



119 Washington Avenue, Suite 103
Albany, NY 12210
518.432.1405
info@aceny.org | www.aceny.org

February 1, 2021

VIA ELECTRONIC FILLING

Transportation Advisory Panel
c/o Abigail Schultz
6th Floor, Room 6N23
50 Wolf Road
New York State Department of Transportation
Albany, New York 12232

Re: **Policy recommendations for the consideration of the Transportation Advisory Panel
of the Climate Action Council**

Dear Ms. Shultz,

The Alliance for Clean Energy New York (ACE NY), on behalf of itself and Advanced Energy Economy (AEE), submits policy considerations to inform the work of the Transportation Advisory Panel and advance the transition to a clean transportation sector in New York State.

ACE NY is a not-for-profit membership organization with a mission to promote the use of clean, renewable electricity technologies, energy efficiency, and the electrification of transportation in New York State, in order to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution.

AEE is a national industry organization committed to transforming public policy to enable rapid development of advanced energy businesses which encompass a broad range of products and services including renewable energy generation, electric vehicles (EVs) and biofuels. AEE's unique systems approach offers policymakers a path to meeting ambitious goals including clean power and transportation electrification.

Respectfully Submitted,

Deb Peck Kelleher
Director, Policy Analysis and Operations
The Alliance for Clean Energy New York



Policy recommendations for the consideration of the Transportation Advisory Panel

Alliance for Clean Energy New York Advanced Energy Economy February 2021

The Alliance for Clean Energy New York (ACE NY) and Advanced Energy Economy (AEE)¹ recognize and appreciate the role of the Transportation Advisory Panel (the “Panel”) in developing proposed strategies to meet the emissions reduction goals of New York’s climate law, the Climate Leadership and Community Protection Act (CLCPA). Transportation is the largest source of greenhouse gas emissions in the state, contributing over one-third of total emissions making the transportation sector, more importantly, the electrification of the transportation sector is critical to meeting the goals set forth in the CLCPA.

The transportation sector has many opportunities to reduce emissions, and is in need of a comprehensive legislative and administrative framework that will make the goals under the CLCPA achievable and accelerate the adoption of zero-emission vehicles (ZEVs) in the state. New York must be strategic about the policies it chooses to pursue to accelerate the adoption of ZEVs as it will maximize the positive effects of said policies. Moreover, policies should address what many consumer surveys have shown to be major barriers to electric vehicle (EV) adoption, including a shortage of charging infrastructure, a lack of consumer awareness, higher upfront vehicle costs, and a lack of available models. With time, some of these are improving, but there are things that the state can and should do now to break down these barriers, increase EV deployment, and ultimately, put New York on track to meeting its ambitious emissions reduction goals.

On behalf of our member companies, ACE NY and AEE respectfully submit the following recommendations and strategies for the consideration of the Panel to advance the transition to a clean, resilient and equitable transportation sector in New York State. These recommendations and strategies answer the questions of initial priorities, and policy and funding options that the Panel needs to take into account to accelerate emissions reductions and zero-emission vehicles adoption.

We also note that this is not a comprehensive list of recommendations and strategies to achieve the full decarbonization goals for the transportation sector, but are the high priority initiatives supported by ACE NY and AEE member companies that will help address the barriers listed above:

1. Endorse Legislative Proposals to Stimulate the Electric Vehicle Industry.

ACE NY and AEE support the Panel’s focus on regulatory policies that stimulate market development and investment in electric vehicles and infrastructure in the state. Below, we list several specific legislative initiatives that the Panel could endorse and recommend to the

¹ Advanced Energy Economy, <https://www.aee.net/about/aee>



Climate Action Council. Further, it is our belief that this list of legislative proposals is ripe for introduction and passage in New York's 2021 legislation session:

- **Clean Fuel Standard.** We urge the Panel to endorse the adoption of a clean fuel standard such as [S.2962 of 2021 \(Parker\)/A.862 of 2021 \(Woerner\)](#) as it will reduce the carbon intensity of transportation fuels while also achieving air quality benefits. Under this policy, entities must meet the standard by producing or purchasing low carbon fuels. Switching to low carbon fuels achieves carbon dioxide emissions and co-pollutant reductions from the sector, especially in the short-term. The clean fuel standard will encourage transportation innovation as well as investment and sustainable funding for electric vehicles. There is no cost to New York State's General Fund from this policy. A similar policy has been utilized successfully in California² and Oregon³ for a number of years. Moreover, the clean fuel standard structure could also be extended to other jurisdictions such as Canada, Washington, Massachusetts, and the Mid-Atlantic states of the Regional Greenhouse Gas Initiative.⁴
- **Reform Electric Rates to Support Electric Vehicle Charging.** The Panel should recommend rate reform legislation such as [S.8210 of 2020 \(Kennedy\)/A.9875-A of 2020 \(Cusick\)](#), which amends the public service law to require utilities to establish an electric vehicle charging commercial tariff, especially for fast chargers, to allow customers to purchase electricity utilizing flexible and alternative billing systems for recharging eligible electric vehicles. This rate reform makes it easier and attractive for individual New Yorkers and fleet managers to afford and fully maximize use of their EVs. In addition, this policy would have no cost to New York's General Fund.
- **Allow the Direct Sale of Vehicles.** We strongly urge the Panel to endorse legislation allowing manufacturers of only electric vehicles to sell their EVs in New York at retail locations. Presently, there is a statewide cap certifying only five retail locations for manufacturers to sell their EVs directly in New York, all of which are currently located downstate. ACE NY and AEE support legislation like [S.1763 of 2021 \(Kaminsky\)](#), which removes the ceiling on the number of certificates of registration, enabling entities who manufacturer or assemble only zero-emission vehicles to open their own direct sales retail stores in the state. This change would have no cost to New York State's General Fund and will boost the number of EV retailers in the State, increase state and local sales tax revenues, create hundreds of new jobs, and make electric vehicles more accessible to New Yorkers.

² "Since its start in 2011 the program has generated credits representing a total reduction of 47.1 million metric tons of climate-changing gases." <https://ww2.arb.ca.gov/news/cleaner-fuels-have-now-replaced-more-3-billion-gallons-diesel-fuel-under-low-carbon-fuel>

³ "The Oregon Clean Fuels program has prevented 3.6 million tons of climate pollution, the equivalent of 778,000 tailpipe emissions over the near four years the program has been in effect, at a cost of pennies per gallon." <https://oeconline.org/cfs-march-2020/>

⁴ Regional Greenhouse Gas Initiative Inc, <https://www.rggi.org/>



- **Provide Incentives for the Purchase of Electric School Buses.** We also strongly recommend that the Panel endorse a bill that would provide financial incentives to schools for the purchase of electric school buses, and for the purchase of charging equipment and the electricity at schools. These incentives would be based on the level of financial aid that a school district received in the previous fiscal year, with higher incentives going to school districts which receive higher state aid. Furthermore, the legislation would also offer a sales tax exemption to private transportation companies that lease buses to school districts and an extension of the allowed lease term from 5 to 10 years, all meant to encourage faster adoption of electric buses by schools. In addition to reducing greenhouse gas emissions and particulate matter pollution, electric school buses are cheaper to maintain over the long-term.
- **Exempt Electric Vehicles from Sales Tax.** A sales tax exemption will support electric vehicle deployment and market development in New York. [S.3827-B of 2020 \(Metzger\)/A.6434-A of 2020 \(Fahy\)](#) exempts the sale of the first \$35,000 of battery, electric, or plug-in hybrid EVs from sales and compensating use taxes and authorizes local governments to elect to do the same.
- **Enact California’s requirements for Zero-Emission Vehicles.** The Panel should endorse a bill such as [S.2758 of 2021 \(Harckham\)](#) that would adopt California’s rules for all in-state sales of new passenger cars and trucks be zero emissions by 2035 and for 100% of medium- and heavy-duty vehicles to be zero-emission vehicles by 2045.⁵

