

Climate Leadership & Community Protection Act – Recommendations

- **A New York State Strategy needs to be built based on:**
 - Regional objectives as defined by respective Regional Economic Development Agencies (REDC), Municipalities, Economic Development Agencies, user/consumer demand and needs through the lens of economic and workforce development.
 - Climate goals should be viewed as a side benefit accomplished through sound climate related economic solutions that balance economic and environmental sustainability.
 - Clean energy supply chain development should be emphasized capitalizing on existing and future manufacturing base in a manner that treats the business community as global climate investors versus narrow scoped cost centers.

- **New York State Goals should address:**
 - Affordability in terms of quality of life and business competitiveness
 - Reliability and quality of power from the perspective of the energy consumer
 - Resiliency as it relates to the energy consumer
 - Supply chain development in all areas of CLCPA objectives
 - Product and service development based on projected market transition from a fossil to electric economy
 - Technology development that is positioned to optimize holistic and/or system solutions that balance the electric system while achieving benefit to the energy consumer and ability to cost effectively achieve CLCPA objectives
 - Aggregating and aligning the funding sources for businesses to convert the buildings and processes and become part of supply chains, launch new products and develop new technologies, (ESD, NYSEDA, NYPA, NYISO) along with regional and local resources. (IDA's, County Economic Development, other business assistance programs); in other words progressive programs should focus on market developed planning and less on policy driven solutions that predetermine outcomes.

- **The business community needs to be the champion who advocates for finding a middle ground that looks to science while setting goals that are achievable and measurable. The business community needs to be positioned to see ourselves in CLCPA outcomes, where we understand the potential to leverage current production and/or service to fit NY climate objectives while positioning NY as a global climate leader in energy innovation and supply chain development.**
 - Advocate for common ground. The business community seems to be caught between those that are in denial of climate change & those that

believe that with a flip of the switch we can transition to 100% green energy.

- Advocate for a process inclusive of the user/consumer that is demand driven in a manner that could have upstream delivery and supply benefits that could be incentivized as a means to engage business ideals and minimize overall infrastructure investment benefiting all rate payers
 - Advocate for a process that seeks to develop a strategy and business plan through the lens of economic and workforce development. The process will help define a timeline that enables achievement of the goals while growing jobs and the economy.
 - Advocate for a full assessment of infrastructure opportunities and challenges with the New York State electrical grid as it relates to the objectives of the CLCPA.
 - Advocate an understanding that natural gas can be a transition fuel. It is a relatively clean fuel source while also being abundant, affordable and efficient. Better assess the value proposition of total energy solutions versus fuel assessment that misses the mark on the advantages that combined heat and power systems (CHP) may provide in terms of supply cycle, environmental impact, cost of energy (competitive unit cost of production), impact on local electric distribution system in both heating and cooling seasons, use as a distributed energy resource and local resiliency to maintain production and business uptime.
 - Advocate for a full assessment of affordability of the Climate Act.
 - Advocate for an extension of the public hearing period through the end of 2022.
 - Advocate for programs and tools for manufacturers to build the technology and equipment in New York State.
 - Advocate that New York State manufacturers be given priority in bidding processes to work on New York State tax-payer funded energy projects.
 - Advocate for rural upstate manufacturers who have higher costs due to transportation and higher energy costs due to lower temperatures.
 - Advocate that companies that have already started implementing energy efficiency initiatives that work toward the energy goals not be penalized for their investments.
 - Advocate for a reconsideration of the DAC zone methodology recognizing that there are manufacturers that are located in the same community as the DAC but may not be located in the specific census tract.
- **Process Recommendation**
 - **Identify a backbone agency to drive the process:** Request that each region in NYS drive this process through their REDC's or with staff support of the REDC's to set priorities that meld economic development site preparedness and need for increased capacity for expanding manufacturing with transmission and distribution planning required to meet the integration of renewable energy supply as a resilient source of energy,

