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| PHILIP A. PALMESANOAssemblyman 132nd DistrictChemung, Schuyler, Seneca, Steuben, and Yates Counties | THE ASSEMBLYSTATE OF NEW YORKALBANY | ASSISTANT MINORITY LEADERRANKING MINORITY MEMBEREnergy CommitteeCOMMITTEESCorporations, Authorities and CommissionsCorrectionsInsuranceWays and MeansLegislative Commission on Rural Resources |

 July 1, 2022

Climate Action Council

Draft Scoping Plan Comments

17 Columbia Circle

Albany, NY 12203-6399

Dear Members of the Climate Action Council (CAC):

My name is Phil Palmesano. I am the Assembly Representative for the 132nd Assembly District and I also serve as the Ranking Member on the Assembly Energy Committee. As I mentioned in my virtual testimony to you on May 11th, I am respectfully submitting my written comments to expand upon my oral comments to express my strong concerns relative to the draft scoping plan and the far-reaching impact this plan will have on all New Yorkers – families, seniors, farmers, small businesses, manufacturers and others.

I will outline below several of the areas I wish to address and expand upon. That being said, I must emphasize up front that I am very concerned about this process and the direction the Climate Action Council is heading with its recommendations in order to address the goals of the Climate Leadership and Community Protection Act (CLCPA). As I have always stated in the past, my opposition to the CLCPA has never been that we should not invest in clean and renewable energy technology. We should and we are. My opposition has been that New Yorkers should not be the only ones to shoulder the costly mandates of the CLCPA that are and will continue to impact them and what impact, if any, we will truly make in attempting to reduce global greenhouse gas emissions by implementing the CLCPA in New York. In addition, I agree clean and renewable should be an important part of our energy plan and portfolio. Equally, and even more important to New Yorkers however, are costs/affordability and reliability of our state’s energy supply and delivery. Unfortunately, the draft scoping plan fails to adequately address or consider these critical areas and other areas I will mention in my comments. In addition, for some context, relative to the true impact we will actually make on total global emissions by fully implementing the CLCPA, I am often struck by comments some of my colleagues and, even some members of the CAC have stated time and again. That “ New York will lead. New York is leading.” Assuming, I guess, others will follow us? I have also heard time and again, that the “benefits outweigh the costs,” and “the costs of inaction exceeds the costs of actions by more than $90 billion” when implementing provisions to meet the CLCPA.” I believe there are many flaws to these arguments and certainly a lack of consistency and honesty on the very first point regarding “leading,” which I will address later in my comments.

An outline of the summary and highlights of my concerns I will be discussing regarding the draft scoping plan are as follows:

1. **Why New York alone**? The CLCPA only impacts New York and what impact benefit will we honestly achieve in reducing global greenhouse gas emissions if others are not participating. This point and point #2 below tie into the “benefits outweigh the costs” and “the cost of inaction exceed the cost of action by more than $90 billon,” when implementing provisions to meet the CLCPA.”
2. **Costs/Affordability** – the costs and affordability to all New Yorkers from families to businesses is clearly not being addressed.
3. **Reliability concerns** – There have been a number of comments and concerns documented on how implementing and mandating these plans on this timeline will create a significant and negative impact on the reliability of our state’s energy supply for New York families and businesses
4. **Significant increase in electricity demand and grid impact**
5. **Negative implications to the local tax base**
6. **Is Green energy really green? The disturbing human rights violations** relative to the extraction and production of elements, minerals, metals and rare earth materials like cobalt and lithium needed to produce batteries used to power costly electric vehicles which will be mandated on citizens, schools, local governments, farmers and other operations.
7. **The future of our state’s energy security policy** being handed over to and controlled by China
8. **Conclusion**

