

Draft Scoping Plan Comments

NYSERDA

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Albany, NY 12203-6399

RE: New York Climate Action Council Draft Scoping Plan Public Comment

Guardian Glass LLC (Guardian) respectfully submits the following comments on the New York Climate Action Council Draft Scoping Plan (NYSP) that was opened for public comment on January 1, 2022.

About Guardian

Guardian, a global company headquartered in Auburn Hills, Michigan, employs 18,000 people and operates facilities throughout North America, Europe, South America, Africa, the Middle East, and Asia. Guardian companies manufacture high-performance float, coated, and fabricated glass products for architectural, residential, interior, transportation, and technical glass applications, and high-quality chrome-plated and painted plastic components for the automotive and commercial truck industries. Guardian's vision is to create value for customers and society through constant innovation using fewer resources. Guardian's flat glass products can be seen in some of today's most impressive buildings, including San Francisco's Sales Force Tower, New York's One World Trade Center, and Dubai's Burj Khalifa.

Our History in New York

In 1998, the company opened an 850,000-square-foot float glass (referred to as flat glass) facility in Geneva (Geneva Facility), New York. Today, the Geneva Facility employs more than 250 workers, including manufacturing operators, technicians, mechanics, process and project engineers, and support staff. In addition, as a critical business in the local community, the plant is responsible for creation of hundreds of indirect jobs through suppliers, contractors, and others. The Geneva Facility produces float clear glass, thick glass, coated glass, tempered glass, and cut-size glass.

Guardian's Environmental Leadership

The Geneva Facility is New York State's (NYS) only flat glass manufacturing facility, producing several hundred tons of glass per day. As part of Guardian's commitment to the environment, we have taken responsible steps to upgrade the energy efficiency of the flat glass manufacturing process at the Geneva Facility as required by NYS, with a new, energy-efficient furnace that was installed in 2018. As another example, roughly 20% of the glass produced at the facility utilizes recycled materials.

Guardian believes that environmentally responsible building is the right thing to do, and the company is proud to be a member of the U.S. Green Building Council – a coalition of building industry leaders that promotes and creates environmentally responsible structures. Energy-efficient glass manufactured at the Geneva Facility is used in homes and offices across New York, as well as wider region, reducing their energy consumption for heating and cooling. This glass contributes meaningfully to New York's goal, as outlined in the NYSP, to reduce carbon emissions in the building sector.

Guardian is committed to the efficient use of natural resources while operating in a way that protects the safety, health, and well-being of its employees, customers, the environment, and society. To support this effort, Guardian produced an Environmental Product Declaration (EPD), which is a verified and registered document that communicates transparent information about the life-cycle environmental impact of a

product. Guardian EPDs are developed specific to the region where the glass is manufactured. By publishing EPDs, Guardian endeavors to support architects and designers who strive to understand the sustainability profiles of the buildings they design. The information provides the means to achieve credits in global green building rating systems, such as LEED® and BREEAM®. The EPD for Guardian's Flat Glass Products can be accessed here: [EPD Flat Glass Products, Guardian Glass](#).

New York Climate Action Council Draft Scoping Plan Targeted Comments

Guardian's Geneva Facility is heavily invested in NYS and will be directly impacted by any emissions reduction programs built out by the State. The following sections will outline Guardian's targeted comments relating to the draft NYSP.

Energy-Intensive, Trade-Exposed Designation for Industry

Guardian's process is Energy Intensive and Trade Exposed (EITE) and has accurately been recognized as a hard to decarbonize, EITE industry within the NYSP. The Geneva Facility's CO₂ emissions are mainly process emissions generated by the calcination of raw materials and combustion of clean natural gas to supply heat for the calcination process. Guardian's Geneva facility currently operates best-available technology at its lowest possible emissions intensity.

Guardian is supportive of the Climate Action Council providing EITE designations for hard to decarbonize manufacturing industries located in the State. EITE designations will provide sectors, like the flat glass manufacturing sector, with efficient and effective tools to reduce emissions while continuing to supply high-quality flat glass products.

Flat glass manufacturing (NAIC 327211), like the production of cement (327310), is produced by the calcination of raw materials in an extreme heat condition (chemical conversion). In each batch, there is minimal raw material preparation prior to calcination. Also, aside from sorting, storing, and packaging, little is required in the process before final product shipping. Therefore, the majority of each respective manufacturing type's CO₂ emissions are comprised of necessary process emissions resulting from the high-temperature conversion of raw materials, or calcination.

Of the raw materials, 31.2% are carbonates (soda ash, dolomite, and limestone), which are the same raw materials used to manufacture cement using its respective calcination process. Due to the similarities in manufacturing processes between flat glass and cement manufacturing, Guardian requests that flat glass receive a similar EITE designation.

Trade Exposure

Guardian is concerned with the current process for calculating trade exposure and the data limitations of using only United States (US) international trade statistics. As stated on page C-8 of *Appendix C: JTWG Recommendations to the Council on Measures to Minimize the Carbon Leakage Risk and Minimize Anti-Competitiveness Impacts of Potential Carbon Policies and Energy Sector Mandates*: "trade intensity, or trade exposure, was defined as the ratio of an industry's cross-border trade activity." Moreover, the data is sourced from the *U.S. International Trade Commission (2018)*, which only utilizes the US-wide international import and export data and does not account for inter-state trade.

