-intentioned proposal that was not considered properly and has led to real-life burdens on businesses.

NYACS believes that when creating policies geared toward improving the environmental footprint of the transportation and building energy sector, the state should adhere to science, establish clear performance goals without mandating specific technologies, develop competitive market incentives to ensure a level playing field and long-term consumer benefits, and harness existing infrastructure to help commercialize new technology. Additionally, the state must be transparent about the true costs of these proposals – costs that will be shouldered by residents, consumers, and businesses across the state. A plan that details how this will be implemented, how much it will cost, and the impact to consumers is a must.

We appreciate the opportunity to comment on this proposal and look forward to working on a common sense approach to future energy needs.

Sincerely,

Kent Sopris
President
NYACS