**First - Why New York alone?** As as a matter of fact, the CLCPA only applies to and impacts New York. It doesn’t impact China, India or Russia. It doesn’t impact the United States and individual states like Pennsylvania or Ohio or any other state in the union. The fact of the matter is that New York contributes just 0.4 of our total global emissions. China contributes 29%, India 7% and Russia 4%. That is 40% of total global emissions from these 3 countries vs New York at 0.4%. It is imperative for the council to address for all New York families and businesses how we, in New York, adopting these costly measures and reducing our emissions to 0% will make any impactful difference in reducing global emissions. You must explain and document why this is the responsibility of New York “to solely act and lead” and accept, alone, all the risks, sacrifice and financial costs and reliability concerns while others are not helping. Please explain how you justify this, especially when China accounts for 29% of global emissions, has over 1000 active coal plants and continues to build more. Keeping in mind that China increased CO2 emissions by 14.5% in the first quarter of 2021. In addition, India, which contributes 7% of global emissions uses coal to generate electricity to meet its energy needs, has the 2nd most coal plants next to China with more than 250. Russia, of course, which contributes 4% of total global emissions is in the process of building a $110 billion artic oil megaport. New York, by the way, as you know, has **NO** coal plants. Does the CAC believe that China, India and Russia will join and follow “New York’s lead” in reducing global emissions? Does the CAC believe that U.S. and other individual states will actually follow “New York’s lead” and join us in totally revamping their economies and economic infrastructure and take actions that will significantly and negatively increase costs for their ratepayers, families, seniors, consumers, farmers, small businesses, manufacturers and others? All while China, India and Russia continue do nothing, but continue to increase global emissions. It is imperative for the CAC to address and answer this question. It is imperative for the CAC, when recommending the implementation of very costly measures to families and businesses, for the sake of addressing climate change and global emissions, can convincingly document how these measures will truly make any impact on total global emissions. Especially as China, India and Russia continues their delays and obstacles to any attempts to participate. When you say the “benefits outweigh the costs” and that “the cost of inaction exceeds the cost of action by more than $90 billion” regarding the measures your plan advocates for, you do not clarify to New Yorkers that most of the overall benefits you cite is going to global societal benefits, not just for New Yorkers. This is especially concerning when compared to costs and that New Yorkers are the ones absorbing all of the financial costs to provide this so-called benefit. So why are New York families and businesses being forced to bear the sole responsibility of totally redesigning its economy and energy supply and delivery system to meet a goal that is unattainable by action from New York alone and will not make a difference in a reduction of total global emissions? The CAC needs to be upfront with New Yorkers on how your plan will protect New Yorkers and its environment while China, India and Russia and other nearby states like Pennsylvania and Ohio are not participating and have no plans for similar actions you propose for New York. Actions that will totally upend our economy, dramatically increase utility rates and consumer costs and lead to an even further outmigration of New York families and businesses to other states with less restrictions, burdensome and costly regulation and policies. It’s also important to keep in mind that when people and businesses leave our state to go to these other states with fewer regulations and requirements, not as strict as New York, this too will lead to an increase in global emissions as “carbon leakage” will take place, leading to increases in carbon emissions in other states while we devastate our economy, families and businesses trying to meet a goal that is unattainable and ineffective when New York only contributes 0.4% of the total global emissions. This exodus, as we already see, will continue as people and businesses realize they do not want, and are unable to afford, these costly mandates and threats to the reliability of our state’s energy supply and delivery system.

