



## **New York City Environmental Justice Alliance Testimony for the Joint Budget Hearing on Environmental Conservation and Energy**

**January 28, 2025**

Thank you Chair Krueger, Chair Pretlow and all the members of the Senate Finance and Assembly Ways and Means Committees for the opportunity to offer testimony on the SFY 25-26 State Budget. Founded in 1991, the New York City Environmental Justice Alliance (NYC-EJA) is a non-profit, 501(c)3 citywide membership network linking grassroots organizations from low-income communities of color in their struggle for environmental justice. NYC-EJA empowers its member organizations to advocate for improved environmental conditions and against inequitable environmental burdens by the coordination of campaigns to inform City and State policies. Through our efforts, member organizations coalesce around specific common issues that threaten the ability for low-income communities of color to thrive.

### **Climate Leadership and Community Protection Act (CLCPA) Implementation**

#### *Climate Funding - 35-40% funding to Disadvantaged Communities*

More work needs to be done on how agencies are implementing this legal requirement to direct at least 35-40% of clean energy investments to disadvantaged communities. To date, only a few agencies have released guidance on how its agency would comply with the 35-40% of clean energy spending to DACs. DEC and NYSERDA released Draft Disadvantaged Communities Investments and Benefits Reporting Guidance in Jan 2024 and have yet to release the final guidance. Additionally, as per the CLCPA, State agencies, authorities, and entities must track investments as the primary metric when allocating and evaluating 35-40% of investments benefiting Disadvantaged Communities. We have noticed a distinct shift in how the State is considering this requirement by moving away from investments as clear spending and dollars to the convoluted metric of "benefits." While benefits are important to view and evaluate, they must not replace or be conflated with investments and should be included in addition to investments.

#### *Cap Trade and Invest*

We were shocked to see the Governor abruptly indefinitely delay the full release and implementation of the cap-trade-and invest program last week, especially when affordability seems to be a central theme of her administration now. The climate crisis is an affordability and cost of living crisis. Already New Yorkers are paying more in groceries, electricity bills, and medical bills and struggling to pay for rent and food to feed their families. Floods, heat waves, storms, and blizzards and other climate disruptions will only make the cost of living more expensive as we deal with water and food shortages, volatile fossil fuel prices, and increasing health issues. This cap-trade-and-invest program can be a tool to help New Yorkers save

money and reduce our emissions as required by the Climate Act. The program, if done right, can reduce consumer costs and fund various programs to ensure that the transition to clean energy and climate readiness becomes more affordable, not less. The program will require corporate polluters to pay for a small share of the impact of their emissions and enable the State to invest in clean energy, public health, good jobs, and affordability for New Yorkers. We need the kind of dedicated, ongoing funding in the billions for climate that this program would generate, not \$200M over 5 years. Billions for climate funding translates to new jobs, healthier communities and homes, and cleaner air across the state.

We at NYC-EJA along with Resources for the Future recently released [research](#) on the cap-trade-and invest revenue and how to make it more affordable and found that the CTI program can financially benefit many NY households. Our modeling shows that a cap-trade-and invest (CTI) program could result in net savings for many New Yorkers, especially when direct payments to New Yorkers are targeted by region and income. Furthermore, a high allowance price paired with a targeted payment distribution strategy yields the greatest financial benefits for many New Yorkers, particularly those making less than \$200,000 per year. A higher allowance price also leads to greater GHG and co-pollutant emissions reductions, health, and climate benefits. The CTI revenue could be invested to reduce the transportation and energy cost burdens and put dollars back in New Yorkers' wallets.

We ask the Legislature to adopt a cap-trade-and-invest program with guardrails in their one-house budget resolutions like the Senate did in 2023. We also ask the Legislature to sign onto and support Assemblymember Kelles' and Senator Parker's cap-and-invest with guardrails bill (A8469 / S9228 of 2024). We need the Legislature to step in and lead on delivering this program to New Yorkers so we are one step closer to a healthier, cleaner, safer, affordable, and climate-ready future.

### *Sustainable Future Program*

The Executive Budget proposes \$1 billion in capital spending for a new Sustainable Future Program. This new one-shot spending is an insufficient substitute for the lack of recurring Cap Trade and Invest (CTI) revenue that was intended to raise billions of dollars annually for cost saving climate investments in our communities. The funding bypasses the Climate Action Fund created in 2023 with the intention of serving as an on-budget funding source for implementation of the CLCPA. The Climate Action Fund prioritizes investment in disadvantaged communities and requires strong labor provisions to be applied to spending. The proposed Sustainable Future Program lacks clarity on either front. It provides broad latitude to the Division of Budget to determine spending priorities and does not require the full disbursement of funds during the fiscal year. We urge the legislature to consider shifting the funding to the Climate Action Fund or at the very least make clear that at least 35-40 percent of the funds be directly invested in disadvantaged communities.

