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THE ASSEMBLY
STATE OF NEW YORK
ALBANY

RANKING MINORITY MEMBER
Committee on Social Services

COMMITTEES
Alcoholism and Drug Abuse
Governmental Operations
Health
Housing

MEMORANDUM

May 10, 2019

To: American Democracy Project Students

Re: A-3876 Climate and Community Investment Act

Several students participating in the American Democracy Project have sent me post-cards supporting Assembly Bill A-3876, the Climate and Community Investment Act. Climate change is a very important issue facing our world, and we need to be proactive in reducing greenhouse gases and promoting a sustainable environment.

The proposed Climate and Community Investment Act envisions unilateral action by New York State, which alone produces a very small percentage of worldwide greenhouse gases. To maximize the reduction in greenhouse gases, New York State should work *in partnership* with neighboring states to increase environmental standards throughout the entire northeast and with the federal government to increase nationwide standards, thus increasing the effectiveness of these restrictions and reducing the likelihood that businesses will simply relocate to neighboring states with lower emission standards.

Recognizing that a substantial portion of worldwide greenhouse gases are produced in China and other foreign nations with little or no environmental standards, the federal government should also consider imposing a carbon tax on these imports, and use the resulting funds to offset their cost of purchasing U.S. manufactured pollution control equipment. Such an approach would result in lower worldwide greenhouse gas emissions, provide a more fair and competitive playing field for U.S. manufacturers, and provide more opportunities for U.S. workers.

Unfortunately, the *actual language* of the Climate and Community Investment Act also creates several serious issues that could dramatically increase the cost of constructing alternative green energy, reduce the economic viability of green energy, result in higher overall greenhouse gas production by forcing some manufacturers to relocate in other jurisdictions with lower environmental standards, and create serious problems for many New York State residents. As is sometimes the case, the devil is in the details.

The Climate and Community Investment Act would eliminate 65% of all greenhouse gas emissions in New York State by 2035 and 100% of greenhouse gas emissions by 2050. These standards are based only on *gross* greenhouse emissions not *net* greenhouse gas levels, and thus fail to take into account those greenhouse gases that are absorbed by the natural environment through plant and tree photosynthesis and other natural processes.

By eliminating all New York greenhouse gas emissions, the Climate and Community Investment Act would also inadvertently eliminate many new green energy projects because these projects themselves involve the creation of greenhouse gases during the construction phase. For example, a typical windmill requires several tons of steel for the tower and about 60 truckloads of concrete for the

base. The mining, smelting, manufacturing, and transportation of the steel and concrete involve significant greenhouse gases, and the preparation of the windmill site typically involves the destruction of all the nearby trees, substantial earthwork, the construction of access roadways and related infrastructure, and the construction of new electrical transmission facilities. Likewise, the manufacturing and installation of solar panels involves a significant environmental footprint.

The elimination of all greenhouse gas emissions would also result in the elimination of a significant portion of the agricultural production in New York State because the plowing of fields releases methane and other greenhouse gases, the recycling of manure and composting of plant material releases greenhouse gases, cows and other livestock naturally produce methane, and other aspects of agricultural inherently produce greenhouse gases.

Retrofitting residential home heating systems can be extremely costly, especially for senior citizens and others on a fixed income. Although electric vehicles produce no emissions while operating, the manufacturing of these vehicles involves a substantial environmental impact. A recent study, for example, concluded that the production of the lithium battery for an electric car creates 73-98 grams of carbon-dioxide per kilometer when amortized over the life expectancy of the battery. The prohibition on all greenhouse gases could have serious implications for interstate rail service, airlines, trucking companies, and other interstate commerce.

To reach its greenhouse gas limits, the Climate and Community Investment Act envisions imposing substantial carbon taxes on manufacturers and others. These taxes would exacerbate New York's reputation as one of the highest taxed states in the nation, and would result in even more manufacturers and other employers relocating to other states where taxes (and environmental standards) are lower. In addition to hurting the New York economy and resulting in the loss of employment for thousands of New Yorker residents, this process can inadvertently result in higher (rather than lower) overall greenhouse gas emissions to the extent that neighboring states have lower environmental standards. For example, one reason why the new state-of-the-art NRG plant in Dunkirk was scrapped is because dirty power from an older coal-powered generating plant in Homer City, Pennsylvania can be imported at a lower cost.

In addition to these negative environmental impacts, the Climate and Community Investment Act includes expensive labor requirements that would dramatically increase the cost of constructing green energy projects by requiring wage rates that typically run about 25% higher than local competitive market wage rates and by requiring project labor agreements that effectively reduce competition by precluding non-union contractors. These costly requirements would reduce the affordability of green energy projects and encourage even more importation of cheaper "dirty" power from other States.

While the actual language of the Climate and Community Investment Act suffers from serious issues, I look forward to working with my legislative colleagues and others in supporting broader and more effective approaches to reducing global warming.

I welcome your thoughts and comments!

With Best Regards,
Andrew Goodell