

December 19, 2022

*Statement from Hope Knight
Commissioner of the Department of Economic Development
and President and CEO of Empire State Development
on the Climate Action Council Scoping Plan*

I am proud to vote today in favor of adopting the Climate Action Council’s Scoping Plan. This is an important and exciting moment for New York State, and I would like to acknowledge the exceptional leadership of our co-Chairs, the active and informed participation of the members of the Council, and the tremendous amount of time and effort that the co-Chairs, the Council members and the staff have put into this project.

As Commissioner of the Department of Economic Development, and President and CEO of Empire State Development (ESD), I am pleased that the Scoping Plan recognizes that economic development and the decarbonization of our economy go hand in hand. This Plan builds on the work that Empire State Development is already doing in this area while challenging us to do more.

The Plan is sensitive to the needs of our existing industries and recommends an incentive-based approach. Recognizing the need to prevent leakage of jobs and emissions to other jurisdictions, the Scoping Plan calls for incentives to help firms adapt. And beyond that, low-carbon procurement efforts by the State are proposed to reward firms that lower their emissions. Capital needs can be a significant barrier to decarbonization, and ESD will continue to strategically operate capital access programs (loans, grants, tax credits, venture investments) to incentivize industry in exchange for investment or job commitments. Some sectors will require innovation to help speed decarbonization. We will also provide tools to help create and scale needed technologies. For example, ESD’s Division of Science, Technology, and Innovation encourages greater collaboration between private industry and universities in the development and application of new technologies, including alternative energy systems. Another relevant ESD program is New York Ventures, the State’s innovation venture capital fund, which provides seed and early-stage venture capital funding to support and attract new high-growth businesses. These programs will help to ensure New York’s economic strength as we move toward rapid decarbonization.

In alignment with the Scoping Plan’s goals, and through programs like Green Excelsior, ESD is already working to ensure that the technologies we need to fight climate change are built right here in New York – creating jobs and business opportunities that are

accessible to all New Yorkers. We are heartened by the explicit goal of the Plan to build out a robust clean technology supply chain in New York. As one example, ESD is among the agencies specifically tasked to attract businesses that develop and manufacture Zero Emissions Vehicles (ZEVs), ZEV components, and ZEV-supportive products. Economic development opportunities such as these can leverage New York's leadership on ZEVs to attract companies to locate in the largest committed market for ZEVs on the East Coast. Many clean technology supply chain projects are already under active development. In Western New York, we provided tax incentives to Arvos Ljungstrom to pivot its business from servicing fossil fuel equipment to the needs of the offshore wind industry, making it possible for Ljungstrom to win part of an \$86 million contract from offshore wind developer Orsted. We anticipate that this investment will create at least 100 jobs. And in the Finger Lakes, we helped Li-Cycle, a Canadian company that collects and recycles lithium ion batteries, to expand into the State. Valuable materials from discarded batteries will be reclaimed and put into a form usable for the production of new batteries, helping New York and the rest of the country with energy security. This project will create over 250 jobs in the region. As the State moves to deploy clean energy, ZEVs, innovative building systems, and other tools to fight climate change, we are presented with a once-in-a-generation opportunity for significant job growth here in New York – and we are taking that opportunity.

As ESD stands up the State's new Office of Strategic Workforce Development, the clean energy job opportunities recognized in the Plan will help to further guide our job training efforts. Workforce development to support the kind of training our workers need to implement and benefit from the Plan is strongly emphasized in the document. We believe we are well positioned to work across government to help provide training in manufacturing, clean electricity generation and transmission, building decarbonization, and other sectors covered by the Plan. And, as with all investments, we will work to ensure that we meet the equity requirements of the Climate Act.

ESD is working to align economic development incentives with a low-greenhouse gas future. Our Green CHIPS program is setting a nation-leading standard for economic development that prioritizes good jobs and a clean environment. The program requires semiconductor producers not only to invest in the local community but also to lower the GHG emissions associated with semiconductor manufacturing. The draft sustainability standards for the program draw on the language of the Scoping Plan to go beyond the manufacturing process to address other emission sources associated with the business – including, for example, a requirement to incentivize alternative forms of transportation for both the firm and its employees. Green CHIPS is the type of program that will help New York succeed economically while promoting climate action.

We look forward to working with our sister agencies and the private sector to implement this Plan - reducing greenhouse gases, creating and keeping good jobs in New York, building out the workforce we need for the jobs of the future, and doing all of that in a way that ensures equity, particularly for those in Disadvantaged Communities. The Scoping Plan is a guidebook to creating a strong economy AND a healthy environment, and I am proud of the work we have done to produce this important document.