

STATE OF NEW YORK

7905

IN SENATE

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Introduced by Sens. PARKER, BAILEY, BRESLIN, BRISPORT, BROUK, COMRIE, GIANARIS, GOUNARDES, HARCKHAM, HOYLMAN-SIGAL, JACKSON, KAVANAGH, KRUEGER, LIU, MAY, MYRIE, PERSAUD, RAMOS, RIVERA, SALAZAR, SANDERS, SEPULVEDA, SERRANO, STAVISKY -- 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, the executive law, the labor law and the tax law, in relation to enacting the climate and community investment act

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "climate and community investment act".

3 § 2. Article 19 of the environmental conservation law is amended by
4 adding a new title 13 to read as follows:

TITLE 13

VALUE OF POLLUTION AND MITIGATION PROGRAM

Section 19-1301. Definitions.

8 19-1303. Methodology and valuation of pollution price index.

9 19-1305. Implementation of fees.

10 19-1307. Allocation of revenues.

11 19-1309. Inventory.

12 19-1311. Transportation pollution.

13 19-1313. Reporting.

§ 19-1301. Definitions.

15 For the purposes of this title, the following terms shall have the
16 following meanings:

17 1. "The Act" shall have the same meaning as in subdivision eight of
18 section 19-0107 of this article.

19 2. "Comptroller" means the New York state comptroller.

20 3. "Covered sources" means those sources of regulated air contaminants
21 required to have a permit under Title V of the Act (42 U.S.C. section
22 7661 et seq).

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

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1 4. "Cumulative burdens" mean the adverse health impacts that accrue to
2 individuals and population groups as a result of exposure to pollution
3 over time, and as a result of exposure to multiple forms of pollution
4 and other risk factors, including poverty, violence, and substance
5 abuse.

6 5. "Disadvantaged communities" shall have the same meaning as in
7 subdivision five of section 75-0101 of this chapter.

8 6. "Downstate region" means the counties of Richmond, Kings, Queens,
9 New York, Bronx, Westchester, Nassau and Suffolk.

10 7. "Emissions hotspot" means a location where emissions of regulated
11 air contaminants from specific sources may expose individuals and popu-
12 lation groups to elevated risks of adverse health effects and may
13 contribute to the cumulative health risks of emissions from other sourc-
14 es in the area.

15 8. "Emissions leakage" means an increase in emissions outside of the
16 state, as a result of, or in correlation with, the implementation of
17 measures within the state to limit such emissions.

18 9. "Greenhouse gas" means carbon dioxide, methane, nitrous oxide,
19 hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other
20 substance emitted into the air that may be reasonably anticipated to
21 cause or contribute to anthropogenic climate change, with the exception
22 of agricultural emissions from livestock.

23 10. "Regulated air contaminant" shall have the same meaning as in
24 subdivision twenty-two of section 19-0107 of this article.

25 11. "Social cost of pollution" means the cost to New York residents of
26 emitting one ton, or another unit of measurement deemed appropriate by
27 the department, of a given regulated air contaminant.

28 12. "Upstate region" means all New York state counties other than
29 Nassau, Suffolk, Richmond, Kings, Queens, New York, Bronx and Westches-
30 ter.

31 § 19-1303. Methodology and valuation of pollution price index.

32 1. Not later than one year after the effective date of this title, the
33 department shall publish an index that lists the social cost of
34 pollution for all regulated air contaminants, or appropriate sub-group-
35 ing thereof. At the same time, the department shall publish a methodol-
36 ogy for determining the social cost of pollution for each regulated air
37 contaminant, or appropriate sub-grouping thereof. In determining the
38 social cost of pollution for a given regulated air contaminant, the
39 department shall consider, at a minimum:

40 (a) public health impacts, including but not limited to: loss of
41 life, loss of welfare, and employment impacts;

42 (b) impacts to public and private property, including agricultural
43 property;

44 (c) impacts to ecosystems and the ability of ecosystems to provide
45 ecosystem services; and

46 (d) the full life-cycle of impacts.

47 2. If the department demonstrates that it is not administratively
48 feasible in the time allotted in subdivision one of this section to
49 complete a methodology for each individual regulated air contaminant, or
50 appropriate sub-grouping thereof, then the department may delay the
51 completion of methodologies for some portion of regulated air contam-
52 inants for future rule-makings, provided that:

53 (a) in the first publication of such methodologies, the department
54 completes a methodology, pursuant to subdivision one of this section,
55 for each of the following pollutants:

56 (i) oxides of nitrogen;

1 (ii) volatile organic compounds;

2 (iii) sulfur dioxide;

3 (iv) particulate matter;

4 (v) carbon monoxide; and

5 (vi) lead;

6 (b) in the first publication of such methodologies, the department
7 completes a methodology, pursuant to subdivision one of this section,
8 for each of the air contaminants listed under section 112 of the Act (42
9 USC section 7412) that the department finds to be most damaging to
10 public health in New York, of all air contaminants listed under such
11 section;

12 (c) the department demonstrates and publishes, along with the publica-
13 tion of methodologies described under subdivision one of this section, a
14 description of why it is not administratively feasible in the time
15 allotted in subdivision one of this section to complete a methodology,
16 for each individual regulated air contaminant, or appropriate sub-group-
17 ing thereof; and

18 (d) the department subsequently publishes at least five additional
19 methodologies per year, until that date when each regulated air contam-
20 inant, or appropriate sub-grouping thereof, has a complete methodology
21 ascribed to it.

22 § 19-1305. Implementation of fees.

23 1. Not later than two years after the effective date of this title,
24 the department shall institute a system of compliance fees that reflect
25 the index established under section 19-1303 of this title. All covered
26 sources shall be required to pay the fee for each regulated air contam-
27 inant emitted.

28 2. Notwithstanding any inconsistent provisions of the state adminis-
29 trative procedure act, such fee shall be established as a rule by publi-
30 cation in the environmental notice bulletin no later than thirty days
31 after the budget bills making appropriations for the support of govern-
32 ment are enacted or July first, whichever is later, of the year such fee
33 will be effective.

34 3. Bills issued for the fee shall be based on actual emissions for the
35 prior calendar year, as demonstrated to the department's satisfaction,
36 or in the absence of such demonstration, on permitted emissions, or,
37 where there is no applicable permit, on potential to emit. Persons
38 required to submit an emissions statement to the department shall use
39 such statement to demonstrate actual emissions under this section.

40 4. Any person required to pay fees imposed pursuant to this section
41 may elect to base such fees on the level of permitted emissions set
42 forth in a permit, certificate or approval issued pursuant to section
43 19-0311 of this article.

44 5. If a city or county is delegated the department to administer the
45 operating permit program established pursuant to section 19-0311 of this
46 article, it may collect the fees established pursuant to this section
47 and no additional liability for fees under this section shall accrue for
48 any such source.

49 § 19-1307. Allocation of revenues.

50 1. The comptroller and department shall establish a trust fund to be
51 known as the "value of pollution and mitigation program fund", consist-
52 ing of such amounts as may be appropriated or credited to such fund as
53 provided in this section.

54 2. (a) Funds received under this title shall be allocated according-
55 ly:

1 (i) forty percent of funds shall be invested in a manner which will
2 benefit disadvantaged communities, consistent with the purpose of this
3 title;

4 (ii) twenty percent of funds shall go to expanding, operating and
5 maintaining the New York state Title V emissions inventory within the
6 department;

7 (iii) twenty percent of funds shall go to expanding, operating and
8 maintaining air quality monitoring, including ambient air quality moni-
9 toring and point source monitoring within the department; and

10 (iv) twenty percent of funds shall be allocated at the discretion of
11 the department, based on the needs of the department.

12 No funds shall be allocated to fund police, prisons or related infras-
13 tructure.

14 (b) The value of pollution and mitigation program fund shall be admin-
15 istered by the department.

16 § 19-1309. Inventory.

