S.6030 (Parker)/A.6039 (Barrett)

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BILL

S.6030 (Parker)/A.6039 (Barrett)

SUBJECT

Greenhouse Gas Emissions Accounting

DATE

April 03, 2023

SUPPORT

The Business Council strongly supports the adoption of this legislation that would return New York's methodology for accounting for greenhouse gas emissions – and emission reductions – to one consistent with those adopted by international, federal, and state-level governments.

This change in emissions accounting will significantly benefit New York ratepayers and businesses that will ultimately bear the cost of its ambitious transition to a low-carbon economy.

Specifically, the bill:

- reverts New York's emissions accounting methodology to one using a one hundred year timeframe for assessing the global warming impact of emissions, moving away from the demanding accounting system mandated by the Climate Leadership and Community Protection Act. In doing so, this makes New York's approach comparable to that employed by the IPCC, the U.S. Environmental Protection Agency, and the three other states – California, Oregon, and Washington – that have explicitly adopted a GHG accounting methodology.

- it specifically requires using full life-cycle analysis (using the Argonne Labs GREET model) for all systems resulting in GHG emissions in New York State, which will align the state with recent federal green incentive programs adopted in the Inflation Reduction Act. Access to those federal incentives will promote additional green energy investments in New York.

- consistent with the use of full life-cycle analysis, it specifically requires the inclusion in the state's emission inventory emissions related to the production and transmission of biofuels imported into New York State.

- it more appropriately measures the net emissions from renewable fuels, making these clearer alternative fuels available to New Yorkers at lower costs, by excluding from the state's GHG inventory CO2 emissions from the combustion of biomass and biofuels. This approach is consistent with the United Nation's

Intergovernmental Panel on Climate Change's accounting approach, and the GREET model, as these emissions were recently removed from the atmosphere and will be removed again in future growing seasons.

This bill maintains the basic structure and objectives of the CLCPA, including its emission reduction targets and timetables. But adoption of this legislation will have several significant beneficial impacts on New York ratepayers and businesses:

- It will result in a calculation of New York baseline emissions that is consistent with international and national standards, which in establishing a more appropriate baseline will also require more than twenty percent less GHG emission reductions than calculated using the CLCPA's 100 year GWI methodology, an approach that reduce expected compliance costs by billions of dollars, while still allowing New York State to adhere to the international emission reduction targets of the 2015 Paris Accords.

- It will allow investors in New York to access significant federal tax incentives under the Inflation Reduction Act of 2022 credits for clean fuel and clean hydrogen production, as these tax credit programs specifically require the use of the GREET model to determine climate impact scores. The potential benefit to New York State under these programs are more than $6 billion to support the production of low-emission fuels that will produce environmental benefits more quickly than the state's announced transition to electric vehicles.

This legislation will assure continued reduction of GHGs related to New York's energy use, will lower overall CLCPA compliance costs, and will promote increased investments and green job creation, especially given the IRA's enhanced tax credits for projects applying prevailing wage and apprenticeship requirements.

New York's commitment to GHG emission reductions and deployment of renewable electric generation will impose significant up-front costs on the state's taxpayers and businesses, raising concerns about unintended but damaging impacts on the state's population and economic climate.

This legislation will reduce those costs and promote additional green investments in New York, while again making the state's emission accounting system consistent with that apply with other jurisdictions nationwide and worldwide.

For these reasons, The Business Council strongly supports approval of S.6030 (Parker)/A.6039 (Barrett).