

**Testimony of the Green Legal and Education Fund Inc.
to the New York State Legislature Joint Budget Hearing
on the 2015-16 Executive Budget Proposal on Environmental Conservation
Albany NY - January 28, 2015**

My name is Mark Dunlea and I am President of the Board of the Green Education and Legal Fund, which promotes the values of the green movement particularly in the area of ecology.

100% Clean Green Energy in NYS by 2030

Scientists say we have to begin now to rapidly reduce carbon emissions to zero over the next 15 years in order to avert catastrophic global warming. A study by Stanford (Jacobson) and Cornell professors show that it is technologically feasible (but challenging) for New York to transition to 100% clean renewable energy by 2030. (This does not include nuclear.) The study is at web.stanford.edu/group/efmh/jacobson/Articles/I/NewYorkWWSEnPolicy.pdf

The study found that 4.5 million jobs would be created through the build out, and the resulting cost of electricity would be half that of a fossil fuel energy system.

We urge the state legislature to pass legislation adopting the goal of 100% clean energy by 2030; to fund further study on how to achieve such goal; and to begin the significant investment needed to accomplish such goal.

Professor Jacobson estimates that it will cost \$460 billion to fund the transition, though most of this money would be from private investment that would normally be spent anyway to maintain and upgrade the energy system. However, the public investment needed will be significantly above what the state is already spending. One small step to show that the state is serious is to invest the entire \$5 billion so called windfall / surplus in clean energy. Additional capital investments are needed to help improve the ability of the state's infrastructure (subway lines, housing, sewer and water treatment plants, power plants, etc.) to survive the impact of increasing severe weather, starting with storm surges.

While NYS has shown some important leadership on climate change, progress has been way too slow. Despite a goal under the state's Renewable Portfolio Standard to supply 30% of the state's electricity by renewables by 2015, only 3% of renewables (wind and solar) has been added over the last decade. 22% of the state's electric energy is renewable, with 19% from long time hydro facilities. California just recently raised its renewable goal to 50% within 15 years, including a goal of 50% of cars being electric. New York should surpass California.

One area where the state is lagging in reducing its carbon footprint is transportation. The environmental jewel of the state is of course the NYC mass transit system. There is an estimated \$32 billion in NYC capital needs over the next five years, with nearly a \$100 billion needed over the next 20 years. The MTA's plan anticipates that half of these capital needs would be funded through fares, debt, and other revenue, with the rest from the state budget. The State budget is not meeting its contribution. We would go even further in increasing the state's capital contribution. We need to reduce, not increase, mass transit fares to make it more affordable. The state needs to curtail the use of cars and trucks.

Enact a State Carbon Tax

One way to raise additional revenues to help pay for the transition to renewable energy is through a carbon tax. I have testified in support of a state carbon tax many times over the last 15 years.

It would be better to enact a robust national carbon tax as others countries have already done and which logically is inevitable if climate change is ever to be effectively addressed in the U.S. Administrative costs could be disproportionately higher for state than federal carbon taxing, due to greater cross-border movements of electricity and fuels among states than between the U.S. and neighboring nations.

However, there are still benefits to New York providing a model. This is particularly true after tens of billions of economic damage was inflicted by Hurricane Sandy in New York, with climate change strengthening its force. In Canada, British Columbia has long had a carbon tax.

According to the carbon tax center, Oregon has produced the most detailed examination of a state carbon tax. Carbon Tax and Shift: How to Make it Work for Oregon's Economy was written by economists at Portland State University's Northwest Economic Research Center in March 2013. The report examines a tax based on British Columbia's carbon tax. Like BC's, the carbon tax examined for Oregon would be (largely) revenue-neutral: one scenario applies 70% of the tax revenues to cut corporate taxes, 20% to cut personal income taxes, and 10% for reinvestment in industrial energy efficiency programs; the other apportions 50% of the revenues to cut corporate taxes, 25% to cut personal income taxes, and 25% for industrial and residential energy efficiency and transportation infrastructure.

The Oregon tax, starting at \$10/ton of CO2 and rising by \$10 per year to \$60/ton, or roughly twice the level of BC's tax, would, by 2025, reduce the state's greenhouse gas emissions by 12-13% below baseline projections and generate \$2.1-\$2.2 billion a year in revenue.

However, NYS should dedicate at least half of the revenue to funding the transition to renewable energy. A recent national poll showed that a majority of voters, including a majority of Republicans, support the enactment of a carbon tax when the revenues are dedicated to renewable energy. Using the carbon tax to fund renewable energy polls better, particularly among Republicans, than a 100% rebate / dividend from a carbon tax (though it still has overall majority support). However, a portion of the carbon tax should be rebated to low and moderate income consumers to offset the regressive nature of any energy tax.

The State Legislature should also step in and correct the problems that Governor Cuomo's administration have used to impede the implementation of the Greens Jobs Green Home program. This legislative initiative seeks to create good jobs while energy retrofitting hundreds of thousands of homes. We need stronger legislation to finance these projects out of utility bills and the issue of credit for residents should not be allowed to be a barrier to financing. Utility bills is one of those bills that residents strive to ensure gets paid.

\$300 Million for EFP - But No Raid of RGGI Funds

We oppose the proposal by Governor Cuomo to divert \$36 million from the Regional Greenhouse Gas Initiative to the Environmental Protection Fund (which is still significantly underfunded.) This is just the latest example of treating a dedicated funding stream as another fund for the Governor to dip into when he needs it, just another shell game. Increased funding for the EPF should come out of the Real Estate Transfer Tax. We support a funding level of \$300 million for EFP. While the Governor's staff argues that they will use part of the EFP to fund renewable energy, such programs has never been funded out of the EPF before.