17 Not later than eighteen months after the effective date of this title,
18 the department shall update and publish the inventory of emissions from
19 Title V sources to:

20 1. assess the extent to which given regulated air contaminants, espe-
21 cially air contaminants that have highly adverse health impacts, are
22 co-emitted with greenhouse gas emissions;

23 2. assess the extent to which regulated air contaminants that have
24 especially adverse health impacts are likely to be reduced over time as
25 a result of:

26 (a) the fee established in section three thousand forty of the tax
27 law; and

28 (b) the investment programs established in article seventy-seven of
29 this chapter;

30 3. identify and analyze emissions hotspots and cumulative burdens,
31 pertaining to regulated air contaminants in order to prioritize emis-
32 sions reductions in these areas;

33 4. assess emissions and pollution-related health impacts associated
34 with the transportation sector; and

35 5. make the Title V emissions inventory more accessible to the public
36 including, but not limited to, taking action to release the related
37 data, analysis and assumptions of agency websites.

38 § 19-1311. Transportation pollution.

39 1. Not later than one year after the effective date of this title, the
40 commissioner shall prepare and approve a scoping plan for accelerating
41 the reduction of regulated air contaminants from mobile sources.

42 2. The draft scoping plan shall be developed in consultation with
43 other stakeholders.

44 (a) The department shall provide meaningful opportunities for public
45 comment from all persons who will be impacted by the plan, including
46 persons living in disadvantaged communities.

47 (b) On or before one year after the effective date of this title, the
48 department shall submit the final scoping plan to the governor, the
49 speaker of the assembly and the temporary president of the senate and
50 post such plan on its website.

51 3. The measures and actions considered in such scoping plan shall at a
52 minimum include:

53 (a) performance-based standards for mobile sources of regulated air
54 contaminants;

55 (b) market-based mechanisms to reduce emissions from mobile sources,
56 including:

1 (i) the imposition of fees per unit of regulated air contaminant;
2 (ii) a zoned surcharge system on trucking and ports; and
3 (iii) congestion pricing;
4 (c) the creation of low emission zones and the policies to promote
5 zero-emission and low-emission transportation options, including the
6 electrification of port facilities and freight transportation; and
7 (d) land-use and transportation planning measures aimed at reducing
8 emissions from mobile sources.

9 4. No later than three years after the effective date of this title,
10 the department, after public workshops and consultation with represen-
11 tatives of regulated entities, and other stakeholders, and not less than
12 two public hearings, shall promulgate rules and regulations to acceler-
13 ate the reduction of regulated air contaminants from mobile sources.

14 (a) The regulations promulgated by the department pursuant to this
15 subdivision may include legally enforceable emissions limits, perform-
16 ance standards, market-based mechanisms or measures or other require-
17 ments to control regulated air contaminant emissions from mobile sour-
18 ces. The department is hereby authorized to establish any such policies
19 pursuant to this section.

20 (b) In promulgating these regulations, the department shall:

21 (i) design and implement all regulations in a manner that seeks to be
22 equitable, to minimize costs and to maximize the total benefits to the
23 state;

24 (ii) ensure that emissions reductions achieved are real, quantifiable,
25 verifiable, and enforceable by the department;

26 (iii) ensure that activities undertaken to comply with the regulations
27 do not disproportionately burden disadvantaged communities;

28 (iv) prioritize measures to maximize net reductions of emissions in
29 disadvantaged communities;

30 (v) prioritize measures that encourage early action to reduce emis-
31 sions; and

32 (vi) minimize emissions leakage.

33 5. If any of the policies implemented by the department pursuant to
34 this section generate state revenue, the department shall ensure that,
35 at a minimum, forty percent of any funds collected are invested in a
36 manner which will benefit disadvantaged communities, consistent with the
37 purposes of this title.

38 § 19-1313. Reporting.

39 1. Not later than three years following the effective date of this
40 title, and every two years thereafter, the department shall produce a
41 report on the implementation of the policies established under this
42 title. Such report shall include, but not be limited to:

43 (a) the effectiveness of the fees established in section 19-1305 of
44 this title to reduce regulated air contaminants statewide and within
45 geographic subdivisions of the state;

46 (b) the effectiveness of the policies established under section
47 19-1311 of this title to reduce regulated air contaminants from mobile
48 sources statewide and within geographic subdivisions of the state;

49 (c) an overview of social benefits from the regulations or other meas-
50 ures established pursuant to this title, including reductions in regu-
51 lated air contaminants, and other benefits to the economy, environment,
52 and public health, including but not limited to the health of women,
53 youth and children and a detailed analysis of the benefits to disadvan-
54 tagged communities;

55 (d) an overview of compliance costs for regulated entities;

1 (e) an overview of administrative costs for the department and other
2 state agencies;

3 (f) whether the fees established in this title are equitable, minimize
4 costs and maximize the total benefits to the state;

5 (g) recommendations as to changes that should be made to any policy
6 promulgated pursuant to this title, including the methodology estab-
7 lished under section 19-1303 of this title, and the implementation of
8 the fees established under section 19-1305 of this title; and

9 (h) recommendations for future regulatory actions pertaining to reduc-
10 ing regulated air contaminants from mobile and stationary sources.

11 2. Before finalizing the report described in subdivision one of this
12 section, the department shall ensure that there are meaningful opportu-
13 nities for public participation, including by:

14 (a) allowing at least one hundred twenty days for the submission of
15 public comment, following the date of the publication of a draft report;
16 and

17 (b) holding at least four regional public hearings, including two
18 meetings in the upstate region and two meetings in the downstate region,
19 with emphasis on maximizing participation and accessibility for members
20 of disadvantaged communities.

21 3. The final report shall be submitted to the governor, the temporary
22 president of the senate, the speaker of the assembly, the minority lead-
23 er of the senate and the minority leader of the assembly, and shall be
24 posted on the website of the department.

25 § 3. The executive law is amended by adding a new section 184 to read
26 as follows:

27 § 184. Diversion of funds dedicated to climate and community invest-
28 ment to the general fund of the state or to any other purpose, is
29 prohibited. 1. For the purposes of this section, the term "climate and
30 community investment" shall mean any public benefit corporation consti-
31 tuting a climate and community investment authority which provides or
32 contracts for the provision of climate and community investment, or a
33 subsidiary thereof, or any county or city which provides or contracts
34 for the provision of, pursuant to article seventy-seven of the environ-
35 mental conservation law.

36 2. The director of the budget shall be prohibited from diverting
37 revenues derived from fees paid by the public into any fund created by
38 law including but not limited to article forty-two of the tax law, arti-
39 cle forty-three of the tax law, and article eight-B of the labor law for
40 the purpose of funding climate and community investment into the general
41 fund of the state or into any other fund maintained for the support of
42 another governmental purpose. No diversion of funds can occur contrary
43 to this section by an administrative act of the director of the budget
44 or any other person in the executive branch.

45 3. If any diversion of funds occurs by passage of legislation during a
46 regular or extraordinary session of the legislature, the director of the
47 budget shall create and include with the budget or legislation diverting
48 funds, a diversion impact statement which shall include the following
49 information:

50 (a) the amount of the diversion from dedicated climate and community
51 investment funds;

52 (b) the amount diverted from each fund;

53 (c) the cumulative amount of diversion from dedicated climate and
54 community investment funds during the preceding five years;

55 (d) the date or dates when the diversion is to occur; and

1 (e) a detailed estimate of the impact of diversion from dedicated
2 climate and community investment, including any impact on climate
3 infrastructure development, just transition, worker and community assur-
4 ance, energy rebates, maintenance, security, and the current capital
5 program.

6 4. The state comptroller shall report on the receipt of all funds
7 collected pursuant to the climate and community investment act in exist-
8 ing cash basis reports, and the spending of any fund collected or spent
9 pursuant to such act by the department in its existing transparency
10 report as well as if consideration is given to moving such funds on or
11 off budget.

12 § 4. The labor law is amended by adding a new article 8-B to read as
13 follows:

14 ARTICLE 8-B

15 RESPONSIBLE CONTRACTING, LABOR AND JOB STANDARDS AND
16 WORKER PROTECTION

17 Section 228. Definitions.

18 229. Labor and project performance standards.

