631 755 5550
FAX# 631 755 5537

LONG ISLAND
GASOLINE RETAILERS ASSOCIATION INC

270 Spagnoli Rd #203 Melville NY 11747

LONG ISLAND GASOLINE RETAILERS ASSOCIATION

Comments Regarding the Climate Action Council Draft Scoping Plan

INTRODUCTION

The Long Island Gasoline Retailers Association (LIGRA) has reviewed the Climate Action Council (Council) Draft Scoping Plan (Plan) mandated by the Climate Leadership and Community Protection Act (CLCPA) and welcomes this opportunity to comment on aspects of the Plan that impact gasoline and service stations and their abilities to respond to the state's climate goals.

LIGRA is a non-profit trade association located in New York State and represents over 700 members and affiliate members. For nearly ninety years LIGRA has worked across the state and locally to aggressively defend the small-scale, independent business owners who comprise our membership.

As an industry, it is an understatement to say that we are disappointed with the rapid and unsympathetic dismissal of the interests of gas station owners, operators, and employees in the analysis of the impacts of the CLCPA by the Plan. In fact, references to "gas stations" or "fueling stations" appear all of 3 times in the 861-page Plan document. This is more than an oversight considering that the State's policies and the Plan's objectives are the elimination of thousands of these small-scale independently owned businesses throughout the state within a very short period and with them, the entire fossil fuel industry in NY.

This treatment of gas stations is hard to reconcile as the state cannot expect a realistic number of these stations to still be in business up until the last conventional fuel vehicle passes through New York's borders. As telegraphed by the legislature and NYS Department of Environmental Conservation and state policymakers, fossil fuel infrastructure investments in NY will soon be un-permittable and financial institutions will be pressured to withhold financing from these businesses.

THE CLIMATE ACTION COUNCIL DRAFT SCOPING PLAN

The Plan lays out goals and strategies for the transportation sector to reduce net greenhouse gas (GHG) emissions to produce environmental benefits. The Plan makes clear that transitioning the transportation sector to zero-emission technologies is central to achieving the State's GHG emission reduction requirements. In most cases this means replacing existing vehicles that run on gasoline or diesel fuel with either battery electric, hydrogen fuel cell or future zero-emission technologies. In other words, gas stations will no longer be needed or wanted in New York.

The document determines that achieving intense decarbonization of the New York economy is feasible by mid-century. Emissions limits of the magnitude mandated by the CLCPA requires actions to be taken in all sectors of New York's economy. These efforts will require massive public and private sector investments, the sources of which are not made clear in the Plan. Thus, gas stations owners are not specifically contemplated to be compensated for the losses of their investments and livelihoods as they are forced to leave a swiftly diminishing market. If the CAC structure had included a voice from the industry, perhaps the Plan would have recognized that gas stations are not readily adaptable to become EV charging facilities as some have erroneously suggested or even tried to legislate.

The Climate Act tasked the Just Transition Working Group with conducting a study of the jobs needed to counter climate change, with explicit direction to focus on the buildings, fuels, electricity, transportation, and natural working lands sectors. A competitive process was established to select a team of ***leading consultants in the field of clean energy workforce*** to undertake this new analysis to accompany and complement the integration analysis work. LIGRA fails to see signs so far that any of these experts have considered in any meaningful way the impacts on an entire service station industry other than accepting as collateral damage its rapid demise. This despite the diversity of those people who provide this essential network of the transportation system that delivers goods and services and mobility to millions of people every day.

In Chapter 7, Just Transition Summary of Jobs Study Findings, gas stations are referenced:
Conventional fueling stations (gas stations) account for over one-third to almost one-half of all displaced jobs in the primary sectors from 2019 to 2030, as more drivers shift to lower-cost charging of electric vehicles. This finding indicates that traditional fueling stations will likely need to adapt beyond providing gasoline for cars to avoid diminishing opportunities for revenue and employment.

We point out the obvious here. That these diminishing opportunities for revenue and employment are exclusively imposed by the proposed government mandates as the state chooses who will live and prosper in New York's "new" economy and who will be left behind. Clearly, the ones left behind are the one-third to one-half of those who hold jobs at gas stations.

Under Mitigation Strategies, A-5:
Some ZEV components are made in NYS. New jobs will be created to service and fuel EVs. Installing charging stations will provide employment opportunities. Current repair technicians will likely need to be trained to service EVs. Businesses such as vehicle dealerships, parts manufacturing, gas stations, repair shops, and parts retailers may be adversely impacted as vehicle sales shift from internal combustion vehicles to ZEVs.

May be adversely impacted? That is avoiding the reality that the state's intent is that gas stations cease to exist. You would think that this deliberate action by government would require consideration of compensation to business owners or even targeted job re-training or worker transition financial support packages. No such proposals are advanced in the Plan.

Convenience stores that are often paired with gas pumps get honorable mention in A-25:
Proceeds (presumably from Cap & Invest/Carbon Pricing Benefits) can be invested in ways that support a just transition for workers and disadvantaged communities. Investments can also lessen the impact on businesses such as helping convenience stores transition to providing EVSE and can also help ease the transition to new fuels technologies by funding opportunities to train mechanics to service new vehicles. Participation in the regional TCI-P would maintain a level playing field for NY businesses in the regional economy.

Owners of gas stations and combination convenient stores are closing facilities, cashing out at substantial losses, and many are leaving the state while they can still recover some of their stranded investments. This will mean a fast reduction of available conventional fueling sites, making it less convenient for all drivers. Fewer sites mean less competition and higher gas prices. The Plan does not discuss this impact on drivers and communities in food deserts that rely on convenience stores for day-to-day supplies.

SUMMARY

There is little reason to be optimistic that the gas station industry will be recognized as deserving of government assistance while the state reengineers its energy system and entire economy over just a few short years. For example, a bill, S.6992-B, that passed the Senate this session would mandate gas stations install EV charging stations at their own expense and to sell electricity to the public. For those gas station owners or dealers that are unable or unwilling to meet the requirements of the bill, the sponsors threaten to hold up gas station building permits if they do not play ball. Not only is this scheme grossly unfair but it portends the seizure of private property by government for use by non-related private parties without compensation.

Service stations operators and convenient store retailers are used to government bans on the sale of products they do not like. In a bizarre twist, the state would now be forcing gas stations to sell a product—electricity—even if it is not remotely financially viable or worse, a financial loser.

Despite this attitude on the part of the authors of the Plan, state policymakers and some legislators, LIGRA is willing to continue engaging with our elected officials to ensure that our members are treated fairly and assisted as warranted as the state continues its march to a zero-carbon future.