

Key Findings:

Key Open Questions:

Cross-team notes and questions:

Summary Notes:

Eric Gertler: President of New York State Development.

Keith Hayes: Senior CEO of NYPA

Prior meeting:

- Industrial emissions reduction
- Policy solutions for industrial emissions
- Discussion on policy options

Today's Meeting:

**Objective:** provide input on potential policy options to reduce industrial emissions

Role call - -

- Jason Curtis / Jason Simons: neither present
- Melanie Littlejohn: not present
- Loudes Zapata: not present
- One other was not absent

**Overview:** Climate Justice Working Group consultation discussion

- This working group was developed to identify criteria of disadvantaged communities
- Each AP has been invited to send one or more rep to the working group
  - o Meetings are on 12/2 and 12/16
- Just transition working group has created a business impacts subgroup
  - o Create a definition of EITE groups
  - o Understand how EITE impacts can be described and applied
- Subgroup adopted metrics to quantify industry emission intensity and trade exposure. Next step will be to set thresholds for emissions and trade exposure to identify which qualify as EITE. These were presented at the just transitions working group on 11.17

**Recap of Industrial Emissions:** Sources and technology to reduce

- Emissions come from 3 key sources
  - o On-site combustion ~66% of emissions
  - o On-site industrial processes ~9%
  - o Use of electricity ~ 25%
- Main sectors

- Manufacturing emissions ~66%
- Construction emissions ~33%
- Mining sector (much smaller)
- Industrial electricity use expected to increase due to electrification, but emissions per kWh decrease with renewable integration.
- Key outcomes:
  - short-term opportunities are likely from energy efficiency and electrification of low-temp industrial processes
  - Longer-term solutions require more study before they are available
  - Heterogeneity of manufacturing requires additional study

#### **Policy Options:** Emission Reduction Strategies

- Existing NYS programs:
  - Financial assistance, technical assistance, low-cost power, and workforce development are all available.
  - Seek to also prevent leakage of the industrial sector and reduce emissions
- EITE are only ~7% of state emissions
- Heterogenous nature of EITE means marginal reduction of emissions may be more costly than other areas.
- Non-incentivized reductions may cause leakages (industries leaving to other states that allow more emissions)
- Just Transition Working Group Business Impact Subgroup focusing on preventing leakages of business

#### **Policy Proposals:**

Todd Baldyga

- Industrial Financial Assistance: NYS to provide competitive funding through a carbon challenge. NYSERDA is administering the initiative. Targets larger facilities. This is different than an acquisition program
  - Challenge could provide the opportunity to drive innovation
  - Sharing case studies and examples could provide guidance if not discrete structure for EITE programming.
- Question: (Tristan Brown) How much of an impact would a policy have on financial baseline for the state? What's the ramp up?
  - Answer: funding is through the clean energy fund. It is outside the budget process.
- Question (Keith Hayes): Are there any EITE that would not be eligible for CE funding.
  - Answer: one criterion is pay-in to the public service charge.
- Question (Carlos Garcia): Can you elaborate into the equity considerations for this approach?
  - Answer: trying to address disadvantaged communities (DCs) where industrial facilities lie among DCs. Not just targeting the big ones but getting broader awareness among disadvantaged community-sited industries.
- Question (Carlos Garcia): How will you be reaching out to DCs and how will you map them
  - Definition is still under development of Disadvantaged Communities

- Kevin Hansen: until we have a definition, it's hard to say where they definitively are (this will be defined by the Climate Justice Working Group
    - Also need to have definition of the EITE thresholds
- Question: When will a definition of Disadvantaged Communities be made ready?
  - Kevin:
    - Still working through how best to measure emission intensity and trade exposure. There will be movement on that definition in Dec / Jan from the Just transitions working group, but the definition will be iterative and will continue to be updated.
- Question: (Leah VanScott): Is there an existing map that has regions of needs or other maps that can be applied or used. Any time we can use maps that have already defined these areas, the easier it makes it for everyone.
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