19 229-a. Best value requirements for the solicitation, evaluation
20 and award of renewable energy projects, energy efficiency
21 projects and other construction projects undertaken with
22 support from the department of environmental conservation
23 or receiving state assistance.

24 229-b. Best value requirements for all work other than
25 construction.

26 § 228. Definitions. For the purposes of this article, the following
27 terms shall have the following meanings:

28 1. "The Act" shall mean the "climate and community investment act".

29 2. "Climate and community investment" shall mean any public benefit
30 corporation constituting a climate and community investment authority
31 which provides or contracts for the provision of climate and community
32 investment, or a subsidiary thereof, or any county or city which
33 provides or contracts for the provision of, pursuant to article seven-
34 ty-seven of the environmental conservation law.

35 3. "Labor organization" means any organization which exists and is
36 constituted for the purpose, in whole or in part, of collective bargain-
37 ing, or of dealing with employers concerning grievances, terms or condi-
38 tions of employment, or of other mutual aid or protection and which is
39 not a company union. This includes, but is not limited to bona fide
40 labor organizations that are certified or recognized as the organization
41 of jurisdiction representing the workers involved and/or bona fide
42 building and construction trades councils and/or district councils and
43 state and local labor federations comprised of local unions certified or
44 recognized as the representative of the workers.

45 4. "Neutrality policy/agreement" shall mean a policy or agreement
46 wherein an employer remains neutral in a union organizing drive and does
47 not actively oppose union efforts to gain majority support of the rele-
48 vant employees of the employer.

49 5. "Project labor agreement" or "PLA" shall mean a pre-hire collective
50 bargaining agreement between a construction industry employer and a bona
51 fide building and construction trade labor organization representing all
52 construction trades that will perform work on a project and that
53 provides only contractors and subcontractors who agree to comply with
54 the PLA shall be eligible to perform work on the project.

55 § 229. Labor and project performance standards. The following require-
56 ments shall apply to any projects assisted under the Act:

1 1. Construction - project labor agreement. A project labor agreement
2 for purposes of this section is a pre-hire collective bargaining agree-
3 ment with labor organizations in the construction industry that estab-
4 lishes the terms and conditions of employment for a specific
5 construction project and is an agreement described in 29 U.S.C. 158(F).

6 2. Execution of project labor agreement. The party which receives
7 assistance from the state for a renewable energy project, energy effi-
8 ciency project, other construction project undertaken with support from
9 the department of environmental conservation, or receiving state assist-
10 ance shall take the necessary contractual actions to ensure that a
11 project labor agreement is executed between the general contractor or
12 other entity responsible for construction of the assisted project and
13 bona fide building and construction trade councils that have the capa-
14 bility to supply skilled craft personnel in all crafts needed for the
15 project in the area where the project is located.

16 3. Terms of project labor agreement. A project labor agreement
17 executed for purposes of this section shall include the necessary
18 provisions to:

19 (a) bind all contractors and subcontractors on the assisted project to
20 the project labor agreement through the inclusion of appropriate spec-
21 ifications in all relevant solicitation provisions and contract docu-
22 ments;

23 (b) allow all contractors and subcontractors to compete for contracts
24 and subcontracts on the project without regard to whether they are
25 otherwise parties to collective bargaining agreements;

26 (c) establish uniform terms and conditions of employment for all
27 construction craft labor employed on the projects;

28 (d) contain guarantees against strikes, lockouts, and similar job
29 disruptions;

30 (e) set forth effective, prompt, and mutually binding procedures for
31 resolving labor disputes arising during the project labor agreement; and

32 (f) include any other provisions as negotiated by the parties needed
33 to promote successful delivery of the assisted project.

34 4. Penalties and sanctions. The failure of a party receiving assist-
35 ance under the Act to ensure compliance with the requirements of this
36 section shall constitute a material breach of the agreement under which
37 assistance is provided and shall permit the state to impose applicable
38 penalties and sanctions for conduct constituting non-compliance, includ-
39 ing but not limited to revocation of all or part of the assistance
40 provided by the state.

41 5. Responsible contractor requirements. The party which receives
42 assistance from the state for a renewable energy project, energy effi-
43 ciency project, or other construction project undertaken with support
44 from the department of environmental conservation shall take the neces-
45 sary contractual actions to ensure each contractor and subcontractor
46 involved in the construction of the assisted project completes a sworn
47 certification that the firm:

48 (a) has the necessary resources to perform the portion of the assisted
49 project to which they are assigned, including the necessary technical,
50 financial, and personnel resources;

51 (b) has all required contractor, specialty contractor or trade
52 licenses, certifications or certificates required of any business entity
53 or individual by applicable state or local law;

54 (c) participates in an apprenticeship training program for each trade
55 in which it employs craft workers that is registered with and approved
56 by the U.S. department of labor or a state apprenticeship agency and

1 shall provide proof within seven days of a request from the department
2 of environmental conservation or any authority or agency that its
3 program is actively training employees, has functioning training facili-
4 ties, and is regularly graduating apprentices to journey person status,
5 and such apprentices are placed in employment, hereinafter referred to
6 as "class A apprenticeship programs";

7 (d) in the past three years:

8 (i) has not been debarred by any government agency;

9 (ii) has not defaulted on any project;

10 (iii) has not had any license, certification or other credential
11 relating to the business revoked or suspended;

12 (iv) has not been found in violation of any law applicable to its
13 business that resulted in the payment of a fine, back pay damages, or
14 any other type of penalty in the amount of ten thousand dollars or more;
15 will pay craft personnel employed on the project, at a minimum, the
16 applicable wage and fringe benefit rates for the classification in which
17 the worker is employed in accordance with applicable required rates for
18 the project; and

19 (e) will not misclassify craft labor employees as independent contrac-
20 tors.

21 6. Contractor responsibility certifications. Contractor responsibility
22 certifications executed in accordance with this article:

23 (a) shall be submitted to the department of environmental conservation
24 and the department at least thirty days prior to commencement of
25 construction of a state-assisted project; and

26 (b) shall constitute public documents which shall be made available
27 without redaction on a publicly available website within seven days of
28 being submitted to the department of environmental conservation and the
29 department.

30 7. Fraudulent certifications. A responsible contractor certification
31 containing false, misleading, or inaccurate information shall, after
32 notice and opportunity to be heard, subject the firm to a three-year
33 debarment from future public and publicly assisted projects and other
34 applicable penalties and sanctions.

35 8. Penalties and sanctions. The failure of a party receiving assist-
36 ance under the Act to ensure compliance with the requirements of this
37 article shall constitute a material breach of the agreement under which
38 assistance is provided and shall permit the state to impose applicable
39 penalties and sanctions for conduct constituting non-compliance, includ-
40 ing but not limited to revocation of part or all of the assistance
41 provided by the state.

42 9. Prevailing wage rates. Contractors and subcontractors on assisted
43 projects shall pay construction craft employees on the project, at a
44 minimum, the applicable prevailing wage and fringe benefit rates for the
45 appropriate classification in which the worker is employed. Firms
46 engaged in the construction of an assisted project shall be subject to
47 all reporting, and compliance requirements of article eight of this
48 chapter. Violations of prevailing wage requirements on assisted projects
49 shall be subject to penalties and sanctions applicable to public works
50 projects.

51 10. Prevailing wage exception. Prevailing wage requirements under the
52 Act shall not apply to assisted projects covered by project labor agree-
53 ments.

54 § 229-a. Best value requirements for the solicitation, evaluation and
55 award of renewable energy projects, energy efficiency projects and other
56 construction projects undertaken with support from the department of

1 environmental conservation or receiving state assistance. 1. Purpose.
2 The purpose of this section is to establish best value requirements for
3 the solicitation, evaluation and award of renewable energy projects,
4 energy efficiency projects, and other construction projects undertaken
5 with support from the department of environmental conservation, or
6 assisted by the state, including those assisted by the Act.

7 2. Definitions. For purposes of this section, the following terms
8 shall be defined as follows:

9 (a) "agency" means the New York state energy research and development
10 authority or any other state department or agency that provides assist-
11 ance to covered projects.