2. Commit to the Transportation and Climate Initiative (TCI). In December 2020, Connecticut, Massachusetts, Rhode Island, and Washington, D.C. committed to move forward with the multi-state TCI initiative.⁶ ACE NY and AEE fully support New York’s continued engagement in TCI. Participating states will continue developing the detailed TCI program framework in 2021 and full implementation is expected in 2023. New York State should join this cap-and-invest program before it starts to reduce carbon dioxide emissions and pollution and generate revenues for a clean and equitable transportation sector. Modelled revenue generation⁷ in New York State would be up to \$1.4 billion for the period 2022 – 2032. Public revenues from the TCI, combined with private revenue from the clean fuel standard, can secure long-term, stable funding for mass transit, electric vehicles of all types and purposes, charging infrastructure, and biking and pedestrian infrastructure. Without this source of dedicated revenue, it is unclear how the numerous necessary recommendations to transition to a low-carbon transportation sector will be funded. The TCI program incorporates:

⁵ Executive Order N-79-20, <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>

⁶ Transportation and Climate Initiative Memorandum of Understanding, <https://www.transportationandclimate.org/sites/default/files/TCI%20MOU%2012.2020.pdf>

⁷ Based on an analysis of the TCI program using projections from [TCI 2019 Cap-and-Invest Modeling Results](#) and calculations on the average annual allowance proceeds per state undertaken by [NY for TCI](#)



- **A Strong Carbon Reduction Cap.** States involved in the program must limit carbon emissions from transportation by at least 30% by 2032. Even under an ambitious 25% carbon reduction cap, preliminary results from modelling done by an independent team of reputable universities estimate that public benefits from the TCI could amount to \$11.1 billion by 2032, preventing 4,700 childhood asthma cases and 1,100 deaths.⁸
- **Equitable Investments and Complementary Programs.** A minimum of 35% of TCI investments must be directed towards mass transit, transportation electrification and charging, energy efficiency, and other complementary programs including the aforementioned policies that equitably benefit disadvantaged communities. This is consistent with New York’s commitments to climate justice and equity under the CLCPA. The state should adopt safeguards to guarantee that these investments are not diverted or reduced. Our support for TCI does not preclude our equal support of adopting a suite of complementary policies necessary to achieve a full transition to a clean energy economy as well as ensure equitable distribution of the public health and economic benefits of that transition.
- **Transparency.** We support equity provisions to enhance transparency through annual reports on proceeds and investments, as well as reviews of the impacts of TCI including with regards to equity. Inclusive public participation and comprehensive yearly reports and reviews must provide accountability to stakeholders and serve as a mechanism to assess the performance and effectiveness of the program in reducing emissions and addressing equity.
- **Equitable Processes.** Each state must establish and support an Equity Advisory Body (or bodies) comprised of diverse stakeholders, including representation from underserved and overburdened communities. These advisory bodies will have the ability to provide recommendations and develop metrics for how and where complementary programs are directed to achieve demonstrable benefits for frontline communities and play a key role in annual reviews and reports on expenditures of TCI revenues and equity impacts. ACE NY and AEE endorse New York conducting continued community outreach and engagement to garner meaningful input from disproportionately impacted communities on TCI.⁹
- **Commitment to Labor and Workforce Development.** As jurisdictions work towards finalizing a “Model Rule” for TCI, which could be adopted into state law, inclusive, family sustaining and fair jobs with good benefits and that provide opportunities for advancement must be prioritized. TCI should also support workforce development and job training in the electric vehicle (EV) industry, targeting workers affected by the transition to clean vehicles and renewable energy, and communities in need of employment opportunities.

