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**Statement of Caroline Chen, Environmental Justice Director
at The New York Lawyers for the Public Interest
to the Joint Legislative Budget Hearing on Environmental Conservation/Energy**

Chair Krueger, Chair Pretlow, and Members of the Committees:

Founded more than 45 years ago, New York Lawyers for the Public Interest (NYLPI) pursues equality and justice for all New Yorkers. Our Environmental Justice Program fights environmental racism, works to eliminate the unfair burden of environmental hazards borne by low-income communities and communities of color, and seeks to create a more affordable, equitable and sustainable New York for all.

We appreciate the opportunity to comment on Environmental Conservation and Energy programs in the proposed FY2026 executive budget, as follows.

Cap and Invest Program Must be Included in the FY 2026 Executive Budget

We are extremely alarmed by the Governor's eleventh-hour decision to again delay the Cap and Invest Program, and by the resulting exclusion of billions of dollars for affordability, renewable energy, and infrastructure funding from the budget proposal.

We are now living through a worst-case climate scenario, as regions from California to New York to the Southeast cope with multiple extreme weather events and previously unimaginable loss and destruction. Meanwhile, the Trump Administration denies climate change and is canceling or pausing billions of dollars in funding for renewable energy, electric fleet, workforce development and equity programs, among many other social and environmental justice priorities. Now more than ever, we need New York's leadership in delivering true and strong climate and equity initiatives.

Indeed, the Climate Leadership and Community Protection Act (CLCPA) requires that the Department of Conservation (DEC) have long released draft regulations for the Cap and Invest program and thus for funding from the program to be in this year's budget. Following the recent extensive and extended public participation engagement process pertaining to the program's parameters, it is understood that the DEC had draft regulations ready to go, only for the Governor to unilaterally pause the release of the regulations indefinitely. We ask that you demand with us that the Governor and DEC release the draft regulations immediately so that we can move forward with securing a well-designed program, and give New Yorkers the best opportunity to simultaneously reduce emissions, improve public health, leverage our state's substantial economic power, and create a thriving green jobs economy. Only aggressive and effective programs like a well-designed Cap and Invest will fill the huge void that this federal administration is creating.

While welcome, Governor Hochul's \$1 billion proposal is a one-time fund that amounts to only a small fraction of annual revenue expected from the Cap and Invest program. This stopgap measure would generate only a fraction of the jobs, emissions reductions, public health benefits, and affordability benefits to New Yorkers, and would simply fail to suffice to incentivize the state's massive private sector to invest in renewable energy, building efficiency, sustainable transportation, and waste reduction projects as a thoughtful Cap and Invest Program is expected to do.

We urge legislators to join our call for the Governor's Office to immediately release the existing and ready draft Cap and Invest regulations after years of staff work, extensive stakeholder input, and robust public comment.

We further urge legislators to advance New York's climate leadership by passing legislation A8496/S9228, and thus setting a firm timeline for a robust Cap and Invest program that includes guardrails to protect and benefit disadvantaged communities most impacted by fossil fuel pollution and the climate crisis.

Pass NY HEAT in Article VII Budget Legislation

We are similarly deeply concerned that the Governor's budget proposal does not include the NY HEAT Act, which has passed in the Senate during the past two legislative sessions. This measure would align the State's public service laws with the CLCPA, would enhance energy affordability by capping utility bills for low- and moderate-income households and would end outdated regulations requiring ratepayers to subsidize expansions of fossil fuel gas lines. NY HEAT would underpin and complement other State programs with the goal of realizing immediate and tangible health benefits for New Yorkers by enabling utilities to make efficient electric appliances and heating systems more cost competitive with gas combustion systems, which cause unhealthy levels of indoor particulate matter and impose major public health costs.¹

We urge both houses to include NY HEAT in Article VII budget legislation to pass this common-sense overdue legislation this session.

Fund CLCPA Implementation Across NYS Agencies

NYLPI and the NY Renews coalition recently found that major state agencies including the Departments of Transportation, Health, Education, and Empire State Development had not yet begun to incorporate the climate and equity mandates of the CLCPA into thousands of permitting decisions, grants, approvals, and tax incentives.² Disturbingly, it appeared that since the Climate law went into effect more than five years ago, billions of public dollars have been spent without applying the climate and equity screens required by Sections 7 and 8 of the law.

We urge that the FY2026 budget include new funding for senior environmental staff at the Governor's office and the Department of Environmental Conservation to oversee and fully align

¹ The Rocky Mountain Institute estimates that combustion systems in New York's buildings are associated with 1,940 premature deaths and \$21 billion in health costs annually. For more information see "What is the Health Impact of Buildings In Your State?" Available at: <https://rmi.org/health-air-quality-impacts-of-buildings-emissions#NY>

² See NYLPI and NY Renews, "Flouting the Law," August 13, 2024. Available at: https://www.nylpi.org/wp-content/uploads/2024/08/Flouting-the-Law_NY-Renews_NYLPI-Report_English.pdf

major state agencies' actions with core CLCPA's mandates. Such dedicated and centralized expert staff can quickly develop, disseminate and enforce explicit guidance for the state's diverse agencies and authorities and gather and publish statewide data on investments, job growth, and emissions reductions driven by the CLCPA. The CLCPA's all-hands-on-deck approach requires no less.

Expansion of Resilient and Ready Home Repair Program

NYLPI works with multiple communities in Queens whose homes and health are endangered by chronic inland flooding and sewage backups. We are supportive of the proposed \$50 million for the Resilient Retrofits program (a \$10 million increase from last year) included in the Governor's Capital Projects proposal, which could fund sewer line repairs, backflow valves, and other repairs to mitigate these problems which will continue to worsen with climate change. We ask the Governor and Legislature to ensure that this program immediately benefits disadvantaged communities including those in Southeast Queens that lack access to capital and are burdened by decades of redlining and underinvestment.

Thank you for the opportunity to submit testimony for this critical hearing. We look forward to working with you to put New York State on a path to climate leadership, a thriving green jobs economy, and a healthy environment for all.

Yours,

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