12 (b) "best value" shall be given the meaning specified in paragraph j
13 of subdivision one of section one hundred sixty-three of the state
14 finance law.

15 (c) "contracting team" means the lead contractor and project subcon-
16 tractors.

17 (d) "covered projects" means projects designed to provide renewable
18 energy, as defined in paragraph (b) of subdivision one of section
19 sixty-six-p of the public service law, which are eligible to receive
20 energy credits or other forms of assistance from the state.

21 (e) "offeror" means the project owner, developer or other entity which
22 seeks to propose a renewable energy project, energy efficiency project,
23 other construction project undertaken with support from the department
24 of environmental conservation, or receiving state assistance and obtain
25 renewable energy credit or other assistance from the state.

26 (f) "lead contractor" means the general contractor, construction
27 manager or other prime contractor which is contracted by the offeror to
28 build a covered project.

29 (g) "project team" means the lead contractors and all subcontractors
30 proposed for the project.

31 3. Solicitation requirements for covered projects. Solicitations used
32 to provide state assistance to covered projects shall utilize the
33 following procedures:

34 (a) solicitations shall be designed to ensure best value results for
35 the state by:

36 (i) permitting project proposals for any type of viable renewable
37 energy source; and

38 (ii) promoting maximum competition among qualified offerors presenting
39 proposals.

40 (b) solicitations shall be administered through a public request for
41 proposals process that provides adequate notice, instructions for
42 submitting proposals and other relevant information as determined by the
43 agency.

44 (c) requests for proposals shall require sealed proposals from an
45 offeror, which include:

46 (i) proposed project, including type, viability and projected amount
47 of energy, project plan and schedule; and

48 (ii) the qualifications, resources and capabilities of the offeror
49 and, the project team to be used on the project.

50 (d) the agency shall approve the project that provides the best value,
51 considering the viability and benefits of the proposed project and qual-
52 ifications of the offeror and project team.

53 4. Request for proposals process. Requests for proposals shall be
54 administered in compliance with this section and additional instructions
55 set forth in the solicitation and notice of requests for proposals:

1 (a) the agency shall evaluate proposals on the basis of a maximum
2 point scale. The proposal that attains the high score shall be selected
3 for award. Proposals shall be scored only on the basis of the evaluation
4 factors set forth in the request for proposals.

5 (b) request for proposals shall include only factors listed in this
6 section and any additional factors or subfactors the agency deems neces-
7 sary for achieving best value results for the state.

8 (c) in determining which proposal offers the best value to the state,
9 the agency shall evaluate the following factors in accordance with the
10 following criteria:

11 (i) proposed project;

12 (ii) offeror qualifications;

13 (iii) project team qualifications; and

14 (iv) economically disadvantaged impact.

15 5. Project selection. The offeror that complies with the specifica-
16 tions and requirements of the request for proposals and receives the
17 highest maximum score shall be selected by the agency for project award.

18 6. Evaluation of proposed project. In evaluating competitive
19 proposals, the agency shall evaluate the proposed project on the follow-
20 ing factors:

21 (a) projected amount of energy to be generated;

22 (b) viability of the proposed energy source;

23 (c) feasibility of the project plan and schedule; and

24 (d) qualifications of the project team.

25 7. Evaluation of offeror's qualifications. The offeror's qualifica-
26 tions shall be determined by an evaluation of its past performance
27 record, expertise and technical qualifications and present performance
28 capabilities, including financial resources and experience of the
29 offeror's senior management and project team management.

30 8. Evaluation of project team qualifications. The qualifications of
31 the lead contractor and subcontractors shall be determined by an evalu-
32 ation of the following subfactors:

33 (a) past performance record: 30 points. Evaluation of this subfactor
34 requires a review of past projects, including budget, schedule and safe-
35 ty data, performance evaluation reports, quality of workmanship and
36 compliance with project specifications.

37 (b) expertise and technical qualifications: 10 points. Evaluation of
38 this subfactor requires examination of the general and specific experi-
39 ence in relevant market sectors and in projects similar to the proposed
40 project.

41 (c) performance capabilities of management: 10 points. Evaluation of
42 this subfactor requires examination of:

43 (i) resources, including equipment and financial resources;

44 (ii) experience of the senior management and project management of the
45 lead contractor and subcontractors.

46 (d) performance capabilities of craft labor: 40 points. Evaluation of
47 craft labor personnel shall consider the use of:

48 (i) project labor agreements as a reliable source for ensuring an
49 adequate supply of skilled craft labor in all trades needed for the
50 proposed project;

51 (ii) participation in registered apprenticeship programs that have a
52 track record of graduating apprentices for at least three years;

53 (iii) training programs used to provide training for up-grading skills
54 or training for specialized skills; and

55 (iv) training programs that provide safety training and certification,
56 including, but not limited to OSHA 10 hour and 30 hour programs.

1 9. Prelisting of subcontractors. The lead contractor shall provide a
2 list in its proposals that identifies the names of all subcontractors,
3 regardless of tier, it proposes to use for the project and the scope of
4 work and approximate percentage of the total project of each subcontrac-
5 tor listed.

6 10. Prequalification process. Requests for proposals may be preceded
7 by a prequalification stage to require interested offerors to demon-
8 strate that they have adequate minimum qualifications and sufficiently
9 viable project proposals to qualify to compete in a request for
10 proposals process.

11 11. Evaluation of economically disadvantaged impact. Evaluation of
12 this factor shall include an assessment of the degree to which the
13 project promotes opportunities to small, minority-owned businesses and
14 workers in economically disadvantaged communities.

15 12. Project evaluation team. Proposals submitted in response to
16 request for proposals under this section shall be evaluated by a techni-
17 cal evaluation team that consists of no fewer than three persons quali-
18 fied to conduct such evaluations.

19 13. Audits of evaluation process. Proposal evaluations pursuant to
20 this section shall be subject to periodic audits, including random,
21 unannounced audits by qualified personnel appointed by the agency to
22 ensure the evaluation process is conducted in accordance with this
23 section and the requests for proposals.

24 14. Project performance evaluations. Project evaluation reports shall
25 be prepared upon completion for projects that receive state assistance.
26 Project evaluation reports shall include information determined relevant
27 by the agency but shall at a minimum include the following:

28 (a) the amount of energy projected in the project proposal and the
29 actual amount of energy the facility is capable of producing;

30 (b) the proposed project completion date and the actual completion
31 date; and

32 (c) additional information as determined by the agency.

33 § 229-b. Best value requirements for all work other than construction.

34 1. Purpose. This section establishes best value requirements for the
35 solicitation, evaluation and award of renewable energy and other
36 projects assisted by the state, including those assisted by the Act. All
37 investments under this section shall utilize the following best value
38 framework to evaluate bids for projects developed with these funds. The
39 best value framework shall provide specially-defined best value
40 contracting and labor provisions as options for any bidder responding to
41 requests for proposals for renewable energy projects. Bids that include
42 responsive provisions can receive added credit to their bid scores.

43 2. Definitions. For purposes of this section, the following terms
44 shall be defined as follows:

45 (a) "awarding authority" shall mean the governmental unit empowered to
46 request bids and enter into contracts for renewable energy projects,
47 energy efficiency, and other projects other than the construction aspect
48 of the project funded by this statute.

49 (b) "best-value framework" shall mean contracts and subcontracts on
50 projects funded by the Act shall use a best-value framework to consider
51 the quality, cost and efficiency of offers when evaluating procurement
52 contract proposals. Such framework shall reflect, whenever possible,
53 objective and quantifiable analysis and identify a quantitative factor
54 for offerors.

1 (c) "contract" shall mean a direct agreement between a vendor and the
2 awarding authority for projects funded by the Act valued at five million
3 dollars and over.

4 (d) "vendor" shall mean a business entity entering into a contract
5 with the awarding authority for projects, including manufacturing
6 projects, funded by the Act.

7 (e) "subcontract" shall mean an agreement between a vendor and subven-
8 dor to provide manufactured materials or perform additional work under
9 the vendor.

