



April 28, 2022

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Comments Regarding the New York State Climate Action Council's January 2022 Draft Scoping Plan

Dear Members of the Climate Action Council:

Thank you for your efforts over the past three years to develop the Draft Scoping Plan (DSP). The Buffalo Niagara Partnership, on behalf of its members who employ over a quarter million people in the region, shares your desire to create a more sustainable economy. While much of the DSP is laudable, the BNP is concerned about many proposals and offers the following insight.

By proposing moratoriums on new natural gas connections and natural gas appliances, the DSP would phase out natural gas into obsolescence. The BNP believes this decision would be a mistake that brings massive economic consequences without helping our climate situation. Natural gas is affordable and abundant, which is why it powers so much of Upstate life. It would be three times more expensive for a manufacturer in our region to run on electricity instead of natural gas. Retrofitting natural gas-based buildings with new heating infrastructure and non-gas appliances would come at a great expense, too.

While the DSP is premised on the notion that some added costs must be incurred to fight climate change, the costs of banning natural gas do not justify the climate benefit. Natural gas emits significantly less carbon than other fossil fuels.¹ The energy natural gas provides would have to be replaced by electricity, which would add

¹ "Carbon Dioxide Emissions Coefficients," *U.S. Energy Information Administration, 2022*, https://www.eia.gov/environment/emissions/co2_vol_mass.php.

considerable demands onto a power grid that is already strained and struggling to meet the CLCPA's Renewable Portfolio Standards.

Additionally, removing natural gas from our state's portfolio creates grid reliability concerns. Natural gas is extremely reliable, and its underground infrastructure makes service interruptions rare. Conversely, renewable energy generators can be less reliable, and fallen power lines are common. If electricity is the only option for home heating, a power outage could become a grave problem during a cold Buffalo winter.

The BNP is also concerned about the DSP's proposal for a statewide carbon pricing system. A market-based solution to incentivize emission reductions may be feasible if done at the federal level. However, such a system at the state level would be economically devastating. Whereas a federal system would at least put all states on a level playing field, state-level carbon pricing would put New York businesses at a significant competitive disadvantage.

The BNP also opposes the DSP's recommendation of an Extended Producer Responsibility (EPR) program. EPR would add exorbitant costs onto manufacturers in New York, inhibiting their ability to compete with businesses around the globe that do not have the same requirements. The ultimate costs of an EPR program would be passed onto consumers, who could see a cost-of-living increase between 4-6 percent.² After a year of 8.5 percent inflation,³ this is not the time to add even more costs onto consumers.

The DSP's recommendation to phase out gas-powered cars and diesel-powered trucks is a reasonable approach to reducing transit sector emissions, and is consistent with recently-enacted legislation (A.4302/S.2758). The BNP has and continues to support strengthening the electric and hybrid vehicle markets and the environmental, economic, and public health benefits that accrue from such deployment. The BNP also recognizes that that implementing this goal will usher in significant reshaping of New York's supply chains. Accordingly, the transition should be implemented in a manner that ensures the state's automotive sector remains vibrant and the economy thrives. This should include making sure that adequate electric vehicle charging infrastructure is distributed to all corners of the state, that the electric vehicle market is given time to mature and adapt in ways that foster adequate market competition, and that reasonably

² Calvin Lakhan, "Modeling impact on consumer packaged goods pricing resulting from the adoption of Extended Producer Responsibility in New York State," *York University*, 2021, <https://wastewiki.info.yorku.ca/study-examining-the-economic-impacts-of-epr-legislation-for-packaging-waste-in-new-york-state/>.

³ "Consumer Price Index," *U.S. Bureau of Labor Statistics*, Apr. 2022, <https://www.bls.gov/cpi/>.

priced new and used electric vehicles are widely available. During the transition, the state should also encourage hybrid vehicles as a low-emission alternative.

As a whole, the DSP's approach is to electrify every piece of our economy and produce all electricity renewably. While this ideal would certainly reduce emissions, it is far from practical. If New York did nothing but add renewable energy generators to its grid, the state may still struggle to hit the CLCPA renewable energy generation goals. However, by adding the transportation fleet, home heating, and appliances onto the electric grid's demands, there are serious questions about whether New York's grid will be able to provide the needed capacity. Remove nonrenewable generators from the supply side of the equation, and the state's situation appears rather dire.

Energy in New York needs to remain reliable and affordable. But, if this plan is adopted, New York will spend a fortune to electrify every piece of our state without being prepared to produce that electric capacity as planned. In the process, the state would shun a fuel source that is affordable, safe, dependable, plentiful, and low-emission.

While much of the Council's Plan is praiseworthy, there are pieces of the plan that would devastate our economy. We must strike the right balance between protecting our planet and safeguarding our economy.

Please remove these harmful elements of the Draft Scoping Plan so that New York can move toward a sustainable future without energy becoming more expensive or less reliable.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dottie Gallagher', written in a cursive style.

Dottie Gallagher
President and CEO
Buffalo Niagara Partnership