

July 1, 2022

Dear Climate Action Council Members,

Anew Climate, LLC (Anew) respectfully submits the following comments in response to the New York Climate Action Council's Draft Scoping Plan (Draft) and related documents.

Formed through the combination of Element Markets and Bluesource in February 2022, Anew is one of the largest climate solution companies in North America and, through its legacy companies, has a successful track record within the renewable natural gas, low carbon fuels, electric vehicle credits, emissions credits, carbon credits, and renewable energy credits markets.

We commend the work of the Council and other key agencies tasked with drafting this important plan and maintaining New York's leadership position in the fight against climate change. Once complete, the Final Scoping Plan will be the state's most comprehensive document aimed at providing a pathway toward reducing greenhouse gas (GHG) emissions and achieving the broader social and environmental goals required by the Climate Leadership and Community Protection Act (CLCPA).<sup>1</sup>

We appreciate the comprehensive vision and detailed sector and cross-sector strategies outlined in the Draft, and the inclusion of a broad array of GHG reduction solutions throughout. We firmly believe that the key to global decarbonization and climate progress does not rest in a single tool or technology, but rather on the seamless application of a network of solutions that, accompanied by thoughtful regulation, can create market signals to expand investment in renewable energy projects, correctly price in the social cost of carbon across our economy, and drive demand-side GHG reductions alongside revenues for priority non-climate environmental issues, including racial and social equity.

We respectfully highlight the following points and suggestions for the Council's consideration as the Draft and sector strategies for transportation, electricity, buildings, and industry are finalized:

• Renewable natural gas is a highly versatile and important near-term decarbonization strategy as it can be used for all applications that currently utilize geologic energy sources, including those that may be eventually electrified, because a large demand for conventional gas remains and the renewable natural gas industry is still nascent. In addition, natural gas should also be assessed as a long-term strategy for applications not well-suited to electrification (e.g., long-haul trucking and some hard-to-abate sectors). We note that the Draft does not clearly articulate

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<sup>&</sup>lt;sup>1</sup> https://www.nysenate.gov/legislation/bills/2019/S6599

what policies should be used to incent the development and use of renewable energy sources and strongly encourage further clarification on these policies and incentives.

- The most critical policies that will drive renewable energy development include a Clean Fuel Standard (CFS) in the transportation sector and a Renewable Gas Standard (RGS) or Clean Heat Standard (CHS) requiring utility procurement of renewable energy. Both are effective market-based and technology-neutral approaches to decarbonize heavy-emitting sectors, as well as essential and proven policy tools that will accelerate the transition to a clean economy, reduce greenhouse gases and other pollutants to fight climate change and improve the health of communities in New York. We strongly recommend the swift adoption of such policies in New York, which will build on the successful models of states such as California and Oregon.
- We support both economy-wide Carbon Pricing (using the Draft's terminology to mean a fixed carbon price) and Cap-and-Invest policies.
- We note that the Draft's underlying analytical work utilizes an accounting approach that is not
  required by statute and is unlikely to create the correct incentives for maximizing the GHG
  reductions associated with bioenergy. We strongly encourage the Council to consider utilizing
  the lifecycle analysis approach, as programs built on this approach are more likely to produce
  better incentives for biofuels and bioenergy.

We stand ready to deploy renewable energy products and other technologies in New York that will reduce GHG emissions, diversify energy supply, achieve broader environmental and social benefits by improving waste and natural resource management, and sequester carbon. We commend the Council for leading the drafting of this Scoping Plan and look forward to continued collaboration as New York progresses on its journey to economy-wide decarbonization.

Sincerely,

Angela Schwarz Chief Executive Officer Anew Climate, LLC