**Second - Costs and affordability concerns**. Without question, costs and affordability have clearly been demonstrated as **NOT** being a concern or priority by the full CAC during this process, certainly with your scoping plan and also comments that have been made by some of your members. I will speak more to ratepayer impact and electrification conversion cost impacts for this section. To be clear, our Assembly conference wrote in a letter on March 11, 2021, followed up by accompanying legislation, requesting a true cost-benefit analysis be conducted and completed, with many areas of recommendations that should be addressed assessing the full and overall impact of the CLCPA before its full implementation. A full, clear, detailed and transparent process should have taken place to provide the public with a full accounting of what the true and actual financial costs of the CLCPA are, and will have upon them, before moving forward with its full implementation. If you believe these are reasonable, positive and effective steps needed to move forward, then be honest and fully transparent on the full and actual costs while considering the affordability to New Yorkers. This is particularly important given the wide-ranging impact this will have on the state’s entire economic infrastructure for families and business through higher taxes, utility/electric rates and home and business conversion and retrofit costs to reach full electrification to name just a few. Although the CAC did put forth an integration analysis of cost and benefits, it missed the mark. Yes, your cost estimates did show costs of more than $280 – 340 billion. A significant amount, yes. However, I and others fully expect these costs will be much higher given the great magnitude of what will be required from construction upgrades needed for generation and transmission especially given the history of cost overruns of many mega projects. The CAC’s integration analysis also failed to address and go into depth on the costs and its impact relative to ratepayer increases that will be required to meet subsidizing more green energy programs, generation and transmission. This coupled with the full electrification of New York’s energy policy is very problematic. I would like to share with you just one example of an “area of concern” in a smaller community that was shared by the Steuben County IDA in their comments relative to your scoping plan pertaining to improvements that will be needed to address an aging infrastructure to adapt to the substantial increase in demand that will be required moving forward. The cost of the upgrade to this “area of concern” in this one smaller community is estimated to total more than $2.2 billion and take seven years to complete. This will require PSC approval with costs being passed along to ratepayers to finance these upgrades. Relative to ratepayer increases and cost impacts, when asked the question of how costs will impact New Yorkers and ratepayers and who will pay, Co-Chair Harris indicated, and I do paraphrase, that we need to find out what the plans are going to be first before we identify how much these recommendations will cost and who will pay for them. Currently, clean energy programs and infrastructure costs do and will continue to impact ratepayer bills. Right now, nearly 25-30% of utility bills are made up of taxes, fees and assessments, much of which is to pay for green energy programs. This is just the beginning of this process where New Yorkers already pay some of the highest electric and utility rates in the country. As you know, higher energy costs are a major deterrent for business retention, growth and new investments and development. Public Service Commissioner John Howard has indicated in forums and in recent orders that “investments required to implement the CLCPA are becoming a significant driver of utility rate increases.” Off-shore wind project construction costs and the construction of the $4 billion Lake Champlain NYC power line are already going to hurt upstate ratepayers and economic development efforts and will fall disproportionately on these areas that benefit the least. Keeping in mind that Upstate power generation is already 90% emission free while downstate is 70% fossil fuel based. These costs are socialized and being baked into the supply side of energy costs on utility bills and then passed directly along to all ratepayers by the PSC, without providing any clear breakdown of the percentage increase ratepayers are facing. This compared to rate cases, when utilities bring rate case increases before the PSC for consideration and approval for work they deem needed to improve resiliency efforts for transmission and delivery purposes. Regarding many of these rate case proceedings, some elected officials have no problem criticizing utilities, but these same elected officials remain totally silent on these costly “green” measurers that come from policies they have advocated and pushed for, regardless of the impact to ratepayers. Again, keeping in mind that Upstate power generation is already 90% emission free while downstate is 70% fossil fuel based. This significant difference was especially compounded further after the closing of Indian Point Nuclear facility, a political action, which negatively impacted emissions by removing a 2000 MW clean and reliable source of power generation from our state’s energy supply and grid while also devastating the local tax base.