10 (f) "subvendor" shall mean a business entity entering into a subcon-
11 tract with the vendor to provide manufactured materials for completion
12 of a contract or perform additional work under the vendor.

13 (g) "U.S. employment plan (USEP)" shall mean the plan which an entity
14 submitting proposals to awarding authorities for renewable energy
15 projects, energy efficiency, other projects other than the construction
16 aspect of the project include in their proposal to receive extra credit
17 and/or points as defined by the applicable awarding authority. If a
18 proposer chooses to submit a U.S. employment plan to win extra credit,
19 the proposal shall include a worksheet with: proposed wages, benefits,
20 retraining and training, including a workforce training plan, completed
21 by the proposer and the potential subvendors, and a narrative
22 description of the proposers' plan to:

23 (i) recruit and hire individuals from zip codes with high rates of
24 poverty unemployment, and chronic unemployment;

25 (ii) give priority in any hiring of employees not currently or previ-
26 ously employed by the proposer and the suppliers of manufactured materi-
27 als for the project to individuals with barriers to employment including
28 people who have been incarcerated, people with disabilities, and people
29 who have been traditionally underrepresented in manufacturing or
30 construction employment, like women and minorities; and

31 (iii) recruit from "disadvantaged workers" and "disadvantaged communi-
32 ties" as defined by the Act and not detailed in this section.

33 (h) "local employment plan" shall mean the plan which an entity
34 submitting proposals to awarding authorities for renewable energy
35 projects, energy efficiency, other projects other than the construction
36 aspect of the project include in their proposal to receive extra credit
37 and/or points as defined by the applicable awarding authority. The local
38 employment plan will apply to work that is not financed with federal
39 money. A proposer is required to submit a local employment plan to win
40 extra credit. The proposer shall include the same items in the U.S.
41 employment plan as well as a plan:

42 (i) to retain and create high-skilled local jobs; and

43 (ii) to develop family-sustaining career pathways into the sector for
44 disadvantaged workers and disadvantaged communities in a specified local
45 area.

46 (i) "workforce training plan" means a plan to create permanent, trans-
47 ferable skills for all new hires and retained employees under a contract
48 proposal, which may:

49 (i) take advantage of publicly funded workforce development programs,
50 an apprenticeship program registered with the department or a federally
51 recognized state apprenticeship agency and that complies with the
52 requirements under Parts 29 and 30 of title 29, code of federal regu-
53 lations; and

54 (ii) include pre-apprenticeship commitments to provide training that
55 helps participants in apprenticeship programs prepare for and success-
56 fully complete their training.

1 3. Application process. This section shall apply to all contracts as
2 defined in this section.

3 (a) in awarding contracts under this section, awarding authorities
4 shall utilize the best-value framework for contracts.

5 (b) awarding authorities shall develop a system for awarding extra
6 points and/or credit for those proposers that create and submit a local
7 employment plan or U.S. employment plan (depending on source of fund-
8 ing).

9 (c) final contracts with a local employment plan and/or U.S. employ-
10 ment plan that are awarded under this section shall require vendors to
11 submit quarterly reports within the first year of award and annual
12 reports for subsequent years demonstrating vendor and subvendor compli-
13 ance with their local employment plan and/or U.S. employment plan. These
14 quarterly and annual reports shall be certified under penalty of perjury
15 and must be submitted in order to receive milestone payments under the
16 contract.

17 (d) requests for proposals under this section shall specify that terms
18 and conditions of employment and compliance reports under the local
19 employment plan and/or U.S. employment plan are not exempt from disclo-
20 sure under the freedom of information law. Quarterly and subsequent
21 annual reports related to contract fulfillment will be shared online on
22 the awarding authority's web site.

23 (e) the awarding authority shall enact regulations creating forms for
24 completion of the local employment plan and/or U.S. employment plan that
25 the awarding authority will include with requests for proposals for
26 contracts.

27 § 5. Section 231 of the labor law is amended by adding a new subdivi-
28 sion 8 to read as follows:

29 8. Building service employees employed in any building or facility
30 that has received grants or tax abatements or exemptions or other
31 assistance with a total present financial value of one million dollars
32 or more for the increase of energy efficiency, building electrification
33 upgrades, the development of renewable energies, or climate change resi-
34 liency shall be paid not less than the prevailing wage. Employers
35 engaged in the provision of building service work shall be subject to
36 all the reporting and compliance requirements of this article, including
37 the right to maintain an action for the difference between the prevail-
38 ing wages and the wages actually received. The prevailing wage require-
39 ment shall apply for the duration of the assistance or ten years after
40 the project opens, whichever is longer.

41 § 6. The environmental conservation law is amended by adding a new
42 article 77 to read as follows:

43 ARTICLE 77

44 CLIMATE CHANGE JUST TRANSITION

45 Title 1. General provisions.

46 3. Community just transition.

47 5. Climate jobs and infrastructure.

48 7. Just transition for impacted workers and community assurance.

49 TITLE 1

50 GENERAL PROVISIONS

51 Section 77-0101. Definitions.

52 77-0103. Coordination of programs.

53 77-0105. Transparency and accountability.

77-0107. Report on community ownership.

§ 77-0101. Definitions.

For the purposes of this title, the following terms shall have the following meanings:

1. "Community ownership" means projects, businesses and legal models in regard to renewable energy assets and services that allow for one or more of the following:

(a) the flow of benefits from energy generation and conservation goes directly to communities and utility customers while minimizing the extraction of benefits and profit by third-parties;

(b) access to energy infrastructure ownership, including energy efficiency measures and savings, by renters, non-profit organizations, and individuals with a broader spectrum of income and credit profiles than traditional financing allows for;

(c) creation of cooperative and cooperative-like structures for the development and ownership of energy infrastructure; and

(d) ownership by individuals or organizations that are located where a project is sited.

2. "Constituency-based organization" means an organization incorporated for the purpose of providing services or other assistance to economically or socially disadvantaged persons within a specified community, and which is supported by, or whose actions are directed by, members of the community in which it operates.

3. "Disadvantaged communities" means communities that bear burdens of negative public health effects, environmental pollution, and impacts of climate change, and possess certain socioeconomic criteria, as identified pursuant to section 75-0111 of this chapter.

4. "Downstate region" means the counties of Richmond, Kings, Queens, New York, Bronx, Westchester, Nassau and Suffolk.

5. "Emissions leakage" means an increase in emissions outside of the state, as a result of, or in correlation with, the implementation of measures within the state to limit such emissions.

6. "Greenhouse gas" shall have the same meaning as in subdivision nine of section 19-1301 of this chapter.

7. "Municipality" shall have the same meaning as in subdivision six of section four hundred eighty-one of the executive law.

8. "Regulated air contaminant" shall have the same meaning as in subdivision twenty-two of section 19-0107 of this chapter.

9. "Tribal nation" means those tribes, nations or other organized groups of persons having origins in any of the original peoples of North America recognized in the state or considered by the federal secretary of the interior to be a tribal nation, including the following New York state tribal nations: Cayuga Nation, Oneida Nation of New York, Onondaga Nation, Poospatuck or Unkechauge Nation, Saint Regis Mohawk Tribe, Seneca Nation of Indians, Shinnecock Indian Nation, Tonawanda Band of Seneca and Tuscarora Nation.

10. "Upstate region" means all New York counties other than Nassau, Suffolk, Richmond, Kings, Queens, New York, Bronx and Westchester.

§ 77-0103. Coordination of programs.

The department shall undertake actions to ensure maximum coordination between each of the programs created under section three thousand forty-six of the tax law, including conducting each program such that all three programs together:

1. maximize the total economic and social benefits to New York;

2. maximize administrative efficiency;

1 3. achieve the most cost-effective and the greatest amount of
2 reductions in greenhouse gas emissions and regulated air contaminants;
3 4. achieve an equitable distribution of funds;
4 5. maximize benefits to disadvantaged communities;
5 6. encourage early action to reduce emissions;
6 7. minimize emissions leakage;
7 8. promote equitable access to program participation across programs,
8 including interoperability with existing programs and the use of
9 universal eligibility applications for low-income applicants who may be
10 eligible for multiple services; and
11 9. identify and utilize best industry standard practices to overcome
12 barriers to implementation, such as split incentives for energy effi-
13 ciency.

