

Written Testimony of
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**Before the Joint NY State Senate Committees on Finance,
Energy and Telecommunications, and Environmental
Conservation Relating to Budgetary and Legislative Action
Necessary to Implement the Climate Leadership and
Community Protection Act (CLCPA) and the Climate Action
Council Final Scoping Plan**

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Hearing Room A
Legislative Office Building
Albany, NY

Thank you for the opportunity to submit testimony on the implementation of the CLCPA. Rohit Aggarwala, the New York City Chief Climate Officer and the Commissioner of the New York City Department of Environmental Protection (DEP). The CLCPA is, of course a critical effort for the future of our city, state, and planet, and I commend Governor Hochul for her leadership as well as the two co-chairs of the Climate Action Council, DEC Commissioner Basil Seggos and NYSERDA CEO Doreen Harris, for their strong leadership.

Overall, New York City is highly supportive of the policies outlined in the Final Scoping Plan. We have been grateful for the ongoing collaboration between City and State agencies to date, and we look forward to even greater collaboration going forward. We also recognize the important role that State agencies will play in determining how federal funding, most notably the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act of 2022 (IRA), are implemented and also how the proceeds of the \$4.2 billion Environmental Bond Act, approved by New York voters in November, are distributed.

New York City is, on its own, a significant climate leader. Since 2007, the City has embraced formal greenhouse gas reduction targets, has enacted major local laws to reduce greenhouse gas emissions, and created resilience. For example, the City has already adopted through a local law the ban on new construction employing natural gas, which is called for in the Final Scoping Plan and was endorsed by the Governor in her State of the State speech. The City called for congestion pricing in 2007, and we look forward to its implementation. The City has also committed to purchasing all of its electricity for city operations from new-build renewable transmission lines; this commitment was the cornerstone enabling the two Tier IV renewable transmission projects the PSC approved last year, which will significantly increase the amount of carbon-free power available in New York City. Most importantly, the City enacted Local Law 97 in 2019, which will require 28,000 of New York City's largest buildings to meet strict emissions targets, starting in 2024. By 2030, this law is projected to reduce New York City's carbon emissions by 6 million tons – the equivalent of taking 1.3 million cars off the road. It will also create 26,700 green jobs and prevent 50 to 130 premature deaths and 150 hospital visits annually by 2030. Implementing Local Law 97 is one of our major contributions towards stopping climate change.

As the CLCPA is implemented, and the distribution of IIJA, IRA, and Bond Act funds are determined, New York City needs New York State to be a supportive and helpful partner. And New York State needs New York City to succeed. In fact, it is not a stretch to say that the CLCPA cannot succeed if New York City's own climate initiatives do not succeed.

With that in mind, we offer several points that we ask the State and the Assembly to bear in mind through the implementation of CLCPA.

1. **New York City must receive its fair share of resources.** New York City comprises roughly 45% of the state's population, 47% of its natural gas use, 59% of its disadvantaged communities, and 63% of its tax revenues. However, there have been many instances where state programs have been skewed to provide disproportionate support outside the city. Some State programs place a per-municipality cap on grants, which treats one municipality with 45% of the state's population the same as any other municipality. (In a recent set of Clean Water awards granted in November 2022, a legal requirement capping each municipality's funding led New York City to receive only \$6 million out of a total set of awards of more than \$250 million – so 45% of the population received only 3% of the funds.) We have several specific requests:
 - a. We request that the Legislature require reporting on how much in CLCPA resources each region of the state receives.
 - b. We request that New York City DACs receive at least 50% of the funding CLCPA reserves to DACs, and that this principle be carried through in the way IJJA, IRA, and Environmental Bond Act funding is distributed. It is an admirable facet that CLCPA requires that at least 35% of resources go to DACs. Given that New York City is home to 59% of the state's DACs, it is possible that this requirement could be met while New York City's DACs are left aside.
 - c. Grants and loans be distributed equally across jurisdictions. In the implementation of CLCPA, IJJA, and other programs, there may be instances where there are both grants and loans available. We believe that grants and loans should be distributed equally.
 - d. Care must be taken to ensure that CLCPA treats renters and owners equally. While 53% of New York State families live in a home or apartment they own, only 33% of New York City residents do. CLCPA implementation must not overly privilege homeowners at the expense of renters, or owner-occupied buildings at the expense of rental buildings.
2. **CLCPA implementation must not penalize New York City for having been a leader on climate.** There are precedents both in NYS programs and beyond for climate programs to be used only when there are not legal mandates in place. For example, funding for building retrofits might be available only where they are not required to comply with existing laws or mandates. While there is logic to this based on "additionality," this approach also serves as a penalty for those jurisdictions that lead by placing requirements on themselves. It must not be the case that the existence of Local Law 97 prevents those buildings that must comply with the law from taking full advantage of state programs and federal funds.
3. **CLCPA implementation must assist and reinforce local efforts such as Local Law 97.** While the State must take a state-wide approach to CLCPA implementation, the State should take advantage of the opportunity to craft implementation in a way that is

designed to work with local laws. We need New York State to craft CLCPA implementation programs that directly assist those buildings that must comply with Local Law 97. The majority of these buildings are multifamily residential buildings. Significantly, while some of these may be luxury buildings, the vast majority of LL97-covered buildings are middle-income multifamily buildings, including co-ops, moderately priced condos, and rental buildings. Full electrification of these buildings will be a significant challenge, but is necessary to achieve the fossil-fuel-free vision adopted by CLCPA. We cannot postpone dealing with these difficult projects because they are difficult. Further, the development of the Governor's cap-and-invest plan must involve local partners so that potential interactions with existing local laws and initiatives can be figured out in advance.

4. **The cost of the transition must be fairly allocated among New Yorkers.** New York City contains some of the wealthiest and many of the poorest New Yorkers. What this means is that New York City's average income looks higher than that of many parts of the state, but this masks the fact that fully 18% of New York City families pay over 6 percent of their household income on home energy bills. This is in part because low-income households tend to have relatively high energy costs, because much of the housing they can afford is lower quality and less energy efficient. CLCPA must ensure that all low-income New Yorkers receive the benefits of energy efficiency, and that support for low-income households is not skewed outside of New York City based on citywide averages.
 - a. According to the NYS Office of State Comptroller, 1.2 million NYC residents live below poverty. NYC's poverty rate exceeds the national rate by four points. In NY, 20% of those in poverty have a disability. The CLCPA must continue and expand effective efforts that have a demonstrated reduction of pollution in these poverty-stricken neighborhoods. Additionally, we must also find ways to replace gas powered appliances in these households to reduce pollution, asthma, and respiratory illnesses in these communities.
5. **Truly disadvantaged communities (DACs) must receive their fair share and be protected from disproportionate impacts.** While CLCPA laudably requires a minimum of 35% of its benefits to accrue to DACs, the possibility exists that those communities that are most disadvantaged do not get their fair share. Some CLCPA programs may benefit from the creation of a new, higher DAC designation threshold such that the communities that are most in-need are targeted for investment. Any adjustments should be subject to measures that ensure geographic equity so that communities facing cumulative impacts are prioritized. Further, we recommend that the 35-40%+ DAC investment goal should apply to investments in resiliency, not just investments in pollution reduction, energy efficiency, and clean energy. Finally, as the Governor noted, it will be critical for the State's cap-and-invest program to ensure that disadvantaged communities directly benefit from the plan, are not disproportionately burdened



pursuant to Section 7(3) of the Climate Law, and that New York structures a system to avoid creating disproportionate impacts.