⁸ Transportation, Equity, Climate and Health (TRECH) Project Research Update: Preliminary Results (October 6, 2020), <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2343/2020/10/TRECHResearchUpdate10.20.pdf>

⁹ Announcement from New York and other states on TCI, <https://bit.ly/3h85oOD>



Furthermore, the TCI program should include supplier diversity goals prioritizing businesses owned by minorities, women, and veterans.

3. Other Suggested Strategies. In addition to the legislative proposals above, there are a handful of other strategies that we think are necessary to addressing market barriers.

- **Increase Availability of Funding for Electric Vehicle Incentive Programs.** The Panel should consider ways in which the state can fund existing, and new, incentive programs for light, medium, and heavy-duty EVs in a long-term and stable fashion. Currently, some of the existing incentive programs are not funded on a long-term basis. Using funds generated from programs such as the Clean Fuels Standard and the TCI, as noted above, are both viable options. These incentive programs should focus on all classes of vehicles, including privately-owned passenger vehicles, and light, medium, and heavy-duty fleet vehicles.
- **Adopt and Update Standards.** The Panel should recommend that New York both update its current Low Emission Vehicle Program,¹⁰ as well as adopt California's Advanced Clean Truck (ACT)¹¹ and Heavy-Duty Omnibus rules.¹² New Jersey recently became the first state outside of California to announce plans to adopt the ACT and Heavy-Duty Omnibus rules.
- **Commitment to Needed Charging Infrastructure for Specific Sectors.** We advise the Panel to think critically about ensuring that greater investment is directed towards expanding charging infrastructure in specific sectors, including medium- and heavy-duty fleets, light-duty fleets, workplaces, and multi-unit dwellings, to ensure that these sectors have sufficient charging infrastructure in place. These efforts may build on the investments already made by the Public Service Commission with the approved Make-Ready Program, but can also be achieved through other means.
- **Boost Public Awareness of Electric Options.** The Panel should also consider the benefits that a public education campaign on transportation electrification in the state could provide. By raising consumer awareness around EV options and the benefits these vehicles offer, New York could not only increase the usage of its many existing programs meant to accelerate EV adoption in the state, but could also ensure that all of the state's citizens feel the benefits of transportation electrification.

4. Cross Panel Topics. Like all the Technical Advisory Panels (TAPs), the Transportation TAP should address a number of topics that are also relevant to other TAPs. For example, to

¹⁰ Light-Duty Low and Zero Emission Vehicles, <https://www.dec.ny.gov/chemical/8575.html>

¹¹ Advanced Clean Trucks Regulation, <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

¹² Heavy-Duty Omnibus Regulation, <https://ww2.arb.ca.gov/rulemaking/2020/hdomnibuslownox>



ensure that the electricity powering an electrified transportation system is clean, the Panel, in collaboration with the Land Use and Local Government and Power Generation Panels, must consider efficient siting and permitting of renewable energy projects, and standardized taxation for wind and solar projects in their recommendations in order for New York to allow wind and solar projects to reach the construction phase and contribute to meeting the 70% renewable generation by 2030 goal under the CLCPA. The Panel should also work with the Energy Efficiency and Housing Panel regarding policies that promote charging infrastructure at multi-unit dwellings at scale.

New York policies to reduce carbon emissions from transportation are considerably less advanced than its policies to promote renewable electricity. It is critical that New York act quickly to implement the suite of policies mentioned here, even as more detailed plans for the transportation sector are developed over time. New York should sign on to the TCI regional program now, knowing that it will still take more than a year to analyze, develop, and implement that policy in New York. Similarly, allowing direct sales of all-electric vehicles should be authorized in the 2021 legislative session, as should the clean fuels standard, and the other bills listed above. These measures will start to open and grow the EV market in New York State right away, which is so important for continuing and growing EV adoption by New Yorkers.

ACE NY and AEE organizations appreciate the opportunity to provide input into potential policies and strategies that the Transportation Panel can consider in its recommendations to the Climate Action Council. We look forward to continuing to work with the Panel to develop strategies that achieve the state's emission reduction targets and secure a clean and equitable transportation sector future for New York.