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Basil Seggos, DEC Commissioner, and Doreen Harris, NYSERDA President and CEO  
Co-Chairs, New York State Climate Action Council  
625 Broadway  
Albany, New York 12233-0001

To the Honorable Basil Seggos and Doreen Harris,

It was a distinct honor to be a member of the Climate Action Council, charged with developing a plan to achieve New York's clean energy and climate agenda. I was proud to offer my expertise in service to our great state, sharing my experience in the regulatory/utility space, with various economic development agencies and nonprofit organizations, as well as my involvement in the formation of a battery storage manufacturing facility on the East Side of Buffalo, an underserved community that must remain a focus of further economic investment. I remain deeply committed to the Climate Leadership and Community Protection Act's (CLCPA) intent. However, I owe it to those who nominated me and to my fellow New Yorkers to be objective in how I contribute to the Scoping Document.

I have decided to vote against the proposed Scoping Document. I believe New York State is poised to be a leader in the global fight against climate change and forge the path to a sustainable future. However, we have fundamentally missed the mark on balancing environmental and economic sustainability, choosing one over the other, thereby limiting the potential to achieve either goal. In the paragraphs that follow, I have outlined the key concerns that led to my decision on my vote. To be clear, my comments are as a member of the New York State Action Council and do not reflect the views of my employer.

### **Limiting our solutions by losing sight of our climate challenges**

We must not lose sight of the challenges we are working to solve. The CLCPA set ambitious climate and clean energy goals to safeguard our state's resources for future generations while reinvesting in disadvantaged communities. Much of our discussions appeared to be more about shutting down the natural gas transmission and distribution network than on achieving the 85% Greenhouse Gas (GHG) reduction by 2050. Although they may appear similar, shutting down the natural gas network and achieving the CLCPA's GHG goals are separate objectives requiring different technical paths. Our focus should be meeting our GHG reduction goals. Any discussions surrounding the natural gas transition should explore, with equal weight, what we are transitioning from and what we may be transitioning to. In my experience, limiting options also decreases the probability of meeting aggressive goals, such as our GHG objective.

### **Readiness of our Electric System**

Much of the CLCPA outlines a transition from a fossil fuel to an all-electric economy. In my opinion, New York's current electric distribution infrastructure cannot handle the projected 50% increase in demand. I have been adamant throughout Council discussions that without action, such as a PSC Order requiring utilities to respond, the electric distribution system is not equipped to accommodate such a transition without major investment—the cost, timing and implementability of which is yet to be determined. The Scoping Document begins to frame this challenge but falls short on how to resolve the matter. As with most states and countries, climate initiatives begin on the supply side of the electric system. Large scale renewable energy projects appear to be focused on land (and water) availability and not as much on proximity to load centers resulting in

a need for additional transmission investment; we must anticipate the impact of electrification on the distribution system to fully explore non-traditional utility investment by engaging market participants. Subject matter experts such as regulatory agencies, the NYISO, NERC and the electric utilities must be given the opportunity to respond to the Scoping Document before it reaches the Governor's desk. We should have a more balanced and mandated planning strategy that aligns supply, demand and delivery and advances the CLCPA's goals and our state's economic development aspirations for business expansion, attraction and site readiness. We need to resolve the issue of dispatchable supply through continued exploration of the role of long duration storage, nuclear, hydrogen, renewable natural gas and other non-fossil-based approaches to ensure that we have a stable electric system in concert with how we progress with any gas transition strategy.