I would also like to address an important cost/affordability issue and one that I believe the majority of the public is completely unaware of relative to the significant cost impact New Yorkers will soon face relative to the state’s push towards full electrification. As you know, despite the fact that 60% of New Yorkers rely on natural gas to heat their homes and 40% of our state’s energy generation comes from natural gas, the CAC, along with many elected officials, is determined to totally eliminate natural gas from our energy portfolio. This, despite one of the reasons our carbon emissions and other emissions have decreased over the past 15 years is because we moved from coal to natural gas. The CAC plan calls for no new natural gas hook ups for new construction or existing buildings beginning in 2024. However, the one recommendation I have continued to talk about and am quite confident the public has no idea what is heading in their direction like a runaway freight train is the following provision: **no new natural gas appliances for EXISTING single-family home heating, cooking, water heating or clothes drying beginning in 2030**. This meaning, if a New Yorker currently heats their home with natural gas, again remembering that 60% of New Yorkers heat their homes with natural gas. This is actually closer to 90% in Western New York. Therefore, in 2030, if your natural gas boiler or furnace stops working, instead of buying a new natural gas boiler or furnace, a New Yorker, at that time, would not be able to replace that natural gas boiler or furnace and would then have to fully electrify their home. This would require the purchase of a heat pump. An air source heat pump which is less expensive than a ground source geo-thermal heat pump but clearly not as effective in colder weather temperatures. A ground source geo-thermal heat pump costs a significant amount of more, even with any incentives and tax credits. When I questioned a representative of a geo-thermal company at a hearing earlier this year what the costs were, they indicated the costs of a geo-thermal heat pump would cost more than $30,000-40,000, however even with tax credits and incentives it would still cost $20,000. Tell New Yorkers what senior citizens or low and moderate income families can afford this significant up-front expense. A geo-thermal heat pump would involve underground construction. Some of this construction is not suitable for many locations and properties. There would also be other improvements and actions needed to meet full electrification such as upgrades to electric circuit panels and capacity. Another significant cost requirement, in addition to having to purchase an air source or ground source heat pump, is that a homeowner would also need and be required to make significant upgrades to their housing or building shell or envelope. Whether a basic shell or deep shell upgrade, it is a significant up-front cost to homeowners. I have read some interpretations of the draft scoping plan have indicated a ground source heat pump paired with a basic shell upgrade would cost more than $40,000 while or an air source heat pump coupled with deep shell upgrade would total $60,000. Other estimates on full electrification from the CAC show up-front cost estimates of $20,000-50,000. The Consumer Energy Alliance, in a study, said the cost to convert from natural gas to full electrification would cost the average homeowner more than $35,000 to convert and retrofit their homes. Another study conducted in the Western New York area, incorporating an older housing stock showed conversion costs of $40,000-50,000. Again, please tell me what senior citizen or family can afford these up-front costs regardless of the efficiency they may achieve and potential savings on future energy bills. This significant up-front cost will hurt the very people many advocates claim they want to help through environmental and economic justice measures. Please explain to New Yorkers what low and moderate income families can afford to and would make this significant investment. Many of these families might prefer saving for family emergencies or college for their children. Compare this to the cost of replacing a natural gas boiler, furnace or appliance with another natural gas appliance rather than being forced to electrify your home when other gas appliances fail to operate. This all for zero net emissions? 2030 is not very far away. When I have shared this information with others, I assure you the majority of New Yorkers have no idea this recommendation is part of this plan or being discussed for as early as 2030. I can also assure you according to the individuals and businesses I have discussed this with that any supposed environmental and health benefit you believe this will achieve does not warrant or justify this mandate for a significant up-front cost of $35,000 or more This up-front cost to get to zero net emissions. Keeping in mind, again, New York contributes just 0.4% of total global emissions. This will achieve no real health and environmental impact, again when China at 29% continues to build more coal plants and significantly increase emissions. Your feel-good action will simply bankrupt families, leading to more of an exodus and fleeing of New York by families, seniors, farmers and businesses small and large. This one provision is clearly one of the most damaging and costly provisions to New Yorkers and will obtain no benefit and impact on global emissions. When it comes to energy policy and supply I believe most New York families, seniors, farmers, small businesses and manufacturers would say the two most important things to them are costs/affordability and reliability. They want their energy costs to be affordable and the want to know when they hit the switch the lights or heat will turn on and their machines will have the power they require to fully operate and produce as needed. Costs/Affordability and Reliability. I have addressed costs and affordability. I will now address reliability.