14 § 77-0105. Transparency and accountability.

15 1. No later than two years following the effective date of this arti-
16 cle, and every two years thereafter, the department shall produce a
17 report on the implementation of the programs established under this
18 article and the extent to which program implementation is meeting stated
19 program goals and priorities. Such report shall include but not be
20 limited to:

21 (a) For the program under title three of this article:

22 (i) the extent to which needs identified in the needs assessment are
23 being met;

24 (ii) the effectiveness of projects funded under the program in reduc-
25 ing emissions of greenhouse gas and regulated air contaminants;

26 (iii) the effectiveness of projects funded under the program in reduc-
27 ing the energy burdens of households in disadvantaged communities;

28 (iv) the geographic distribution of grants made under the program;

29 (v) barriers reported by eligible applicants in developing competitive
30 proposals and receiving funding;

31 (vi) the jobs created as a result of funds distributed under the
32 program by type, duration, and pay scale; and

33 (vii) the number of projects funded that are community-owned or incor-
34 porate community ownership, including an assessment of continued barri-
35 ers to community ownership.

36 (b) For the program under title five of this article:

37 (i) the number of jobs created by the program;

38 (ii) the effectiveness of projects funded under the program in reduc-
39 ing emissions of greenhouse gas and regulated air contaminants;

40 (iii) the extent to which projects funded under the program leveraged
41 additional private investment;

42 (iv) the number of minority and women-owned businesses involved in
43 projects funded under the program as lead contractors or subcontractors,
44 and barriers to involvement by such businesses;

45 (v) the effectiveness of projects funded under the program in reducing
46 energy burdens of households, including households in disadvantaged
47 communities; and

48 (vi) the impact of the program on disadvantaged communities, including
49 the impact on the elderly, youth, women and children.

50 (c) For the program under articles forty-two and forty-three of the
51 tax law:

52 (i) the actual costs of the fee as compared to the amount of the
53 rebate;

54 (ii) the overall net cost to households; and

55 (iii) the rate of participation in the program by eligible households
56 and the barriers to participation, if any.

1 2. Before finalizing the report described in subdivision one of this
2 section, the department shall ensure that there are meaningful opportu-
3 nities for public participation, including by:

4 (a) allowing at least one hundred twenty days for the submission of
5 public comment, following the date of the publication of a draft report;
6 and

7 (b) holding at least four regional public hearings, including two
8 meetings in the upstate region and two meetings in the downstate region,
9 with emphasis on maximizing participation and accessibility for members
10 of disadvantaged communities.

11 3. The final report shall be submitted to the governor, the temporary
12 president of the senate, the speaker of the assembly, the minority lead-
13 er of the senate and the minority leader of the assembly, and shall be
14 posted on the website of the department.

15 § 77-0107. Report on community ownership.

16 1. Not later than two years following the effective date of this
17 title, and every two years thereafter, the department, with input from
18 the department of labor, and the state energy planning board, shall
19 produce a report on barriers to, and opportunities for, community owner-
20 ship, including:

21 (a) a study of contractual and pricing mechanisms that make siting and
22 ownership of renewable energy assets and services in disadvantaged
23 communities more viable and scalable.

24 (b) recommendations on how to increase community ownership in disad-
25 vantaged communities of the following services and commodities:

26 (i) distributed renewable energy generation;
27 (ii) utility scale renewable energy generation;
28 (iii) energy efficiency and weatherization investments; and
29 (iv) electric grid investments, including energy storage and smart
30 meters.

31 2. Before finalizing the report described in subdivision one of this
32 section, the department shall ensure that there are meaningful opportu-
33 nities for public participation, including by:

34 (a) allowing at least one hundred twenty days for the submission of
35 public comment, following the date of the publication of a draft report;
36 and

37 (b) holding at least four regional public hearings, including two
38 meetings in the upstate region and two meetings in the downstate region,
39 with emphasis on maximizing participation and accessibility for members
40 of disadvantaged communities.

41 3. The final report shall be submitted to the governor, the temporary
42 president of the senate, the speaker of the assembly, the minority lead-
43 er of the senate and the minority leader of the assembly, and shall be
44 posted on the website of the department.

TITLE 3

COMMUNITY JUST TRANSITION

47 Section 77-0301. Definitions.

48 77-0303. Office of community just transition.

49 77-0305. Establishment of community just transition program.

50 77-0307. Administration by the department.

51 77-0309. Allocation of funds.

52 77-0311. Selection process.

53 77-0313. Identification of disadvantaged community needs.

54 77-0315. Community decision-making and accountability mech-
55 anisms.

77-0317. Criteria for implementing community accountability mechanisms.

§ 77-0301. Definitions.

For the purposes of this title, the following terms shall have the following meanings:

1. "Act" means the "climate and community investment act".

2. "Disadvantaged communities" shall have the same meaning as in subdivision three of section 75-0111 of this chapter.

3. "Eligible lead applicant" means a constituency-based organization or a tribal nation, in or serving a disadvantaged community or communities. Notwithstanding the preceding sentence, a constituency-based organization or tribal nation may be an eligible lead applicant, whether or not it is in or serving a disadvantaged community or communities, if it makes an application for funding on behalf of one or more constituency-based organizations or tribal nations that are in or serving one or more disadvantaged communities with the consent of such constituency-based organization or organizations or tribal nation or nations and subgrants to such constituency-based organization or organizations or tribal nation or nations. A municipality or county where a project is proposed to be located shall also be considered an eligible lead applicant if it affirms that there is no constituency-based organization or tribal nation in or serving the disadvantaged community or that is willing or able to submit an application or consent to be a subgrantee under this subdivision, and that it provided a reasonable opportunity for residents and organizations in or serving the municipality or county to comment on the application prior to submission.

4. "Eligible sub-applicants" means private sector entities, academic institutions, non-profit organizations, other stakeholders, and municipalities and counties in cases where there is a constituency-based organization in the disadvantaged community or communities.

5. "Fund" means the community just transition fund established under subdivision one of section three thousand forty-six of the tax law.

6. "Minority- or women-owned business enterprise" means either a "minority-owned business enterprise" as defined in subdivision seven of section three hundred ten of the executive law, or a "women-owned business enterprise" as defined in subdivision fifteen of such section.

7. "Program" means the community just transition program established under this title.

8. "Community ownership" shall have the same meaning as set forth in subdivision one of section 77-0101 of this article.

9. "Downstate region" means the counties of Richmond, Kings, Queens, New York, Bronx, Westchester, Nassau and Suffolk.

10. "Upstate region" means all New York counties other than Nassau, Suffolk, Richmond, Kings, Queens, New York, Bronx and Westchester.

§ 77-0303. Office of community just transition.

The department shall administer the fund and the program. The department shall be responsible for implementing new, progressive and equitable grant opportunities that support disadvantaged communities transitioning to a regenerative renewable energy economy, under this section. The department shall develop and assess programs.

§ 77-0305. Establishment of community just transition program.

There is hereby established by the department, a community just transition program, to be implemented by the commissioner. The purpose of the program is to disburse funds from the community just transition fund pursuant to section 77-0309 of this title.

§ 77-0307. Administration by the department.

1 Within six months of the effective date of this title, the department
2 is hereby authorized and directed to establish and administer the commu-
3 nity just transition program. The department is authorized and directed
4 to:

5 1. use monies made available for the program, pursuant to sections
6 77-0309 and 77-0311 of this title;

7 2. enter into contracts with eligible lead applicants and sub-appli-
8 cants through a competitive selection process;

9 3. recover from the monies made available for the program, not in
10 excess of two percent of annual fund proceeds, its own necessary and
11 documented costs incurred in administering the program, including
12 program evaluation; and

13 4. exercise such other powers as are necessary for the proper adminis-
14 tration of the program.

15 § 77-0309. Allocation of funds.

