

I commend the Climate Action Council, associated working groups, advisory panels, and all agency staff who contributed to the development of this impressive plan. In my comments below, I highlight some deficiencies in the Draft Scoping Plan and recommend ways of addressing them.

### **Public education on the benefits of CLCPA's climate solutions**

First and foremost, I would urge the Council to immediately fund and start a sustained statewide education and awareness campaign on the benefits of a clean energy economy as well as on the economic, health, security, and climate risks of reliance on fossil fuels. This education campaign is necessary to counter the relentless and massive disinformation crusades, documented at <https://bit.ly/GaslightNY>, by fossil-fuel interests and status-quo forces who've spent decades perfecting their chicanery, first to deny climate science, and now to cast doubt on the solutions. Given their long track record of weaponizing disinformation to sustain the extraction and burning fossil fuels, the absence of a public information component in the scoping plan is a surprising, but grave oversight. I encourage the Council to add a chapter on community-specific outreach, awareness, and education in the Final Scoping Plan with recommendations for assuaging many New Yorkers' disinformation-induced fears about the CLCPA and for informing them how the law will be implemented and what its climate, health, environmental, and economic benefits are.

### **Sector-wise targets, milestones, and enforcement**

Thank you for the inclusion of Economy-wide Strategies as an important addition to the draft plan, because even full implementation of all initial sector-specific Advisory Panel recommendations would not achieve the CLCPA goals. However, it is concerning that the Draft Scoping Plan does not uniformly include sector-wise emissions reduction targets, interim milestones, and legally enforceable mechanisms for achieving these targets. The State has an obligation to treat mandates put forth by the CLCPA and the Climate Action Council as legally enforceable. To support industry compliance and regulatory enforcement, the Final Scoping Plan should include sector-specific timelines for emissions reduction. Without these safeguards in place, we risk our climate legislation becoming meaningless.

### **Funding via fossil-fuel subsidy elimination**

The Draft Scoping Plan is mostly silent on aligning New York State tax policy with the goals of the CLCPA. Our climate goals will not be achieved if we do not fund them. Investing in our green energy economy means investing in jobs and public health. By contrast, leaving our climate mandates unfunded or underfunded threatens to put our workers and our communities further at risk.

New York State spends over \$1.5 billion every year on fossil fuel related tax expenditures, distorting the market and subsidizing the use of greenhouse gas-emitting fossil fuels. Some of these tax expenditures may serve a compelling public interest such as offering heating assistance to low-income New Yorkers. However, a significant proportion of the spending serves to prop-up outdated industries or reward energy inefficiencies leading to a double cost to taxpayers - once for the direct tax expenditure and again for the environmental damage resulting from the continued burning of fossil fuels.

I strongly urge the Council to recommend, at the very least, the following actions to reduce the fossil-fuels' unfair competitive advantage and direct the savings towards building electrification and public electric vehicle charging infrastructure in a revenue-neutral manner.

- Repeal an exemption from Petroleum Business Tax for manufacturing using non-highway diesel fuel and residual petroleum products.
- Repeal exemptions from Petroleum Business Tax for kerosene, kero-jet fuel, aviation gasoline, residual petroleum product (bunker fuel), liquefied petroleum gasses, and non-highway diesel motor fuel used for nonresidential heating purposes.
- Repeal an exemption from Petroleum Business Tax for sales to the government of New York state. Also repeal a reimbursement for Petroleum Business Tax paid for non-highway diesel motor fuel used for non-residential heating purposes, and for motor fuel and diesel motor fuel sold to the government of New York state.
- Repeal a reimbursement for Petroleum Business Tax paid for commercial gallonage, manufacturing gallonage, and gallonage used in mining and extracting. Also repeal an exemption from Petroleum Business Tax for commercial gallonage.
- Repeal a credit or reimbursement for Petroleum Business Tax paid for residual petroleum product and non-highway diesel motor fuel used by electric corporations.
- Repeal an exemption from Petroleum Business Tax for all airlines. Also repeal an exemption from Sales and Use Tax for airline fuel.
- Repeal an exemption from Sales and Use Tax for oil and gas production services. Also repeal an exemption from Sales and Use Tax for fuel and gas used in production of tangible personal property.
- Repeal an exemption from Sales and Use Tax for gas used to maintain gas distribution infrastructure.

### **Funding via carbon pricing**

Economy-wide carbon pricing could help ensure that we meet CLCPA's goals and are able to fund its implementation without an undue burden on our economy. I strongly urge the council to recommend adopting a price on carbon in its final plan. Countless economists and scientists say that it is the single most effective policy to quickly reduce emissions of greenhouse gasses. Carbon pricing would also complement or increase the effectiveness of many other recommended policies and programs.

I recommend a carbon fee and dividend program as the framework for an economy-wide strategy, where a fee or tax is imposed at the source of any fossil fuel generated or imported into the state, with most of the revenue returned to low- and middle-income households, and perhaps certain businesses, to offset higher energy costs. The remainder of the revenue can help support the initiatives such as electrification and weatherization of LMI residences and public EVSE installations, etc.

Carbon pricing is preferred over many other alternatives because it is straightforward, non-regulatory, and more price-certain, which is better for businesses and individual consumers.

I strongly recommend that carbon pricing in NY must apply to more than the electricity sector through RGGI. Absent a price on carbon in other sectors, electricity costs would be higher relative to fossil energy costs. This will have the undesirable impact of actually discouraging other key CAC recommendations on the electrification of New York's building and transportation sectors, resulting in slower adoption of sector-based recommendations for accelerated electrification of buildings and transportation.

### **Concluding remarks**

New York has the opportunity to set a nationwide precedent in creating a blueprint for climate action that provides a just transition for all. We look forward to seeing the Climate Action Council capitalize on this opportunity in the Final Scoping Plan.

The Climate Action Council put forth three scenarios for our climate future. I am advocating for Scenario #3, which includes low-to-no bioenergy and hydrogen and the simultaneous acceleration of electrification of both buildings and transportation to ensure clean air and a healthy environment.