**Third – Reliability concerns**. As I concluded in my last paragraph, I stated that besides costs and affordability, families and businesses want to know that when they hit the switch, the lights or heat will turn on, and their business will have the power they require to fully operate and produce as needed. The draft scoping plan recognized reliability issues and concerns but clearly fails to address them. Reliability concerns have been acknowledged, addressed and documented in a number of ways and by a number of individuals and important organizations, including the New York Independent System Operator (NYISO) whose primary mission and responsibility is to ensure the **reliability** of New York’s power system. I will repeat comments from a letter our Assembly Republican conference sent to you, the CAC on March 29th, regarding reliability concerns we mentioned and said needed to be addressed by the CAC, particularly concerning the need for reliable dispatchable resources. As you know, “dispatchable” means able to provide power to meet the demand 24 hours a day/ 7 days a week. As you also know, wind and solar is intermittent and not dispatchable. Therefore, in that letter, we said the following which still applies, *“Last summer the Council hosted a Reliability Planning Speaker session that raised a critically important issue. At that meeting several presenters raised the concern that in order to meet the CLCPA zero-emissions target, a new resource that is dispatchable and has no emissions is needed. The most recent evaluation of the capacity for this resource was performed by the NYISO in its 2021-2030 Comprehensive Reliability Plan. The report notes “….under the CLCPA assumptions, the amount of dispatchable emission-free resources needed increases to over 32,000 MW in 2040, approximately 6,000 MW more than the total fossil-fueled generation fleet on the grid in 2021. It goes on to note that “Dispatchable resources that are emissions-free, and on the scale needed, are not yet commercially available or currently in the NYISO interconnection queue. Even the CAC draft scoping plan document acknowledges on page 176, E9 – Investing in New Technology, that ‘there is a remaining need for 15 GW to 25 GW of electricity generation in 2040 to meet demand and maintain reliability.’ This is enough to power the home of every New Yorker and the equivalent of more than 10 nuclear or hydroelectric power plants.”*

The NYISO Comprehensive Reliability Plan also identifies the concern and fact that Resource Adequacy Margins are already shrinking stating the following: “ Emitting generation is retiring faster than new resources are being developed,” and “The New York Grid may cross a ‘tipping point’ where generation sources would not reliably serve electric demand.” Quite frankly, this reliability problem is compounded even further by the DEC denying permits for natural gas generating facilities citing non-compliance with the CLCPA even before the CLCPA emission target date of 2030 These reliability concerns were also echoed by the NYISO CEO Richard Dewey who indicated the need to identify new technologies to reach zero emissions, saying renewable and storage technology were not enough when he spoke to reporters at a press conference reported in a May 6, 2021 article in Utility Dive. He said, “The way we look at it, with existing technologies- onshore wind, offshore wind, battery storage and solar – our modeling indicates that the 70% renewable target by 2030 is very achievable. When we start looking at what 2040 looks like, you look at the performance of…existing assets and the storage capabilities of existing battery technologies and all of our models suggest there are just enough days when the wind doesn’t blow and the sun is shielded, and not enough battery storage to fill those gaps.” Dewey went on to say the NYISO is tracking the development of green hydrogen, carbon capture and sequestration, advanced nuclear and other potential solution. “I don’t leave anything off the table. When you think about the variability of wind and solar and the current limits of storage, the problem of filling in some of these gaps is going to need to be addressed,” Dewey said.

This verifies the seriousness of reliability concerns and problems moving forward in New York with this costly mandate of full electrification and not allowing New Yorkers the choice of heating their homes and providing for the well-being of their families through the use of dispatchable, reliable and affordable natural gas. This issue is particularly a great concern for families in New York who live in cold weather climates. Having to rely on intermittent wind and solar to power the heat for your home does not ensure a comforting sense of security. The loss of adequate wind and solar production due to too excessive demand and stress on the system coupled with the potential for a loss of electricity due to weather systems could lead to damaging power outages, potential leading to many deaths due to cold weather, which could particularly hurt the elderly and the poor the most. If it happened in Texas, it could certainly happen in New York when our state’s power generation will be dependent on the use and need for intermittent and certainly not reliable wind and solar generation.

I will continue further with comments from our March 29th conference letter where we state. *“The Climate Action Council needs to reconcile and address this acknowledged and significant gap to provide reliable dispatchable energy resources to meet the energy demands of the grid to ensure its reliability for all New York families, seniors, farmers, small businesses and manufacturers.”*

We continued in the letter*, “ How does the Climate Action Council propose to handle dependency upon a technology that does not yet exist? The fact that the last meeting ( a CAC March 3, 2022 meeting) discussed near-term dismantling of the gas system and gas-fired peaking generation but did not include reliability as a topic of conversation is worrisome, Wouldn’t it be prudent to consider a plan to include conditions in the schedule to ensure that the technologies will work as required, at a reasonable cost, before shutting down existing technology (that is proven, reliable and dispatchable in nature – i.e natural gas, nuclear, etc)?*

Just as the CAC did not adequately address the concerns and issues surrounding costs and affordability, you have also not addressed the serious reliability issues this plan creates through a mandated transition to a very expensive and costly full electrification system of generation and usage based on intermittent and unreliable energy resources like wind and solar.

