

January 24, 2022

## **Green the Grid and Electrify Everything**

**Statement of Support:** The Climate Leadership and Community Protection Act (CLCPA) commits New York to reaching net zero greenhouse gas emissions. The ambitious law mandates that 70% of the state's electricity come from renewable energy by 2030, and 100% of the state's electricity supply be emissions free by 2040. Residential and commercial buildings account for approximately 60% of total energy use and greenhouse gas emissions in New York State.<sup>1</sup> Phasing out fossil fuels in favor of geothermal and air source heat pumps and induction stoves is a cost-effective tool in reducing greenhouse gas emissions. Electrification is a critically important step in attacking the climate crisis head on. In order to meet New York's legally mandated greenhouse gas emissions targets, 1-2 million homes need to transition to heat pumps.<sup>2</sup>

**Green Affordable Housing Budget (2022 State Budget):** This fund includes an investment of \$1 billion annually in all-electric and electric-ready affordable housing for disadvantaged communities. This is imperative if we are to equitably phase out fossil fuels and make the transition to electrified buildings that are affordable, free of indoor air pollution, and environmentally sustainable.

**All-Electric Building Act S.6843-A (Kavanagh)/A.8431 (Gallagher):** This bill prohibits cities, towns, and villages from issuing a permit for the construction of any new commercial, residential, or mixed-use mixed fuel building, except when such all-electric building is proven to be infeasible. It also requires state agencies to identify policies to ensure affordable electricity for all-electric buildings. Requiring all electric buildings for new construction is necessary in order to achieve the greenhouse gas emission reduction goals established in New York State's historic Climate Leadership and Community Protection Act (CLCPA).

**Advanced Building, Appliance, & Equipment Standards Act S.7176 (Parker)/A.8143(Fahy):** This bill saves New Yorkers billions of dollars by updating appliance efficiency standards to reduce energy use. It enables building code changes to phase out fossil fuels from existing buildings, and authorizes the NYS Codes Council to incorporate greenhouse gas emissions reduction standards into building codes. Implementation of advanced building codes is expected to reduce utility bills by an estimated \$2.5 billion by 2030.<sup>3</sup> This bill will aid in implementing New York's

---

<sup>1</sup> <https://www.c2es.org/document/decarbonizing-u-s-buildings/>

<sup>2</sup> <https://climate.ny.gov/Our-Progress>

<sup>3</sup> <https://www.nyserda.ny.gov/About/Newsroom/2021-Announcements/2021-03-16-Governor-Cuomo-Proposes-Advanced-Building-Codes-Appliances-and-Equipment-Efficiency-Standards-Act-of-2021-to-Reduce-Carbon-Emissions-and-Combat-Climate-Change>

nation-leading climate law, while simultaneously providing New Yorkers with cost savings associated with highly efficient buildings, appliances, and equipment.

***Fossil-Free Utilities Act (drafting in progress)***: This legislation requires the Public Service Commission (PSC) to develop a transition to renewable heating, cooking, and hot water services, and ends ratepayer-subsidized utility incentives for fossil fuel expansion. The bill provides clarity to the PSC and gas utilities that they must plan for and facilitate a strategic and equitable transition to building electrification.

***Fossil-Free Heating Tax Credit and Sales Tax Exemption S.3864 (Kennedy)/A.7493 (Rivera) and S.642-A (Sanders)/A.8147 (Rivera)***: These two bills enact a tax credit for geothermal heat pump systems and exempt geothermal heat pump systems from sales tax. S.3864/A.7493 provides a 25% income tax credit for a residential geothermal heat pump (GHP) project's cost, capped at \$5,000. S.642-A/A.8147 provides an exemption from sales tax for GHP installations. Both bills are necessary in order to make renewable heat options more affordable, as the cost of installing GHPs is typically the key barrier preventing transition. Governor Hochul's climate change agenda calls for the state to pass legislation requiring all new buildings to use zero emissions sources of heat by 2027. The agenda also sets a goal of 2 million electrified homes by 2030, 800,000 of which would house low- and moderate-income New Yorkers.

The funding and various policies aforementioned are necessary to halt fossil fuel expansion, transition buildings away from fossil fuels, and make renewable technologies more affordable and accessible. Collectively, these policies will reduce energy use and greenhouse gas emissions for decades to come, save New Yorkers billions of dollars on their utility bills, and improve public health.

**The Sierra Club Atlantic Chapter Strongly Urges Your Support  
of These Bills to Advance Decarbonization in New York.**