Restore Staff Levels at DEC to Hold Polluters Accountable

Since 2008, DEC has lost 865 staff, forcing the agency to choose between increasingly poor options as it struggles to carry out its mission leaving New Yorkers vulnerable to harmful pollution. The budget should restore DEC staff levels.

An Environmental Advocates' September 2013 report showed how DEC has become increasingly reliant on polluter-produced self-monitoring reports to determine compliance with environmental permit conditions – including the federal Clean Air and Clean Water Acts. Across the board cuts include:

- Cutting across-the-board pollution inspections by 35%;
- Slashing water pollution inspections by 74%;
- Reducing enforcement actions against polluters by 24%; and
- Eliminating effluent tests for water pollution and chopping “stack” tests for climate-altering pollution by 44%.

We also support the proposal advanced by environmental groups to provide for long term secure funding to restore the state Superfund program (e.g., \$120 million a year for 10 years).

We support across the board increases in fees and charges to various polluters to adequately compensate taxpayers for the costs related to cleaning up their messes.

Increase funding for Oil Spill Fund

We support increased funding for the Oil Spill Fund, including increasing the fund cap as the Governor has proposed from \$25 million to at least \$40 million. The fund would be supported by increased taxes on oil shipped into, and trans-shipped through New York. We also support the Governor's proposal to expand the fund to include items like testing, containment, research and deployment of new technologies, spill prevention and response equipment, and planning efforts.

However, we do not support the Governor's proposal to remove the oversight of the Oil Spill Fund from the State Comptroller.

With dramatic increases in oil train traffic on New York's railways, more oil barges on the Hudson River, and an escalating number of disastrous spills occurring across the country as oil production increases, it is critical for the state to take action. There has been a 400% increase in oil shipments by rail since 2005. Much of this oil comes from the Bakken Shale in North Dakota and traverses upstate New York. A considerable portion is offloaded at the Port of Albany (located in the mostly African-American South End) onto ships and barges for the trip down the Hudson to refineries in Philadelphia and Canada.

Most of the rail tank cars used to carry crude oil are old "DOT-111s," widely known to be unsafe. In April 2014, National Transportation Safety Board (NTSB) chairwoman Deborah Hersman confirmed that unmodified DOT-111 tank cars – non-pressurized rail tank cars that accident investigators report are easily punctured or ruptured during a derailment – are not safe to carry hazardous liquids.

The Governor should issue an Executive Order halting all transport of crude oil by rail in the state. Safe transport of crude oil through populated areas is not possible. The National Transportation Safety Board has recommended that the Federal Railroad Administration require railroads to “avoid populated and other sensitive areas” for crude oil and other hazardous materials.

The state should require unlimited liability for all rail lines which carry hazardous chemicals or fossil fuels through New York state. Parties who bring oil in and through the state should be required to provide financial security in the form of insurance, credit or bond at a level sufficient to cover all cleanup and decontamination costs associated with any accident. The state should enact a Ban on any company from doing such transport if they have been involved in a rail accident involving fossil fuels or hazardous chemicals. We need a ban on all new of all fossil fuel and hazardous chemical import/export and Processing/

refining /storage facilities in New York; existing facilities should be phased out by 2025. Immediately remove such facilities if located within a 1/4 mile of any water body, and within 3 years if located within a 1/2 of a residentially zoned area. Ban the transport of fossil fuel and hazardous chemicals by barge or transport ship in New York's waterways..

Divest Public Funds from Fossil Fuels

New York State's pension funds should cease making any new investments in fossil fuel companies and completely divest from them within 5 years.

Hurricane Sandy decimated the New York City and Long Island areas, causing \$65 billion in damage. Sandy was fueled in part by Atlantic waters that were 5 degrees warmer than average, a result of human-induced climate change. And yet, New York City's and State's pension funds for public employees are all invested in coal, oil and gas companies that dump carbon into the atmosphere for free, and rig the political system so that they can continue to do so.

If it is wrong to wreck the climate, then it is wrong to profit from that wreckage. After Hurricane Sandy, New York City should be a shining light in the fight to combat climate change -- to do that, it's pension funds must freeze and divest from fossil fuels. As of March 2013, almost \$5 billion of New York State pension funds are invested in coal, oil, and gas out of a total of \$160.7 billion.

Divesting all fossil fuels from the New York State pension fund is an act of long-term fiduciary responsibility that will protect the well-being of New York State's pensioners and citizens.

Financial analysts and experts are increasingly worried about the risk of a carbon bubble that will arise if coal, oil and gas reserves become stranded assets. If governments meet their commitment to keep global warming below 2°C, they will need to pass regulations that force fossil fuel companies to keep 60-80% of their fossil fuel reserves underground. The accessibility of those reserves are a major factor in determining these companies' share price. Once the reserves are marked as unburnable, the value of the fossil fuel industry could plummet, to the tune of trillions of dollars.

We should require SUNY and CUNY to divest from the top 200 fossil fuel companies in the university's college portfolios

Ban local, county and state governments from granting subsidies and tax waivers to fossil fuel corporations in their many manifestations (pipelines, compressor stations, metering stations, etc.) under the pretext of job creation.

Mark A. Dunlea
Green Education and Legal Fund Inc.
315 Greene Ave #2B, Brooklyn NY 11238
(518) 860-3725
www.facebook.com/nygreenelf