**Fourth - Significant increase in electricity demand and grid impact.**  The transition to a mandated full electrification of our state’s economy, energy generation, home – heating electrification and of course, the requirement that all future new vehicles manufactured after 2035 must be electric vehicles will certainly significantly increase the electricity demand of our state. It will also put much more additional stress on an aging electric grid potentially leading to an unreliable grid, by causing more power outages, possibly at dangerous and inopportune times and certainly requiring very costly upgrades to improve. Due to this electrification transition it is estimated that future electricity demand will increase by a staggering 65 -80% above its current use. Even in its 2019 Power Trends Report, the NYISO indicated the increased adoption of Electric Vehicles “is expected to increase annual energy use on the grid by 4.2 million megawatt hours by 2030 or the equivalent energy consumption 587,000 homes.” This Electric Vehicle demand and significant usage will increase even further as the state approaches the full electric vehicle mandate of 2035 coupled the other energy generation and home electrification mandates. You may recall earlier I described an example shared by the Steuben County IDA identifying an “an area of concern” in a smaller community that would need to make very costly upgrades to an aging infrastructure to meet this growing electricity demand to meet these full electrification upgrades needed to upgrade the grid. The cost of this upgrade to this “area of concern” in this one smaller community was estimated to total more than $2.2 billion and take seven years to complete. Again, this cost being born by ratepayers through higher electricity/utility bills, in addition to the required upfront homeowner conversion and retrofits costs (of more than $35,000) from natural gas to full electrification as we described earlier. This is just one of many examples I am sure of a significant and costly grid impact due to the need and demand to increase our state’s electricity use to meet these mandates. Mandates, again, at the end of the day that will do nothing to move the needle on total global emissions. Certainly not when New York contributes just 0.4% and China 29% and continues to build more coal plants. A stark reminder the global emissions do not know or adhere to state boundaries. The draft scoping plan does not address the problems created by its plans for full electrification and this increased electricity demand and grid impact whether identifying how to address and prioritize the needed infrastructure improvements, mitigation of possible power outages due to this increase use and demand and how much this will actually cost and if ratepayers will be the ones paying for these additional costs.

**Fifth - Negative implications to the local tax base.**  An often overlooked point of this electrification transition away from natural gas and other power generation is the negative implications this will have on the local property tax base. I am not just talking about the people, farmers, businesses and manufactures that will join so many others who have already left our state so they can enjoy a more friendly business environment including lower taxes, less burdensome regulations and an affordable and reliable energy supply. Specifically, I wanted to address the impact of the loss of power plants. For example, it has been said that our state’s power producers pay more than $1.5 billion annually in local property taxes. Look at the devastation we still hear about in lost jobs, wages and property tax payments that the local community is still dealing with regarding this ill-advised forced political closure of Indian Point Nuclear facility The draft scoping plan does not address the negative impact of power producing generators being forced to shut down its operation. This will result in a significant reduction in the local property taxes paid to the municipality, negatively impacting property taxpayers and the services the municipalities and school districts can provide.

In addition, another area of negative implications to the local tax base pertains to our utility companies and the taxes they pay to local municipalities. Like power producers, sometimes utility companies are the largest property taxpayer in a municipality. For example, when natural runs through their pipelines to customers, they are paying property taxes. However, once the state says no additional natural gas can be distributed through the pipelines and used by customers, whether for new or existing facilities, there is a decreased value or benefit to the utility, so the asset therefore loses value. The utility will be able to depreciate that asset allowing them to reduce its tax liability obligations to the municipalities, while again negatively impacting local property taxpayers and the services provided by municipalities and school districts. How does the CAC address this negative impact this will have on these important people and entities?