### **Falling short on our responsibilities to disadvantaged communities**

The *community protection* intent of the CLCPA mandates that up to 40% of the "spend" will benefit disadvantaged communities (DACs). Much of my economic development experience has centered around the complexities of Rust Belt neighborhoods in Upstate New York that typically fall under the current definition of a DAC. Many Rust Belt communities require additional investment into electric infrastructure to fuel their economic revitalization. For New York to decarbonize, these communities cannot be left behind and local electric capacity is a challenge. There is an enormous opportunity for sustainable development in DACs and to incentivize utilities to upgrade electric systems in areas of decline. We need to encourage green energy supply chain development in our DACs to bring jobs back to our under-represented communities by ensuring that we have adequate electric capacity for growth and electrification. We need to encourage DAC development through proactive rate base investment to increase developer interest and to enhance speed to market for economic activity. Our DACs need to be prioritized as leaders in smart growth, just-revitalization along with green-energy supply chain development. The Scoping Document begins to capture this opportunity for DACs but falls short on outlining concrete directives. It is critical that our commitment to "spend" up to 40%, under the CLCPA, is supported by measurable and accountable metrics to move this initiative from a cost to an investment outcome.

### **Harnessing New York's innovation resources and manufacturing capabilities**

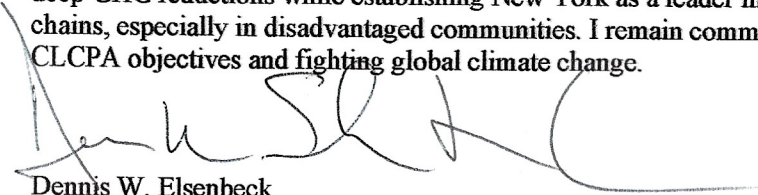
The CLCPA is often referred to in the context of being *nation leading*. To be a true leader in the global fight against climate change, we must tap into New York's robust technology, innovation and manufacturing capabilities. We cannot rely on products from countries, such as China, that limit and offset New York's contribution to GHG reduction. Developing green-energy product supply chains, focused on expanding existing manufacturing infrastructure while attracting others, will revitalize traditional Rust Belt neighborhoods and stimulate the growth of our green economy. The Scoping Document forgets, for the most part, one of New York's greatest assets — the SUNY system. The University at Buffalo has been designated a Flagship University and is comprised of Engineering, Business, Law, Architecture, Environmental, Chemical and other disciplines that, with further investment, could provide an ongoing holistic perspective on the many aspects of driving a green economy as a Clean Tech Center of Excellence attracting Federal and Research Lab Funding. Workforce development must include professional disciplines such as Engineers, Chemists, Business Managers, Lawyers, Architects and others in a manner that engages these future leaders in a new economy. Other SUNY institutions, much like Binghamton's battery focus, can emerge as green innovation hubs while our Community Colleges have the potential to provide a statewide approach to the development of a green energy workforce development pipeline. New York has the critical mass and potential to become a self-sufficient green energy epicenter. The Scoping Document scratches the surface but needs to revisit New York's existing resources to meet the full promise of the CLCPA.

### **Communicating costs and return on investment**

From the beginning, supporters and non-supporters of the CLCPA have raised the issue of "who pays" and "who funds" the initiatives to achieve the objectives of the CLCPA. The focus has remained on the net benefit but does not necessarily capture cost as consumers may experience it through their energy bills. It would have

been beneficial to the Climate Action Council (CAC) to respond and provide clearer direction for issues of cost, emphasizing the return on investment in a manner that does not neglect bill impacts. A view on cost would also encourage market participation by communities, developers, economic development agencies, ESCOs and others to participate in the development of innovative climate solutions.

It is one thing to set dates and ambitious goals, but you cannot lose sight of the fundamentals. It is the fundamentals that will allow us to sustainably achieve those goals in a timely matter, to bring opportunity to disadvantaged communities, and to make a difference in ensuring any costs are diminished by a substantial return on investment. I am incredibly proud of the Climate Action Council's collaborative progress over the past three years and express my appreciation to all State staff, Advisory Group Members and fellow Council Members for the experience. My comments are intended to build toward a higher probability of achieving deep GHG reductions while establishing New York as a leader in the development of green energy supply chains, especially in disadvantaged communities. I remain committed to helping New York State meet our CLCPA objectives and fighting global climate change.

A handwritten signature in black ink, appearing to read 'Dennis W. Elsenbeck', written over a horizontal line.

Dennis W. Elsenbeck  
Climate Action Council Member