### *NY Renews Investment Priorities*

As a Steering Committee member and one of the founders for NY Renews, NYC-EJA supports the coalition's efforts to establish The Affordable and Climate-Ready Homes Program (ACRHP).

The ACRHP is a statewide program that will focus on building decarbonization for low and moderate income households to increase affordability, health, and comfort for those who need it most. This includes upgrades such as heat pumps, insulation, renewable energy installations, and repairs including asbestos, mold and other hazard remediation.

New York's 6 million buildings are responsible for around one-third of statewide greenhouse gas emissions. According to the Climate Action Council Scoping Plan, New York's residential and commercial buildings sector encompasses over 6 million buildings, which are home to 7.4 million households. Statewide, New York's residential and commercial buildings are older than the national average, indicating opportunities for upgrading, modernizing, and decarbonizing buildings in ways that improve both quality of life, health, and energy efficiency and performance. Furthermore, nearly half (48%) of households statewide are low- to moderate-income (LMI) households, presenting both a need and opportunity to increase housing and energy affordability and prioritize households who have more complex housing intervention needs due to systemic racism.

While the goals and needs are clear, New York currently does not have a strategy or plan to make its 6 million buildings energy efficient and electrified. Currently, existing statewide programs (e.g., Clean Heat and EmPower+), financing, and funding are difficult to access and obtain because of structural and bureaucratic barriers resulting in ineffective programs that don't reach communities who need it the most and who suffer from injury and illness due to pollution and substandard buildings. Additionally, the funding available through these programs is not sufficient enough to address the many needs a household may have in order to electrify its building and make it energy efficient, such as wiring upgrades and other pre-electrical work and lead, mold, and asbestos removal. These are essential issues addressed in the proposed GAPP Fund (A2101 - Kelles).

The ACRHP would ensure benefits to environmental justice communities, democratize how projects are designed and funded, and increase affordability across the state. The program would do this by:

- Complement and blend with other funding, Federal IRA and NYSERDA EmPower+ funding.
- Include a comprehensive scope of work: structural repairs and retrofits, hazard remediation, energy efficiency, and electrification
- Position utilities as program administrators to manage comprehensive upgrades at scale
- Increase investments in NYSERDA's Regional Clean Energy Hubs initiative in order to increase the capacity and extend the reach of the Hubs, and position them as the community face of the program
- Grow and diversify the unionized clean energy workforce
- Enhance coordination and increase investments in community-based workforce development programs

- Provide technical and administrative assistance, capacity building support, and favorable contracting terms to new and existing Minority and Women Business Enterprises (MWBES) that commit to adhering to labor standards in the program.
- Preserve and increase the supply of affordable rental housing by leveraging HCR's ability to administer and enforce regulatory agreements,
- Promote economic and industrial development in the state across key supply chains, e.g., heat pump manufacturing,
- Promote greater democratic accountability and transparency through co-governance

In addition to the creation of a transformative energy saving household affordability program we urge the legislature to dedicate funding for community-led projects and programs. We support NY Renew's proposal to create a Community-Directed Grants Program to provide opportunities for community organizations, unions, and local governments to develop clean energy projects and initiatives for their communities. To realize the vision of the Climate Action Fund, climate investments must lower emissions and invest in climate solutions at the community level. This program would provide grants to community organizations to create local climate, adaptation, and resiliency projects, particularly in frontline communities. It would also provide funding for disadvantaged communities across the state to develop their own climate, resiliency, and just transition solutions. The Climate Action Fund should prioritize developing community-led just transition plans to reduce emissions and local pollution, particularly in disadvantaged communities. Those most impacted by environmental injustice must lead on the solutions; at present the state has no structured support for communities to develop community-led plans or projects.

### ***Air Quality***

One of the CLCPA mandates was for there to be community air monitoring in a select number of DACs to help inform state-wide air pollution mitigation efforts. In response, NYS DEC has undertaken the Community Air Monitoring Program (CAM). The process is ongoing and we are moving into the planning phase where the State, in consultation with community groups, will identify pollution mitigation efforts for areas that are experiencing higher levels of pollution. The DEC and NYSERDA cap-trade-and-invest pre-proposal outline released in December 2023 indicated that the revenue from the program would fund the mitigation efforts identified from the CAM initiative. While we have been assured there is funding set aside, it's clear there will be a funding gap if agencies expected to use part of the CTI revenue. This underscores the need and importance of tools like the CTI program that can provide ongoing massive revenue to reduce the pollution that is choking our communities and support DEC and other agencies to implement.