**Sixth - Is Green energy really green?** While we can discuss the negative environmental aspects with the production and materials used with the process of construction of wind turbines. The fact is that the blades are made of fiberglass and cannot be recycled and must go to a landfill. The negative impact to birds being struck by windmills, the toxic materials in solar panels and what can be and will be done with them at the end of its useful life and the significant amounts of land needed to construct wind and solar farms and the accompanying power density issues with wind and solar. However, I would like to particularly focus my comments on the disturbing human rights violations relative to the extraction and production of elements, minerals, metals and rare earth materials like cobalt and lithium needed to produce batteries used to power costly electric vehicles which will be mandated on all citizens(regardless of income) schools, local governments, farmers and other operations. It is well known and documented that 70% of the Cobalt used in the production of these batteries for electric vehicles in extracted in the Democratic Republic of Congo. It is also known that part of the Congolese cobalt comes from artisanal mines with low regulations. It is estimated that out of the more than 250,000 Congolese artisanal miners, approximately 35,000-40,000 of them are children, some as young as six years old. These children and other miners go into these holes/mines and hand mine for cobalt. Another disturbing fact is a number of these artisanal mines have collapsed killing, maiming and permanently injuring these children of the Congo. Unfortunately, most of these children do not attend school since the government charges them $6 per month to attend school. These families cannot afford these fees so the children work in the mines to help support their families. They are rounded up daily in work gangs. Their handlers collect all the money for the work completed each day and then compensate the children approximately $1- $2 per day according to human rights advocates who have visited there and seen firsthand the conditions these children are facing and work under. This brings me back to the opening paragraphs of my comments where I cite statements by my fellow colleagues and even by some members of the CAC in response to my comments when I have criticized the CLCPA because it only impacts New York. That New York is going at this alone, while getting no help from any other countries or states to truly make any significant and meaningful impact on global emissions, even as these mandates put a tremendous financial burden on families and businesses while also threatening the reliability of our energy supply and delivery system. The response has always been that “NY will lead. NY is leading.” However, when I brought up these well-documented child labor and human rights violations and the need for NY to lead on this matter. The response from, even the Co-Director of the CAC Commissioner Seggos, other officials and some of my legislative colleagues has consistently been that…. sure it may be a problem and I think about it, but it is up to the federal government to take action, not New York. I am sorry, as I mentioned previously, this certainly lacks of consistency and honesty and is, quite frankly very hypocritical. You can’t claim NY to be out front and be a leader on the CLCPA on one hand, while burying your head in the sand at the same time on this, just so we can continue your aggressive and unnecessary push towards full electrification of our vehicle fleet, all in the name of climate change. The end does not justify the means. New York is certainly not leading if you refuse to address these serious child labor and human rights violations that are happening in the Democratic Republic of Congo to extract the cobalt used to produce the batteries to power electric vehicles to meet the CLCPA goals and requirements. There are significant actions NY can take to address this serious problem, and yes truly “lead” but passing the buck to the federal government isn’t one of them. The CAC can recommend and NY leaders can choose to divest retirement system funds from companies that cannot demonstrate, through independent sources, that the cobalt, lithium and other materials they are obtaining to produce batteries to power electric vehicles are not being extracted and produced using child labor. That is leading. I would urge the CAC to emphasize this important provision in your final actions, just like I urge the Governor, Comptroller and my legislative colleagues to do the same. This action will show that NY is being honest and truly leading to address this atrocity of child labor and human rights violations.

