

# STATE OF NEW YORK

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1292

2023-2024 Regular Sessions

## IN SENATE

January 11, 2023

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Introduced by Sens. PARKER, ADDABBO, BAILEY, BRESLIN, BROUK, CLEARE, COMRIE, COONEY, GIANARIS, GOUNARDES, HARCKHAM, HINCHEY, HOYLMAN-SIGAL, JACKSON, KAVANAGH, KENNEDY, KRUEGER, LIU, MANNION, MATTERA, MAY, MAYER, MYRIE, OBERACKER, PALUMBO, PERSAUD, RIVERA, RYAN, SALAZAR, SANDERS, SEPULVEDA, SERRANO, SKOUFIS, STAVISKY, THOMAS, WEIK -- read twice and ordered printed, and when printed to be committed to the Committee on Environmental Conservation

AN ACT to amend the environmental conservation law, in relation to establishing the "clean fuel standard of 2023"

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

- 1 Section 1. Legislative findings and declarations:
- 2 1. The transportation sector in New York is a leading source of crite-
- 3 ria pollutants and the leading source of greenhouse gas emissions that
- 4 endanger public health and welfare by causing and contributing to
- 5 increased air pollution and dangerous climate change. Meeting the
- 6 pollution reduction requirements of the Climate Leadership and Communi-
- 7 ties Protection Act will require sharp decreases in transportation-re-
- 8 lated emissions.
- 9 2. Shifting from today's petroleum-based transportation fuels to
- 10 alternative fuels has the potential to significantly reduce transporta-
- 11 tion emissions of air pollutants and greenhouse gases and is recommended
- 12 by the Intergovernmental Panel on Climate Change as an important pathway
- 13 for holding global warming to 1.5 degrees Celsius.
- 14 3. The Climate Leadership and Communities Protection Act directs the
- 15 Department of Environmental Protection to promulgate regulations that
- 16 will reduce greenhouse gas emissions, including from on-road vehicles.
- 17 4. New York signed a 15-state MOU to develop an action plan to reduce
- 18 toxic diesel emissions from medium and heavy-duty vehicles by 2050.
- 19 5. A clean fuels standard regulation would promote innovation
- 20 production and use of non-petroleum fuels that reduce vehicle and fuel-

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

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1 related air pollution that endangers public health and welfare and  
2 disproportionately impacts disadvantaged communities.

3 § 2. Short title. This act may be known and may be cited as the "clean  
4 fuel standard of 2023".

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

7 § 19-0333. Clean fuel standard.

8 (1) A clean fuel standard is hereby established. The clean fuel stand-  
9 ard is intended to reduce carbon intensity from the on-road transporta-  
10 tion sector by twenty percent by two thousand thirty-one, with further  
11 reductions to be implemented based upon advances in technology and to  
12 support achieving the goals of the climate action plan established  
13 pursuant to section 75-0103 of this chapter as determined by the commis-  
14 sioner. Fuels which provide net human health benefits through overall  
15 air quality improvements relative to diesel and gasoline usage shall be  
16 eligible. Aviation fuels shall be exempted from the clean fuel standard  
17 due to federal preemption, but sustainable aviation fuel shall be eligi-  
18 ble to generate credits on an opt-in basis.

19 (2) The clean fuel standard shall apply to all providers of transpor-  
20 tation fuels, including electricity, in New York, shall be measured on a  
21 full fuels lifecycle basis and may be met through market-based methods  
22 by which providers exceeding the performance required by the clean fuel  
23 standard shall receive credits that may be applied to future obligations  
24 or traded to providers not meeting the clean fuel standard. The gener-  
25 ation of credits must use a lifecycle emissions performance-based  
26 approach that is technology and feedstock neutral to achieve fuel decar-  
27 bonization. In addition to fuel decarbonization, credits generated  
28 through the use of clean fuel types will help promote innovation and  
29 investment in such clean fuels. For purposes of this section the term  
30 "providers" shall include, but shall not be limited to, all refiners,  
31 blenders, producers or importers of transportation fuels, or enablers of  
32 electricity used as transportation fuel, "carbon intensity" means the  
33 quantity of lifecycle greenhouse gas emissions per unit of fuel energy,  
34 and "full fuels lifecycle" means the aggregate of greenhouse gas emis-  
35 sions, including direct emissions and significant indirect emissions,  
36 such as significant emissions from land use changes as determined by the  
37 commissioner. The full fuels lifecycle shall be assessed annually and  
38 all stages of fuel and feedstock production and distribution, from  
39 feedstock generation or extraction through the distribution and delivery  
40 and use of the finished fuel by the ultimate consumer. In calculating  
41 full fuels lifecycle greenhouse gas emissions, the mass values for all  
42 non-carbon-dioxide greenhouse gases must be adjusted to account for  
43 their relative global warming potentials. This conversion shall use the  
44 most appropriate conversion relative to global warming potentials as  
45 determined by the commissioner based on the best available science.

46 (3) Within twenty-four months following adoption of the clean fuel  
47 standard, the commissioner, in consultation with the New York state  
48 energy research and development authority, shall promulgate regulations  
49 establishing a clean fuel standard with performance objectives to imple-  
50 ment subdivision one of this section. The clean fuel standard shall take  
51 into consideration the low carbon fuel standard adopted in California  
52 and other states, may rely upon the carbon intensity of values estab-  
53 lished for transportation fuels in such states and shall include coordi-  
54 nation with other Northeastern states to promote regional reductions in  
55 greenhouse gas emissions.

1     (4) The regulations adopted pursuant to this section shall include  
2     fees for the registration of providers to offset the costs associated  
3     with implementation of the clean fuel standard.

4     (5) Investment of funds. Electric utilities, state agencies, and  
5     authorities, in consultation with the climate justice working group and  
6     the climate action council established pursuant to section 75-0103 of  
7     this chapter, shall, to the extent practicable, invest or direct avail-  
8     able and relevant programmatic resources to provide forty percent of  
9     such electric utility's, state agency's, or authority's overall credit  
10    value on electrified transportation programs, projects, or investments  
11    to directly benefit disadvantaged communities, including, but not limit-  
12    ed to, electrification and battery swap programs for school or transit  
13    buses; electrification of drayage trucks; investment in public electric  
14    vehicle charging infrastructure and electric vehicle charging infras-  
15    tructure in multi-family residences; investment in electric mobility  
16    solutions such as electric vehicle sharing and ride hailing programs;  
17    multilingual marketing, education, and outreach designed to increase  
18    awareness and adoption of electric vehicles; and additional rebates and  
19    incentives for low-income individuals beyond existing local, federal,  
20    and state rebates and incentives.

21    (6) Within twenty-four months following the adoption of regulations  
22    implementing a clean fuel standard, the commissioner shall report to the  
23    legislature regarding the implementation of the program, the reductions  
24    in greenhouse gas emissions that have been achieved through the clean  
25    fuel standard and targets for future reductions in greenhouse gas emis-  
26    sions from the transportation sector.

27    (7) Nothing in this section shall preclude the department from enact-  
28    ing or maintaining other programs to reduce greenhouse gas emissions  
29    from the transportation sector.

30     § 4. This act shall take effect immediately.