Empire State Forest Products Association

The people behind New York's healthy forests and quality wood products
www.esfpa.org

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Memorandum of Support

A 6039/S 6030

Honorable Didi Barrett
Member of Assembly
724 LOB
Albany, NY 12247

Honorable Kevin Parker
Senator
504 Capital
Albany, NY 12248

April 4, 2023

Dear Assemblymember Barrett and Senator Parker:

The Empire State Forest Products Association is writing to support **A. 6039/S. 6030** which would amend the Climate Leadership & Community Protection Act (CLCPA) as it relates to greenhouse gas emission accounting systems and would align New York's climate emissions accounting with international, federal, and other state emissions accounting.

The Empire State Forest Products Association (ESFPA) represents over 350 member businesses, industries and landowners engaged in forest resource production and stewardship of New York's 19 million acres of forest. In total, $22.8 billion dollars in annual industry production and nearly 100,000 jobs are attributable to operations of various industries within the forest related sectors. There are over 200,000 private forest landowners who also depend on sound forest and timber management and production to help them keep their forests as forests.

When the CLCPA was enacted in 2019, it included a way of greenhouse gas (GHG) emissions accounting that differs from the scientific standard used by the Intergovernmental Panel on Climate Change (IPCC), over 120 countries around the globe, the federal government and other states with climate acts, most notably California, Washington and Oregon. In addition, no cost analysis was completed at that time, and today the economic circumstances facing New Yorkers have dramatically changed. As it stands today, the CLCPA emissions accounting mandate is certain to be a driver of future costs for New York families and businesses.

The Governor has set the stage for aligning GHG emissions accounting with the IPCC in outlining a Cap & Invest program in her budget, and **A. 6039/S. 6030** has proposed changes to the CLCPA to make this alignment while still maintaining the emission reductions targets of 40% by 2030, 85% by 2050 and a more robust means of achieving net-zero emissions by 2050. This legislation provides a rational foundation for advancing this transformation to fight climate change in a way that is affordable to New Yorkers, maintains our commitments to the CLCPA emission targets, enables us to meet the commitments of the 2015 Paris Climate Accords, and minimize the costs of achieving our mandated goals.

To achieve the enacted Climate Leadership & Community Protection Act's targets, this legislation:

- Amends New York's emissions accounting methodology to one using a one-hundred-year global warming potential (GWP100) timeframe as opposed to a twenty-year (GWP20) standard. This brings New York in line with the IPCC, other countries, other states, and the federal government. It also brings New York back to the emissions standard it used for years prior to enactment of the CLCPA.
- It requires using a life-cycle based assessment of utilizing the Argon GREET (greenhouse gas, regulated emissions, and energy Use in technologies) model for all systems resulting in greenhouse gas (GHG) emission sources in the state, including the relative contribution of each type of GHG and each type of source to the statewide total. Accounting measures that are required under the 2022 Inflation Reduction Act (IRA).
- Includes in the state emission inventory emissions related to the production and transmission of biofuels into the state.
- Excludes from the state's GHG inventory biogenic CO2 emissions from the combustion of biomass and biofuels, which is consistent with IPCC, the GREET model and other state emissions reporting.
- It makes minor changes to the CLCPA alternative compliance mechanism (carbon off-sets) by eliminating the requirement that offsets be within 25-miles from the offset source.

New York's consumers and potential workforce would be negatively impacted if the CLCPA accounting is not aligned with the IPCC based accounting system. Absent alignment with the IPCC and federal government 's GHG accounting system, New York may be unable to:

- Leverage private sector investment in new clean bio-based energy production with federal IRA financial and tax credit incentives which could entirely off-set most of the costs associated with producing clean fuels in New York.
- Miss over 60,000 good paying jobs covered by IRA prevailing wage and apprenticeship requirements that would largely benefit upstate rural communities.

In addition, the continued use of the existing CLCPA emissions accounting system will substantially increase the cost of reducing GHG emissions compared to an IPCC aligned system. These added costs bring no additional benefits to New York's decarbonization commitments under the CLCPA or the international Paris Climate Accords.

The impact of these choices will be felt primarily by New York ratepayers, consumers, and business and industry. Fighting climate change will not work if New Yorkers and businesses can't afford it. New York's businesses, particularly potential investors in clean renewable fuels, will not invest in New York if we make it more expensive and difficult to do business here. Existing New York businesses are struggling financially and economically, and adding unnecessary costs at this vulnerable time will only lead to leakage of jobs and investment out of New York.

The reality is we can advance the CLCPA transformational fight to address climate change in a way that is more affordable and effective while still maintaining climate smart goals. We need to do it, however, in a way that makes financial and economic sense and aligns New York in a way that enables us to compete on a level playing field nationally and internationally.

For these reasons ESFPA supports the adoption of **A. 6039/S. 6030**.

For More Information Contact:
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cc: Assembly Environmental Conservation Committee Members
Assembly Energy Committee Members
Senate Environmental Conservation Committee Members
Senate Energy & Telecommunications Committee Members