

STATE OF NEW YORK

10668

IN SENATE

July 24, 2026

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the environmental conservation law, in relation to establishing the indigenous clean biofuel innovation and resource partnership pilot program to develop and deploy low-carbon bio-blended fuels in alignment with the state's clean fuel standards; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Legislative intent. 1. The legislature hereby finds and
2 declares that:
- 3 (a) The transition to a low-carbon energy economy requires the rapid
4 deployment of cleaner fuels that can reduce greenhouse gas emissions
5 while maintaining energy reliability and affordability;
- 6 (b) New York state has committed to aggressive emissions reductions
7 under the climate leadership and community protection act, including the
8 decarbonization of the transportation and heating sectors;
- 9 (c) Low-carbon fuel strategies, including biodiesel and renewable
10 bio-blended fuels, provide immediate and scalable pathways to reduce
11 emissions from existing infrastructure without requiring full system
12 replacement;
- 13 (d) Regional oil and gas resources, when combined with renewable
14 biological feedstocks and advanced refining processes, can be trans-
15 formed into cleaner-burning, lower-emission fuels;
- 16 (e) Indigenous Nations are essential partners in energy development
17 and environmental stewardship and must have equitable participation in
18 resource development, production, and economic benefit-sharing; and
- 19 (f) The development of in-state clean fuel production capacity will
20 strengthen energy independence, create jobs, and position New York as a
21 national leader in next-generation fuel innovation.
- 22 2. It is therefore the intent of the legislature to establish a pilot
23 program that:
- 24 (a) integrates natural resource utilization with renewable biofuel
25 innovation;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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- (b) supports indigenous-led participation and ownership;
- (c) aligns with clean fuel standards and biodiesel policy goals; and
- (d) accelerates deployment of low-carbon fuels across New York state.

§ 2. The environmental conservation law is amended by adding a new section 19-0333 to read as follows:

§ 19-0333. Indigenous clean biofuel innovation and resource partnership pilot program.

1. For the purposes of this section, the following terms shall have the following meanings:

(a) "pilot program" means the indigenous clean biofuel innovation and resource partnership pilot program;

(b) "bio-blended fuel" means a fuel composed of:

(i) conventional petroleum-based fuels; and

(ii) renewable biological feedstocks, including biodiesel, renewable diesel, or other low-carbon fuel components;

(c) "low-carbon fuel" means a fuel that achieves a measurable reduction in lifecycle greenhouse gas emissions compared to conventional petroleum fuels;

(d) "participating Indigenous Nations" means federally recognized or state-recognized Native American tribes with historical, ancestral, or present ties to regions within New York state; and

(e) "clean fuel standard" means any state program designed to reduce the carbon intensity of transportation or heating fuels, including programs administered or developed by the department.

2. There is hereby established the indigenous clean biofuel innovation and resource partnership pilot program. The pilot program shall support the development and deployment of low-carbon bio-blended fuels throughout New York state. The pilot program shall be administered jointly by:

(a) the state of New York;

(b) participating Indigenous Nations; and

(c) private sector and research partners.

3. (a) The state shall engage in formal government-to-government consultation with participating Indigenous Nations. Such consultation shall include:

(i) agreements related to resource use and development;

(ii) ownership and revenue-sharing structures; and

(iii) siting of production and refining facilities.

(b) Participating Indigenous Nations shall have meaningful authority in:

(i) project design and development;

(ii) operational oversight; and

(iii) long-term economic participation.

4. The pilot program shall include, but not be limited to:

(a) fuel innovation and production, including:

(i) the development of bio-blended fuels combining:

(A) natural gas or petroleum derivatives; and

(B) biodiesel and renewable feedstocks including waste oils, agricultural byproducts, and algae-based fuels; and

(ii) investment in refining and blending infrastructure within New York state;

(b) alignment with clean fuel standards, including:

(i) integration with emerging clean fuel standard frameworks;

(ii) lifecycle carbon intensity measurement and reduction targets; and

(iii) certification pathways for qualifying low-carbon fuels;

(c) biodiesel and renewable fuel expansion, including:

(i) support for existing biodiesel markets and legislation;

(ii) incentives for increased blend levels in heating oil and transportation fuels; and
(iii) expansion of renewable diesel availability;
(d) infrastructure and deployment, including:
(i) distribution through existing fuel networks; and
(ii) use in municipal fleets, public transit systems and heating applications in residential and commercial buildings;
(e) research and development, including:
(i) partnerships with universities and national laboratories; and
(ii) innovation in fuel efficiency, emissions reduction and advanced blending technologies; and
(f) workforce development, including:
(i) training programs prioritizing indigenous communities and local workers; and
(ii) job creation in fuel production, logistics and distribution, and system maintenance.

5. All fuels developed under the pilot program shall demonstrate measurable lifecycle greenhouse gas reductions. The department shall establish carbon intensity benchmarks consistent with the climate leadership and community protection act. Preference shall be given to fuels that:

- (a) reduce particulate emissions;
- (b) improve air quality in disadvantaged communities; and
- (c) support near-term emissions reductions.

6. (a) The department shall submit an annual report to the governor and the legislature no later than December first of each year. The report shall include the:

- (i) emissions reductions achieved;
- (ii) volume of clean fuel produced and deployed;
- (iii) economic and workforce impacts; and
- (iv) indigenous participation and ownership outcomes.

(b) A comprehensive program evaluation shall be conducted after five years.

7. Following a comprehensive program evaluation, the department may expand the program statewide and integrate it fully into clean fuel standard programs.

§ 3. The sum of forty million dollars (\$40,000,000), or so much thereof as may be necessary, is hereby appropriated to the department of environmental conservation out of any moneys in the state treasury in the general fund to the credit of the state purposes account, not otherwise appropriated, and made immediately available, for the purpose of carrying out the provisions of this act. Such moneys shall be payable on the audit and warrant of the comptroller on vouchers certified or approved by the commissioner of the department of environmental conservation in the manner prescribed by law.

§ 4. This act shall take effect immediately.