16 1. Funds from the community just transition fund shall be disbursed
17 through direct grants to eligible lead applicants.

18 2. At least seventy-five percent of funds from the community just
19 transition fund shall be for projects physically located within a desig-
20 nated disadvantaged community, or for projects as close to such communi-
21 ty as is practicable, provided that a project not physically located in
22 the disadvantaged community shall only be eligible for funding under
23 this subdivision if the department finds that it is impracticable to
24 locate the project in such disadvantaged community or that funding such
25 project is in the best interests of such disadvantaged community, taking
26 into account such factors as the burdens of negative public health
27 effects, environmental pollution and the impacts of climate changes. Any
28 project funded under this subdivision shall achieve one or more of the
29 goals in paragraph (a), (b) or (c) of this subdivision:

30 (a) maximizing greenhouse gas emissions reductions, including through
31 the completion of projects, including but not limited to: energy effi-
32 ciency and energy demand reduction; renewable energy; energy storage;
33 renewable energy-powered microgrids; energy resiliency; demand response;
34 and reducing urban heat island effects through various means, such as
35 through the completion of urban forestry, urban agriculture, or green
36 infrastructure projects;

37 (b) the reduction of other regulated air contaminants in conjunction
38 with greenhouse gas emissions reductions; and

39 (c) community ownership and governance, including through the funding
40 of planning, design and construction of community solar installation and
41 other projects listed under paragraph (a) of this subdivision.

42 3. Up to twenty-five percent of funds from the community just transi-
43 tion fund may be used for projects other than as specified in subdivi-
44 sion two of this section, but must provide at least one of the following
45 benefits to one or more designated disadvantaged communities:

46 (a) reducing emissions from stationary sources, including the perma-
47 nent closure of fossil fuel-fired power plants, including peaker-plants,
48 or waste-to-energy plants, with priority given to reducing emissions
49 from sources that emit pollution into the airshed of disadvantaged
50 communities;

51 (b) reducing the financial burden of energy expenses for disadvantaged
52 communities, including reducing energy costs through the creation of
53 community-owned solar assets; and

54 (c) increasing and supporting opportunities for community ownership of
55 energy projects by residents of disadvantaged communities, including

1 ownership of the type of energy projects specified under subdivision two
2 of this section and by establishing community-owned energy cooperatives.
3 § 77-0311. Selection process.

4 1. The department shall develop criteria and a process for competi-
5 tively selecting project proposals under this title, in accordance with
6 this section and section 77-0309 of this title.

7 2. The department shall competitively select project proposals accord-
8 ing to the criteria and process established under subdivision three of
9 this section.

10 3. In selecting projects and distributing funds, the director shall
11 meet the standards in paragraphs (a), (b), (c), (d), (e) and (f) of this
12 subdivision.

13 (a) All projects shall be led by an eligible lead applicant; provide
14 benefits to designated disadvantaged communities; comply with section
15 77-0309 of this title; incorporate community decision-making, pursuant
16 to section 77-0315 of this title, throughout project planning and imple-
17 mentation; and provide a community accountability mechanism, pursuant to
18 section 77-0317 of this title and comply with the labor and job perform-
19 ance standards in this act.

20 (b) Program funds as a whole shall be equitably distributed to members
21 of disadvantaged communities, with roughly an even distribution of funds
22 per capita among disadvantaged communities across the state.

23 (c) Communities shall be targeted in areas where energy costs are
24 particularly high in relation to a measure of median household income as
25 determined by the department; or which have been designated as a nonat-
26 tainment area for one or more pollutants pursuant to section 107 of the
27 federal Clean Air Act (42 U.S.C. section 7407).

28 (d) The department shall give preference in awards to applicants that
29 include significant participation by minority- or women-owned business
30 enterprises.

31 (e) The department shall give preference in awards to applicants that
32 implement mechanisms to maximize community ownership, pursuant to the
33 findings of the latest report mandated by section 77-0107 of this arti-
34 cle.

35 (f) The department shall give preference in awards to projects that
36 would not otherwise likely be completed without the support of the
37 program.

38 4. The department shall encourage eligible lead applicants to propose
39 projects in collaboration with eligible sub-applicants and comply with
40 the labor and job performance standards in this act.

41 5. The department shall annually issue at least one and not more than
42 four program opportunity notices or requests for proposals to solicit
43 applications from eligible lead applicants.

44 6. The department shall prioritize creating a streamlined and simpli-
45 fied application and disbursement process for eligible lead applicants,
46 including but not limited to, quarterly available grant opportunities,
47 at least quarterly information webinars, and providing opportunities for
48 technical assistance to navigate the application process.

49 7. To the extent otherwise permitted by law, the department shall
50 distribute funds in a manner that provides at least seventy-five percent
51 of each award up-front, to ensure that eligible lead applicants with
52 limited existing budgets are able to implement projects effectively.

53 8. The department shall consult with the division of housing and
54 community renewal to develop strategies to mitigate any adverse economic
55 impact of the program on tenants and homeowners, including, but not
56 limited to, residents of rent-regulated housing or recipients of housing

1 subsidies and rent-burdened households; and enhance long-term community
2 cohesion while preventing gentrification and displacement.

3 9. Nothing in this title shall preclude the department from permitting
4 eligible lead applicants or sub-applicants to use program funds awarded
5 under this title in conjunction with other public or private funding
6 awarded for other purposes, providing that the lead applicant can demon-
7 strate, in a manner sufficient to the department, that the program goals
8 and other requirements of this title will be met.

9 § 77-0313. Identification of disadvantaged community needs.

10 1. The department, in cooperation with the commissioners of health and
11 labor shall identify disadvantaged community needs for the purposes of
12 implementing this section.

13 2. Disadvantaged community needs shall be identified, with the input
14 of experts, local government representatives, public utility represen-
15 tatives, and other local stakeholders, for each disadvantaged community
16 or set of disadvantaged communities.

17 3. Before finalizing the list of identified disadvantaged community
18 needs pursuant to subdivision one of this section, the department shall
19 ensure that there are meaningful opportunities for public comment for
20 all persons who will be impacted by the identified needs, including
21 persons living in areas that may be identified as disadvantaged communi-
22 ties, including by:

23 (a) publishing draft identified disadvantaged community needs, and
24 making such information available on the internet;

25 (b) holding at least six regional public hearings on the draft identi-
26 fied disadvantaged community needs, including three meetings in upstate
27 regions and three meetings in downstate regions; and

28 (c) allowing at least one hundred twenty days for the submission of
29 public comment, following the date of the publication of draft identi-
30 fied disadvantaged community needs described under paragraph (a) of this
31 subdivision.

32 4. The department, in cooperation with the commissioners of health and
33 labor or their designees, shall meet no less than annually to review the
34 identified disadvantaged community needs and methods used to identify
35 such needs, and may modify such methods to incorporate new data and
36 scientific findings, subject to the same process requirements listed
37 under subdivision three of this section.

38 § 77-0315. Community decision-making and accountability mechanisms.

39 1. The department, in cooperation with the commissioners of health and
40 labor shall establish criteria for appropriate community decision-making
41 practices for the purposes of implementing this section.

42 2. Community decision-making practices shall be identified based on
43 consultations with constituency-based organizations, members of disad-
44 vantaged communities, and other stakeholders identified by the depart-
45 ment.

46 3. Before finalizing the criteria for appropriate community decision-
47 making practices pursuant to subdivision one of this section, the
48 department shall ensure that there are meaningful opportunities for
49 public comment for all persons who will be impacted by the criteria,
50 including persons living in areas that may be identified as disadvan-
51 tagged communities, including by:

52 (a) publishing draft criteria, and making such information available
53 on the internet;

54 (b) holding at least ten regional public hearings on the draft crite-
55 ria, one in each region; and

1 (c) allowing at least one hundred twenty days for the submission of
2 public comment, following the date of the publication of draft criteria
3 described under paragraph (a) of this subdivision.

