July 1, 2022

Doreen Harris, Chair

NYS Climate Action Council

Acting President & CEO: NYSERDA

625 Broadway

Albany, New York 12233

Chair Harris,

Chevron Renewable Energy Group (REG) appreciates the opportunity to comment on the New York State Climate Council Scoping Plan (the “Scoping Plan”). Council members and staff should be commended for the hard work that has gone into this draft.

REG is helping lead the energy industry transition to a lower carbon future by transforming renewable resources into high-quality, lower lifecycle carbon intensity fuels. REG is an international producer of lower lifecycle carbon intensity fuels and North America’s largest producer of biodiesel and a leading producer of renewable diesel. REG solutions are alternatives for petroleum diesel and produce notably lower lifecycle carbon emissions.

The Scoping Plan is a broad work designed to move New York’s environmental footprint in a direction that reduces carbon. We believe the Plan has much to offer, and our comments reflect areas which we think can be improved.

We will begin our comments by addressing what we believe should be a fundamental principal of any actions arising from the Scoping Plan. Chapter 23, Reporting, begins by stating, “Successful implementation of this draft Scoping Plan strategies requires monitoring and reporting on the results of our efforts and a robust public process.” Given its importance, we suggest the language and the paragraph it resides be moved to the beginning of Chapter 9, Evaluation of the Plan.

It is important that the outcomes of any programs developed under this Scoping Plan be measureable, achievable, and verifiable. If the State is to successfully transition to a carbon neutral economy, the programs developed within the Climate Leadership and Community Protection Act (CLCPA) should have *tangible* outcomes that can be measured and verified. California, Oregon, and British Columbia have all demonstrated the ability to both construct such programs and reduce carbon emissions.

We believe that the Council missed a key carbon reducing policy in Chapter 3, New York’s Climate Leadership - Senate Bill S3321A, relating to a biofuel standard, which was signed into law by Governor Hoechel. The Bill moves the heating oil industry, which has historically relied on fossil fuel, into utilizing lower-carbon and lower particulate matter emitting biodiesel. This move, which culminates in a requirement to utilize 20% biodiesel by 2030 has the ability to lower carbon emissions by 15%**[[1]](#footnote-1)**, which is a notable reduction in carbon loading that should be recognized and catalogued as the state works to achieve its overall reduction goals. We recommend adding appropriate descriptive language into the section titled Legislation.

As the Council knows, the goal laid out in the CLCPA of requiring a 40% reduction in statewide GHG emissions from 1990 levels by 2030 and an 85% reduction by 2050 is a large and formidable task. In moving towards the goals set by the legislature, the Scoping Plan should learn from and adopt the programs that have demonstrated carbon reductions in other jurisdictions. In particular, the Scoping Plan only briefly and in broad language mentions the concept of a “clean fuel standard.” In Chapter 11, Transportation, the document states, “Policies like a clean fuel standard would be designed to displace higher emissions fuels and other energy carriers with lower emissions of GHGs.[[2]](#footnote-2)” Unfortunately a broader discussion of the positive impact that a clean fuel program could deliver is not fully developed in that chapter and only superficially addressed in Chapter 17, Economy-Wide Strategies.

The Scoping Plan can and should draw from the learnings of other states with respect to policies that support lower carbon fuels. The data that the state of California has generated on the carbon reductions that biomass-based diesel can and has delivered is profound and should be factored into the discussions. Biomass based diesel has displaced roughly 25% of petroleum diesel in the state[[3]](#footnote-3) and is responsible for roughly 40% of the credit generation[[4]](#footnote-4) under the low-carbon fuel standard. As the Scoping Plan lays out, it will be a difficult road to reach the 30% ZEV target by 2030. Biofuel usage today represents a faster path to help achieve this reduction goal.

Highlighting the need for action now, Chapter13, Electricity, lays out the challenges that the industry faces in moving to carbon neutrality and in delivering electricity to all elements of the state. The grid will need significant upgrades and investments to deliver energy. In order to cope with multiple uncertainties and the likely slower timeline, costs, and potential delays arising from electricity infrastructure updates, it will be critical for New York to adopt policies that support the development and introduction of lower carbon and renewable fuels into the state. As New York moves forward with policy to support lower carbon fuels, we strongly urge the State to move forward with a program that is technology-neutral, performance-based and embraces the critical role of liquid fuels in helping to achieve carbon neutrality. Broadly speaking, we support policy that enables the realization of a lower carbon future and hope that New York strongly takes into consideration this perspective when looking at policies to support decarbonization.

The overall document contains many more elements designed to lay the framework for an overall carbon reduction plan. The Council should be commended for developing a robust document that can serve as a strong guiding hand in as the state moves forward with the carbon reduction goals of the CLCPA. Nonetheless, we believe that our suggestions would enhance the benefits of the Scoping Plan.

Respectfully Submitted,

Chevron Renewable Energy Group

Scott Hedderich

Executive Director

1. Clean Fuels Alliance America New York Fact Sheet, enclosed [↑](#footnote-ref-1)
2. Scoping Plan, Page 96 [↑](#footnote-ref-2)
3. LCFS DATA Dashboard, <https://ww2.arb.ca.gov/resources/documents/lcfs-data-dashboard> [↑](#footnote-ref-3)
4. Renewable Diesel Thriving in Credit Generation for California’s Low Carbon Fuel Standard, http://www.decision-innovation.com/blog/disinsights/renewable-diesel-thriving-in-credit-generation-for-californias-low-carbon-fuel-standard/ [↑](#footnote-ref-4)