

S.1292 (Parker)/A.964 (Woerner)

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BILL S.1292 (Parker)/A.964 (Woerner)
SUBJECT Adoption of a Clean Fuel Standard
DATE May 16, 2023
SUPPORT

The Business Council supports this legislation that would authorize the Department of Environmental Conservation (DEC) to adopt regulations implementing a clean fuel standard for on-road transportation fuels, with an initial program target of reducing the carbon intensity of fuel used in the transportation sector by 20 percent by 2031.

We share this support with a diverse set of Business Council members, including those in the motor fuels motor vehicle, air transportation, farming, silviculture, and public utility sectors.

The Climate Leadership and Community Protection Act (CLCPA) imposes daunting

emission reduction targets on New York's economy, including a 40 percent reduction in greenhouse gas (GHG) emission from 1990 levels by 2030. Achieve emissions reductions in the transportation sector will be a key component of any strategy to meeting CLCPA targets, given that according to the CLCPA final scoping plan, transportation emissions are 28 percent of total New York State GHG emissions, and according to the most recent DEC emissions inventory, GHG emissions from on-road vehicles are 84 percent of all transportation emissions.

Among our priorities for CLCPA implementation, we have urged the state to keep open all fuel and technology options, including still-emerging technologies, especially at this still-early stage in the CLCPA implementation process, and to identify measures that can be readily achieved in the short term, with limited costs and economic disruption but meaningful emission reductions. We also support the use of market mechanisms, versus command-and-control regulatory mandates, to promote emissions where practical and effective.

We believe a clean fuel standard will address these key CLCPA compliance objectives. Rather than imposing specific carbon-content or carbon-emission standards on motor fuel producers, this legislation will establish aggregate emission reduction targets, and allow fuel producers to use a range of technologies and fuel sources to achieve compliance. Importantly, innovative companies will benefit from "over compliance" through the generation of tradable or bankable credits.

Also important, implementation of a clean fuel standard will produce significant emission reductions, including reductions in fine particulates and other contaminants in urban areas and designated disadvantaged communities, far earlier and at far less costs for vehicle owners than will other transportation-related measures such as a mandated electric vehicle sales and the deployment of EV charging systems, and with far less business disruptions than other proposed measures such as limitations or financial penalties for vehicle use.

No doubt, CLCPA implementation will come with significant costs, and will impact virtually every aspect of the state's economy. Therefore, it is essential that the state consider and adopt affordable and technologically achievable emission reduction measures that minimize economic disruptions. Even better if those implementation measures can produce short-term, tangible emission reductions that have both climate and local public health benefits.

The Business Council expects that a clean fuel standard will fit these objectives, and therefore we support adoption of S.1292/A.964.

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