Guardian would like to highlight that flat glass manufacturing is significantly more trade-exposed to flat glass coming from other US states than from foreign countries. Out-of-State competitors with no equivalent climate policies could compromise the competitive edge of made-in-NYS products. This could

be damaging to New York's economy and counter-productive to reducing global greenhouse gas emissions. I.e., NYS imports of flat glass from other states typically would yield a net increase in greenhouse gas emissions when compared to in-state production. Guardian requests that NYS recognize that inter-state trade must be factored into the trade exposure calculation alongside international trade and weighted accordingly.

In *Appendix C*, it is also stated that "the barriers to moving [goods] across state lines are much lower than those involved with moving across international borders." The Climate Action Council states that NYS should consider the risk of inter-state leakage; the data used in the current trade exposure calculation does not capture this risk. Guardian would be pleased to work with the Climate Action Council and Just Transition Working Group to support the establishment of robust inter-state trade data. By working with industrial facilities across NYS, while leveraging available economic and trade data, a more accurate trade exposure calculation can be established. As a result, EITE designations will be more representative of NYS industrial trade exposure realities, giving the State the information needed to design effective policies whilst minimizing carbon leakage.

Incentivizing Decarbonization of Industry – Key Sector Strategies

Guardian appreciates the Climate Action Council's recognition that the industrial sector is confronted with many barriers and other challenges in implementing emissions reduction strategies. In the following section, Guardian will review certain sector strategies and provide targeted comments on how the programs can be designed to mitigate significant risk of carbon leakage and negative effects on the economy.

1. Financial and Technical Assistance

One of the key challenges that Guardian and the flat glass sector are facing is reducing the carbon emissions associated with making, using, and recycling glass. Our customers and, more importantly, the end-users are demanding this, which is compounded by the need to stay competitive. To ensure efficient use of limited resources and maximize outcomes, Guardian requests that any financial and technical assistance opportunities offered by the State be designed in an inclusive manner to ensure all decarbonization opportunities are eligible, preferably by measuring and prioritizing assistance on a 'lowest cost per ton avoided' basis, across all sectors. As mentioned above, Guardian has already made energy-efficient changes to the Geneva Facility by installing a new, high-energy furnace in 2018. The current furnace has an expected lifespan of 15-22 years. With Guardian recently replacing the furnace to meet new regulations, any additional technological changes at this time could be cost-prohibitive. Financial and Technical assistance, as well as recognition of the current business cycles, are important to ensure Guardian remains competitive in NYS. Other emerging technologies in the flat glass industry are currently beyond efficient business operations, but Guardian will support the continued assessment of reasonable and accessible opportunities as they arise.

2. Low Carbon Procurement

In the development of low carbon procurement standards and opportunities, Guardian requests that the procurement rules are wholesome. This means recognizing emissions reductions and reduced embodied carbon content through the whole life cycle of a given product: from production to final use and recognizing the benefits of recycling products after use. It is also important that the procurement rules recognize lower-carbon technologies and fuels already in use at facilities.

3. *Research, Development, and Demonstration (RD&D)*

There are certain longer-term opportunities that exist to support the decarbonization of the flat glass sector, however, the costs of implementing these technologies are prohibitive. Guardian requests that any grants or other incentives targeting RD&D be inclusive of all technologies and sectors. Guardian also requests that timelines for implementing new and innovative technologies be realistic and recognize the natural business cycle and current life span of existing investments in a facility (i.e., flat glass kiln life span averages 15-20 years).

4. *GHG Reporting*

Guardian would be pleased to support the development of a reporting system that collects the most relevant GHG data from New York industry and synergize the program with the US EPA's Greenhouse Gas Reporting Program (GHGRP). This action will enhance the efficiency of the program and avoid unnecessary administrative burdens on participants of the NYS GHG reporting system.

5. *Economic Incentives*

Guardian would like to reiterate our comments above regarding future financial and technical assistance opportunities and low carbon procurement directives. As Guardian's Geneva Facility is the sole flat glass producer in the State, we request that opportunities be provided on a competitive basis to all sectors, based on the least cost per ton avoided, and that these opportunities are extended to smaller, less represented sectors. We believe it is important that economic incentives for attraction, expansion and retention projects recognize the full lifecycle of a product and provide early action credit incentives.

Recommendations

Guardian looks forward to working with the Climate Action Council and State to reach a fair and reasonable resolution to the issues outlined in this submission. A summary of Guardian's recommendations is listed below.

1. Regarding EITE designations and thresholds, flat glass manufacturing should receive the same designation as similar New York EITE industries, such as cement manufacturing, due to the similarities in manufacturing processes.
2. Regarding trade exposure calculations, Guardian requests that the Climate Action Council work with industry to develop robust inter-state trade data to support an updated trade exposure calculation.
3. When considering financial and technical assistance, procurement directives, and economic incentives, we request that emission reduction incentives are available for the full lifecycle of a product (i.e., innovative recycling methods) and that any incentives are awarded based on a least-cost per ton avoided metric, regardless of sector.
4. When considering financial and technical assistance, procurement directives, and economic incentives, Guardian requests that the Climate Action Council work with industry to define what is considered early action and how credit is allocated.
5. Regarding RD&D strategies, Guardian requests that all sectors are included in grants or other incentives targeting RD&D to ensure maximum opportunity.

6. Regarding RD&D strategies, Guardian requests that timelines for implementing new and innovative technologies be realistic and recognize the life span of existing equipment.
7. When developing a GHG reporting system in NY, Guardian requests that the system does not create an additional administrative burden on top of what is required by the US GHGRP.

Sincerely,

Nathan Filiatrault