### **Transportation**

#### *Clean Deliveries Act (S1180 - Gianaris)*

In recent years, online shopping has risen and across the state, there has been an unregulated surge of last-mile and mega e-commerce warehouses. E-commerce mega-warehouses are

facilities that are used to facilitate deliveries directly to customers. They are often located in or near urban areas and are used to sort, consolidate, and distribute packages for delivery to customers' homes or businesses. E-commerce mega-warehouses play a critical role in the e-commerce and logistics industry, as they allow for the efficient and timely delivery of goods to customers, but they also generate significant emissions from the large number of delivery trucks that come in and out of the facility, which adversely impact workers and can contribute to poor air quality in surrounding communities. These emissions are not only harmful, but currently unregulated. These mega-warehouses are disproportionately sited near environmental justice communities who experience the most harm from vehicle emissions in and out of these facilities. [A report](#) found that one in four New Yorkers live within a half mile of an e-commerce warehouse. This unregulated sector is leading to additional truck trips and tailpipe emissions that threaten to allow us to meet our climate mandates. The state should adopt the Clean Deliveries Act ([S1180](#)) to establish an indirect source rule to reduce emissions due to the operation of new and existing e-commerce warehouses.

### *Electric Vehicle Infrastructure*

Through the federal infrastructure bill, New York State has made strong investments in Electric vehicle supply equipment (EVSE), particularly along several designated highways. The state must continue to invest in EVSE for all vehicle types and fast chargers. As more electric vehicles come on the market and sales increase, it will be critical to invest in EVSE.

### *Electric Public Transit Buses*

While the Governor's allocation of [\\$100 million in state funding to help non-MTA transit agencies expand their use of zero-emission vehicles](#), the State Department of Transportation should work with the transit agencies to establish transition plans. Furthermore, similar to the electric school bus mandate included in Governor Hochul's FY2023 budget, the governor should include a mandate for all transit agencies to transition their fleets to fully zero emissions by 2040 and only be permitted to purchase zero-emission buses starting January 1, 2029. The Governor should also include safeguards to protect existing workers from layoffs or reductions in wage, hours, or benefits, as a result of the transition.

### *MTA*

For years the MTA has been starved of funding to provide reliable service and the Governor recently announced the 2025-2029 Capital Plan estimated to cost \$65 billion. While legislative leaders have rejected the plan and cited concerns about \$33 billion of the \$65 billion plan not having an identified funding source, the Governor and the legislature must work together to ensure this plan is funded. The MTA system is the backbone of New York's economy and this capital plan will not only improve public transit service and reliability, expand the service, and purchase electric buses, but will create [tens of thousands of jobs in the state](#).

### **Extreme Heat**

One of the greatest climate-related threats to public health is heat, which causes the most fatalities compared to any other weather conditions, with an average of 350 New York City

residents dying in relation to heat each year. Heat also disproportionately affects communities of color and low-income communities. Black New Yorkers are more likely to die from heat stress, with death rates two times higher than White New Yorkers.

### *Extreme Heat Action Plan*

It's clear the risk of heat to New Yorkers is high. More resources and action need to be put into preparing our communities and infrastructure for the escalating threat that heat poses to our health and safety. A lot of work was put into creating DEC and NYSERDA's Extreme Heat Action Plan, but many of the recommendations in the plan have not been funded. The plan is also not codified, which would be helpful to require monitoring and evaluation, updates to the State's extreme heat action plan, and to create accountability. We encourage the Legislature to invest in the health of New Yorkers by funding the full implementation of the EHAP and compelling DEC and NYSERDA, and other agencies, to regularly evaluate how the State is responding and preparing New Yorkers for heat and how effective their actions are in reducing the risk for our communities and infrastructure.

### *Mortality Reporting (A755 - Paulin)*

In addition, we need to better understand the state-wide health impacts of heat, and call for comprehensive heat-related and heat-exacerbated mortality reporting (A755 - Paulin) to better account for the number of New Yorkers that are affected by heat and dying from it. This will allow us to better understand the full scope of heat's impact on public health across the entire state, and help us to develop and implement heat mitigation and adaptation policies, programs, and projects. It will allow us to identify specific geographic areas and populations in which heat is of most concern, rather than basing heat policy and planning around data and information that is not fully representative of the problem.