- as well as, to better plan for the prospective impact of an evolving fossil to electric economy.
- **Identify the grand challenge:** What is it we are trying to accomplish. (If the only goal is carbon reduction, we will lose jobs and harm the economy. If the goal is economic/workforce development that leads to carbon reduction, we will attract innovation, grow jobs and the economy while establish NY as a global leader in solutions that solve the global climate challenge)
 - Align economic development and energy programs and associated incentives to promote the production line repurposing potential of existing manufacturers and/or the attraction of manufacturers to NY that focus in the green energy sector. Develop additional incentives that promote the revitalization of traditional rust belt sites (tend to be DACs) that attract manufacturing within those communities (eg, bring the work back to the inner core – smart growth). Establish a NY Policy that establishes a preference to purchase climate related products and/or service from the NY business sector.
 - **Stakeholder Identification and Convening:** Develop a multisector partnership inclusive of key stakeholders (*note that a similar concept is currently being considered by Northland in Buffalo in partnership with BNMA and MAST*):
 - Manufacturers
 - Other large energy users
 - Hydrogen supply and product industry
 - Consumer groups
 - Organized labor
 - Electric and Gas Industry
 - Electric Power Generators (private and municipal)
 - Natural Gas distributors
 - Electric distributors
 - Empire State Development
 - New York State Energy Research & Development Agency
 - New York Power Authority
 - New York Independent System Operator
 - Community Colleges & Universities
 - Clean Technology Incubators
 - Industrial Development Agencies & County Economic Development
 - Regional planning organizations (for example organizations like the Southern Tier West Regional Planning Board)
 - **Gather the Data:**
 - Climate science
 - Breakdown of carbon contributors
 - The cost to meet standards
 - The benefits of meeting the standards
 - Break down CLCPA Goals into finite supply chain elements
 - Supply chain opportunities – job creation & economic potential

- Product development opportunities – job creation & economic potential
- Current capacity to generate power
- Current gas distribution system (challenges and opportunities, opportunities could include moving hydrogen)
- Current electrical grid system (challenges and opportunities)
- Commodity projections inclusive of pending subsidies allocated to renewable energy project in the Utility and NYISO queues
- **Define the Current State based on the data**
- **Define the Future State**
- **Identify and prioritize catalytic projects**
- **Conduct projects with deliverables and metrics**
- **Reflect progress/outcomes & initiate Continuous Improvement**

Output of the Recommended Process: The process develops trust and buy-in among key partners and creates the roadmap to achieve the goals and alignment of the business community to embrace sustainable approaches to both business opportunity and CLCPA goal advancement.

Continue Ongoing Projects and Launch New Demonstration Projects

Continue ongoing efforts while the recommended process (noted above) is initiated. Seek to accelerate initiatives that are in motion and empower a series of proposed demonstration projects and innovative approaches across New York State. *(ex. Green Hydrogen as a Regional Hub within each REDC zone aligned with progressive demonstrations contemplated by NY Utilities, Hydrogen Producers/Investors such as Plug Power and Linde, as well as, Economic Development Agencies seeking infrastructure/Capacity at preferred economic development sites) Municipalities can play a key role in forming templates such as The Jamestown Board of Public Utilities operating its district heating system exploring the possibility of transitioning to a three pipe heating/cooling loop (cooling via absorption machines), a City-wide geothermal network that can be coupled with point of use storage presenting a large scale distributed energy resource aimed at leveling load profile and optimizing existing electric distribution networks, along with other processes to support and potential growth the system. Green Hydrogen also presents a supply chain opportunity as NY advances electrification in all economic sectors, hence presenting an attraction plan to bring in additional manufacturing opportunities and/or opportunities for existing manufacturing to repurpose current production lines. Templates should be developed based on sustainability practices employed at manufacturing facilities such as what may be analyzed at Cummins Engine where they have an aggressive zero energy plan covering a 2 mW solar farm on their roof, waste management, recyclables, energy regeneration, amongst other integrated objectives; we need to reward sustainability practices and avoid penalizing best practice via broad brush subsidy collection.)*