



NEW YORK STATE SENATOR

Malcolm Smith

## Senate Passes Green Jobs/ Green New York Initiative

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*Job creation program pays for itself through energy savings and revitalization of economically distressed communities*

In a major step toward rebuilding New York's crippled economy and rescuing the state's energy consumers, the State Senate today passed, by a vote of 52-8, the Green Jobs/Green NY Act of 2009 (S5888). This landmark legislation will create 14,000 family-sustaining jobs with the goal of retrofitting one million homes, businesses, and not for profits in the next five years, reducing carbon emissions caused by outmoded construction, and saving New Yorkers upwards of \$1 billion annually in energy savings.

### *How it Works:*

- The program will be funded with revenue raised by the auction of carbon emission credits through the Regional Greenhouse Gas Initiative. This funding will be used to leverage private and federal investments. The bill allocates \$112 million from these auctions to NYSERDA. Auctions of carbon emission credits over the last two years raised \$126 million, with an estimated \$75 million more expected in the next two auctions this year alone.

- NYSERDA will establish a revolving loan program to provide up to \$13,000 per residential customer to retrofit a home, and up to \$26,000 to retrofit each qualifying business, and also conduct energy audits, program administration and a credit enhancement for critical private sector capital investments.
- In partnership with the Department of Labor, NYSERDA will also create workforce training programs throughout the state to ensure that the state's workforce is highly trained and in place to handle mass-scale retrofitting.
- The program will front the cost of the work, enabling property owners to afford energy efficient retrofits. Although property owners will repay the full cost over time, their total energy usage will be reduced by 30-40%, and the loan payment on their energy bill will be less than what they saved, yielding a net saves to the property owner.
- Local contractors, certified to perform the retrofits will be able to expand their crews, creating new and permanent jobs in green construction and additional jobs in local businesses and manufacturing that serve those new workers.
- Loans will be eligible to home and business owners in rural and urban communities throughout the state, from Watertown to Montauk and Buffalo to Albany.

Senator Darrel J. Aubertine (D-Cape Vincent), chair of the Senate Energy and Telecommunications Committee and lead sponsor of the bill said: "This program will create jobs, save consumers on their energy bills and help get our economy back on track. By passing the Green Jobs/Green New York Act today with bipartisan support we have taken an important step toward improving our economy and helping our environment. This bill encourages conservation, helps consumers with the cost of capital improvements to their homes and businesses, and creates jobs in the new economy. It's a win-win for New York

State, especially Upstate New York where a well-trained workforce will be in demand to keep the heat in and energy bills down every winter.”

Senator Thomas Morahan (R-New City) said: "About 40 percent of Rockland County's owner-occupied units were built before 1970, making them big energy users. This program would serve "the missing middle" -- owners who surpass the income ceiling for the Weatherization Assistance Program but cannot afford retrofits on their own. Heating an energy-inefficient home may cost these owners between \$ 3,000 and \$ 4,000 per year."

Dr. Jim Melius, Administrator of the New York State Laborer's Tri Funds said: "The Senate passage of the Green Jobs/Green NY legislation is a major accomplishment that will help reduce energy bills for thousands of New Yorkers and improve our environment. At the same time, the legislation will help to provide new jobs and job training for throughout New York State especially in low-income communities hit hardest by the economic recession. We thank the NYS State Senate leadership for making this bill a priority and thank everyone in the Senate who supported this legislation."

Pasquale Strocchia, Vice President of the Board of Directors for the Building Performance Contractors Association of New York State said: "The passage of the Green Jobs/Green New York legislation is a major victory towards creating a greener economy for the residents of New York. This legislation provides a critical opportunity to achieve several goals simultaneously: development of a viable and effective green-collar workforce, increasing the energy efficiency of existing homes throughout the state and helping to reduce energy costs for residents while also reducing carbon emissions related to climate change."

The Majority Conference developed this important legislation with partners in organized labor, the Center for Working Families, the Working Families Party, the Center for American Progress and NYSERDA.

The legislation sets up a reliable mechanism for collecting revenue to recoup the costs of retrofitting, including “on-bill recovery” where customers can repay the costs affordably over time. For example:

- A customer is currently paying \$100/month in energy costs.
- After retrofitting their home, the customer saves \$30 each month and receives a bill of just \$70.
- To repay the loan for the retrofitting, \$24 would be assessed on the lower bill, leaving a net savings of \$6, or 6 percent less than what they had been paying, before the capital improvements were completed on their home or business.
- This continues to save them money immediately, and will produce significantly lower bills after the project has been fully repaid.

By removing key barriers to weatherization, including the upfront costs to home and business owners and lack of enough skilled labor to do mass-scale retrofits, the state will finally have a program that can fully and successfully implement a “green” vision by undertaking broader non-energy retrofits such as low-flow water fixtures and green roofs that will reduce global warming

“This program will enable homeowners and businesses to take charge of their energy bills and reduce their costs, all while creating a market for a new and well trained workforce,” Senator Aubertine said. “Energy conservation is a much talked about, but sometimes difficult strategy to implement. Large scale improvements require a significant upfront investment, but under this program, the upfront cost is taken care of and in return, home and business owners will see an immediate savings on their monthly energy bills.”

#### *Additional Quotes*

Senator Neil D. Breslin (D-Albany) said: "Utilizing clean energy technologies to spur the economy and safeguard the environment is a win-win for New York. Green Jobs/ Green NY creates the jobs we need today and the environment-friendly economy of tomorrow."

Senator William T. Stachowski (D-Lake View), Chairman of the Senate Committee on Commerce, Economic Development, and Small Business said: "Environmental and economic goals are not only compatible; they are inseparable. This program will create jobs, spur innovation, create a market for environmental technology, and improve our quality of life."

Senator David J. Valesky (D-Oneida), Vice President Pro Tempore of the Senate said: "The Green Jobs/Green New York program is another big step forward for the Upstate New York economy. Addressing the region's higher energy costs while creating jobs and encouraging business growth is a great example of the creative thinking we need to get our economy back on track."

Senator Eric Schneiderman (D-Manhattan/Bronx) said: "This legislation invests in New York's greatest resources - our people and our environment. It would be foolish not to seize this opportunity to merge energy efficiency and job creation. Green Jobs/Green New York will bring good paying, environmentally responsible jobs to every region of the state, and put New York at the forefront of the green economy."

Senator Antoine Thompson (D-parts of Erie and Niagara Counties) said: "As Chair of the Environmental Conservation Committee, it is important to see that New York is moving towards a green future. I am extremely pleased to hear that an estimated 1,000 new jobs will be created with the passing of this economic growth legislation."