**Seventh – The Future of Our State’s Energy Security Policy.**  We have already discussed my concerns about NY going at reaching the CLCPA goals and requirements alone given the fact that the CLCPA only impacts NY. Given the fact that NY contributes just 0.4% of the total global emissions while China contributes 29% and continue to build more coal plants and significantly increase emissions. The fact of the matter is, China cannot be trusted to take actions that will dismantle its economy. However, New York is moving quickly in this direction all in the name of addressing climate change and thinking we can lead and that others will follow. This is simply not going to happen. The only thing we will lead with is the continued exodus of people and businesses leaving our state. Do you believe China is going to be a partner with us in this matter? Even President Biden said, “if China does not participate we are wasting our time.” Well, I agree with President Biden on this and we are wasting our time. However, we are also wasting our money and will financially cripple many families, businesses and organizations with increased energy and consumer costs. This is negatively compounded even further by our state’s full march to full electrification. Full electrification of entire state economy - our energy generation, home heating and electric vehicles is literally putting our state’s energy security at risk. In this march to full electrification and putting all of our “eggs in one basket” we are walking away from a proven, balanced fuel diversity portfolio that provides protection and resiliency to New York’s energy supply while helping to ensure affordability and reliability for all New York families and businesses. These detrimental actions are simply turning a blind eye to a major problem that is significantly developing if we continue down this pathway to full electrification. We are jeopardizing our state’s energy security because we clearly are turning control over to China. How? We already discussed earlier that 70% of the cobalt used to produce batteries to power electric vehicles is extracted/produced in the Democratic Republic of Congo. However, China has major control over and processes a significant percentage of all the rare earth materials and other metals and elements like copper, cobalt, nickel, and lithium. all of which are needed and used to produce green technologies, including electric vehicle batteries, heat pumps and large capacity batteries for the electric grid. China controls and processes 87% of the rare earth metals, 65% of the cobalt and 58% of the lithium markets. Keeping in mind China uses coal generation to process the material needed for the green economy. How ironic is that? However, the bigger concern with China’s significant control of the processing of these materials and markets is that New York is turning our own energy security policy all to China. China controls this market and can manipulate prices, supply and delivery. This is especially troubling as New York is looking to quickly divest itself of its reliable and affordable energy supply and again, put its “eggs all in one basket” in the march towards full electrification, which China has a strong and significant control over. They control the critical processing of these elements, materials and metals that are a critical part of the supply chain needed for the green economy. This is a dangerous position for New York to be in. It is clear we cannot trust China to join us in reducing global emissions given the facts and their abysmal record we described here. Do you really think we can trust China and count on them in helping us achieve the full electrification and green energy goals in an affordable and reliable manner, without literally holding a gun to our head. Energy Security and Independence is a critical component of our national security. Unfortunately, New York is walking away from this with its actions, by putting all of its “eggs in one basket” and in essence turning our future energy security over to China. In my opinion, this is dangerous policy that can cost us in more ways than just money.

In conclusion, I appreciate the opportunity to share with you my comments regarding the draft scoping plan. Although I appreciate your efforts on this overwhelming task I urge you revisit these issues to address the important topics I have outlined. Please keep in mind, that the CLCPA only impacts New York and we only contribute 0.4% of total global emissions. Although the recommendations in the draft scoping plan could certainly reduce our state’s share, it clearly will not make an impact in reducing overall global emissions, especially with China’s disregard, non-participation and current level of emissions. However, what this plan will do is significantly increase energy and consumer costs for New York families and businesses making our states energy supply and delivery simply unaffordable in many ways. While clean and renewable should be an important part of our energy plan and supply, equally, and arguably more important is affordability and reliability. This plan will threaten, as documented, the reliability of our state’s energy supply while quickly abandoning proven, reliable, affordable and dispatchable energy sources before a dispatchable emissions free technology is even developed to meet the significant energy supply gap our state is facing in the future. These critical reliability concerns, coupled with significantly increasing our electricity demand, will challenge our aging grid infrastructure, creating possible consequences that will have a negative and permanent impact. This plan will negatively impact the local property tax base for communities with power plant closures, while utilities will not be able to transport and provide gas to New Yorkers through their pipelines. There are certainly significant human rights violations and child labor issues that must be addressed. However, they are being ignored by state officials all in the name of climate change and meeting our “so called” clean energy goals. The end does not justify the means. Certainly not at the expense of children who are dying and being maimed working in mines to extract the cobalt needed to produce batteries for electric vehicles and green technology. If New York officials and elected officials continue to claim we are going to lead on the CLCPA, then you must lead on this issue. Otherwise you are being disingenuous and hypocritical.

Finally, the future of our state’s energy security is at risk by “putting all of our eggs in one basket” in this march to full electrification and having to trust and rely on the grace of China who has strong control of the processing of rare earth metals and other materials critical to continuing the development of EV batteries, heat pumps and large-capacity batteries for the electric grid critical to the green agenda. This, as we continue to shut down and walk away from a proven, balanced fuel diversity portfolio that provides critical protection to New York’s energy supply while helping to ensure affordability and reliability for all New York families and businesses.

Thank you.



Philip A. Palmesano

Member of Assembly

132nd Assembly District