

GOVERNMENT RELATIONS

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ALL-ELECTRIC BUILDINGS IN NEW YORK - WHAT'S POWERING THE DEBATE?



The Climate Action Council's (CAC) Draft Scoping Plan, released late last year for public comment, is a framework for how New York state plans to reduce economy-wide greenhouse gas emissions 85% by 2050, and reach 100% zero emissions electricity by 2040. Part of this plan would oppose a ban on the use of gas in new building construction. A virtual Assembly Hearing on the feasibility of all-electric buildings was held in May for individuals and groups to share their testimony. Meanwhile, some New York lawmakers also have introduced state legislation that would enact the "all-electric building act" to prohibit infrastructure, building systems, or equipment used for the combustion of fossil fuels in new construction statewide.

If you would like to share your thoughts on this all-electric building proposal, I encourage you to submit written comments on the CAC Draft Scoping Plan during the public comment period, now through June 10, 2022. For more information or to submit your comments, visit <https://climate.ny.gov/Our-Climate-Act/Draft-Scoping-Plan>.

Please see the following remarks I submitted on behalf of MACNY to the Assembly Standing Committee on Energy, Assembly Standing Committee on Governmental Operations, Assembly Standing Committee on Environmental Conservation, and Assembly Climate Change Work Group. MACNY President & CEO, Randy Wolken, also testified on the overall CAC Draft Scoping Plan, at a regional in-person hearing.

Testimony Presented to: Assembly Standing Committee on Energy, Assembly Standing Committee on Governmental Operations, Assembly Standing Committee on Environmental Conservation, and Assembly Climate Change Work Group.

My name is Tiffany Latino-Gerlock, and I serve as the Director of Government Relations and Communications for MACNY, the Manufacturers Association of Central New York. MACNY represents more than 300 manufacturing companies and businesses located throughout the Central/Upstate New York region. Thank you for the opportunity to testify on behalf of MACNY and our members concerned with the proposed implementation of all-electric requirements in new commercial construction.

We recognize and respect the purpose of the carbon reduction targets set by the CLCPA to include the consideration of all-electric construction for certain commercial buildings. However, this ambitious goal would pose significant technical and financial challenges for many businesses, especially tech and manufacturing companies. We are concerned that direct and indirect costs associated with such a transition would place additional financial and operational burdens on manufacturing companies and other businesses in New York already navigating the challenges of the COVID-19 pandemic, as well as inflation.

A recent study from the Urban Green Council analyzed the potential costs of retrofitting existing buildings in New York City. To reduce carbon emissions by over 35% – a scenario considered in the analysis – the cost per square foot for retrofitting a commercial building would be about \$17 to \$20 per square foot - at today's prices. A separate study from the New Buildings Institute analyzed the potential cost of building new all-electric residential and commercial buildings and found that a medium-sized building would cost an additional \$12 per square foot, after accounting for the cost savings attributed to decarbonization. These likely are conservative numbers of what the actual cost would be for manufacturing facilities in Upstate.

Furthermore, if natural gas is eliminated, energy availability and reliability will be significantly constrained as natural gas is a resilient energy source providing base power when renewables are not available. A move to all-electric heating and equipment could leave New Yorkers at the mercy of a power grid that is increasingly reliant on intermittent renewables. This would be serious in a cold, heat-dominated climate such as Upstate New York. Due to frequent disruption of electricity distribution, moving the state to electric heat also could have the unintended consequence of incentivizing consumers to purchase and use backup generators, which often can be loud, costly, and even dangerous. We hope legislators and policymakers consider that natural gas would provide a diverse and reliable fuel mix, while facilitating the state's energy transition.

MACNY and its members are committed to a careful and effective implementation of the CLCPA that protects both the environment and commercial and industrial businesses that fuel New York's economy. An all-electric requirement for manufacturers would cause companies to rethink expansion here in New York and/or force them to look outside of the state to relocate operations.

We would like the state to be more upfront with residents and businesses on the costs associated with a rapid transition, such as the impact on electric power costs resulting from planned investments in renewable energy resources. Also, the availability and quality of the power needed for industry has not been studied. We should consider all fuel and technology options and the possibility of carbon leakage from industry moving out of New York state. Now is the time to consider what impacts the all-electric building requirement will have on New York manufacturers and consumers alike. MACNY requests a comprehensive and on-going study conducted on the potential impacts of implementing the elements of the Scoping Plan – one that would consider costs, technology, and necessary transition times so businesses and consumers can respond effectively.