4 4. The department, in cooperation with the commissioners of health and
5 labor shall meet no less than annually to review the criteria and meth-
6 ods used to identify appropriate community decision-making practices,
7 and may modify such methods to incorporate new data and scientific find-
8 ings, subject to the same process requirements listed under subdivision
9 three of this section.

10 5. For the purposes of paragraph (b) of subdivision three of this
11 section, "region" shall have the same meaning as in subdivision nine of
12 section twenty-four hundred twenty-six of the public authorities law.

13 § 77-0317. Criteria for implementing community accountability mech-
14 anisms.

15 The department, in cooperation with the commissioners of health and
16 labor shall establish criteria for implementing community accountability
17 mechanisms for the purposes of implementing this section.

18 1. Criteria for implementing community accountability mechanisms shall
19 be based on input from the department and the commissioners of health
20 and labor.

21 2. Before finalizing the criteria for implementing community account-
22 ability mechanisms pursuant to subdivision one of this section, the
23 department shall ensure that there are meaningful opportunities for
24 public comment for all persons who will be impacted by the criteria,
25 including persons living in areas that may be identified as disadvan-
26 tagged communities, including by:

27 (a) publishing draft criteria, and making such information available
28 on the internet;

29 (b) holding at least six regional public hearings on the draft crite-
30 ria, including three meetings in the upstate region and three meetings
31 in the downstate region; and

32 (c) allowing at least one hundred twenty days for the submission of
33 public comment, following the date of the publication of draft criteria
34 described under paragraph (a) of this subdivision.

35 3. The department, in cooperation with the commissioners of health and
36 labor shall meet no less than annually to review the criteria and meth-
37 ods used to identify community accountability mechanisms, and may modify
38 such methods to incorporate new data and scientific findings, subject to
39 the same process requirements listed under subdivision two of this
40 section.

41 TITLE 5

42 CLIMATE JOBS AND INFRASTRUCTURE

43 Section 77-0501. Definitions.

44 77-0503. Establishment of climate jobs and infrastructure
45 program.

46 77-0505. Administration by the department.

47 77-0507. Allocation of funds.

48 77-0509. Funding instruments.

49 77-0511. Selection process and criteria.

50 77-0513. Comprehensive approach to existing structures.

51 § 77-0501. Definitions.

52 For the purposes of this title, the following terms shall have the
53 following meanings:

1 1. "Eligible applicant" means a constituency-based organization,
2 tribal nation, labor union, municipality, transit agency, port authori-
3 ty, metropolitan planning organizations, small business, minority- or
4 women-owned business enterprise or any other entity deemed appropriate
5 by the department.

6 2. "Fund" means the climate jobs and infrastructure fund established
7 under subdivision two of section three thousand forty-six of the tax
8 law.

9 3. "Minority- or women-owned business enterprise" means either a
10 "minority-owned business enterprise" as defined in subdivision seven of
11 section three hundred ten of the executive law, or a "women-owned busi-
12 ness enterprise" as defined in subdivision fifteen of such section.

13 4. "Program" means the climate jobs and infrastructure program estab-
14 lished under this title.

15 5. "Third-party entities" means private sector entities, academic
16 institutions, non-profit organizations and other stakeholders that are
17 not eligible applicants.

18 6. "Tribal nation" shall have the same meaning as in subdivision nine
19 of section 77-0101 of this article.

20 7. "Disadvantaged communities" shall have the same meaning as in
21 subdivision five of section 75-0101 of this chapter.

22 § 77-0503. Establishment of climate jobs and infrastructure program.

23 There is hereby established by the department, a climate jobs and
24 infrastructure program, which shall disburse funds from the climate jobs
25 and infrastructure fund pursuant to the goals established under section
26 77-0507 of this title.

27 § 77-0505. Administration by the department.

28 Within six months of the effective date of this title, the department
29 is hereby authorized and directed to establish and administer the
30 climate jobs and infrastructure program. The department shall implement
31 the program in consultation with the public service commission, the New
32 York independent system operator, the New York energy research and
33 development authority, and the departments of transportation, health and
34 labor. The department is authorized and directed to take the following
35 steps:

36 1. using monies made available from the fund to achieve the goals of
37 the program outlined in section 77-0507 of this title;

38 2. entering into contracts with eligible applicants and other entities
39 through the competitive selection process authorized by this title;

40 3. using from the monies made available for the program, not in excess
41 of two percent of annual fund proceeds, its own necessary and documented
42 costs incurred in administering the program, including program evalu-
43 ation; and

44 4. exercising such other powers as are necessary for the proper admin-
45 istration of the program.

46 § 77-0507. Allocation of funds.

47 1. Funds from the climate jobs and infrastructure fund shall be
48 disbursed under the climate jobs and infrastructure program to achieve
49 quantifiable, verifiable, and significant reductions in greenhouse gas
50 emissions and of regulated air contaminants while achieving the general
51 goals specified in subdivision two of this section. These funds are
52 intended to advance the goals of the climate leadership and community
53 protection act.

54 2. In addition to meeting the goals specified in subdivision one of
55 this section, funds shall be disbursed to meet the following goals:

1 (a) job creation, pursuant to the standards established under article
2 eight-B of the labor law, including opportunities for new entrants into
3 the state's workforce, and the long-term unemployed or displaced work-
4 ers, and the development of an in-state manufacturing and supply chain
5 for clean energy technologies;

6 (b) funding large-scale projects, including those that may span multi-
7 ple communities or regions;

8 (c) reducing greenhouse gas emissions and energy costs through
9 improvements in energy efficiency, energy conservation, load balancing,
10 energy storage and the installation of clean energy technologies;

11 (d) achieving advancements in social equity, including promoting
12 community ownership and governance of energy production, including
13 youth, children, the incarcerated and the formerly incarcerated; and
14 supporting sustainable local economic development;

15 (e) electrification of equipment and appliances for residential,
16 commercial and industrial applications;

17 (f) promoting the participation of private capital, municipal govern-
18 ments and tribal nations in achieving the goals stated in this section
19 and the use of innovative financing mechanisms to finance energy effi-
20 ciency improvements through energy cost savings;

21 (g) encouraging the development of programs to support communities
22 with high cumulative environmental burden, high peak energy load, and
23 aging housing stock in order to preserve affordable housing and enhance
24 long-term community cohesion while preventing gentrification and
25 displacement;

26 (h) encouraging the development of energy efficiency and renewable
27 energy projects and programs for and in public schools, school transpor-
28 tation including centralized procurement by the department of zero-emis-
29 sion school buses and charging infrastructure in order to promote effi-
30 ciency, innovation, and the creation of high-quality jobs in school bus
31 and charging infrastructure manufacturing and community centers, with
32 priority given to schools located in and serving disadvantaged communi-
33 ties in order to preserve and improve school infrastructure, improve
34 community resilience and provide co-educational benefits for students in
35 science, technology, engineering, art, ecology and science;

36 (i) encouraging the development of quality child and dependent care
37 with priority given to the development of quality child care located in
38 and serving disadvantaged communities; and

39 (j) encouraging the development of workforce development programs that
40 identify and utilize best practices to provide and train workers for
41 high quality and continuous career and work opportunities.

42 3. Every five years, the department shall designate priority project
43 types for investments based on capital funding needs, the potential for
44 greenhouse gas emission reductions, and the potential for regional job
45 creation. These priorities shall guide the department in soliciting
46 proposals and selecting projects. The first five years of funding shall
47 prioritize investment in:

48 (a) public transit, with special priority for intra-city transit
49 modes, in upstate regions and in other underserved regions of the state,
50 including through: subsidizing transit rate reductions, the establish-
51 ment of new transit routes, and improvements in transit service (includ-
52 ing increased frequency, accessibility and safety), especially to better
53 serve low- to moderate-income individuals; creating journey to work
54 routes, dedicated to creating access to major areas of employment in
55 both urban and non-urban areas, especially routes connecting non-urban
56 areas without necessitating a trip through the central city; directing

1 infrastructure funding, including through various approaches to support-
2 ing bonding, revolving loan funds and other financing mechanisms; and
3 subsidizing electric and zero-emissions vehicles and infrastructure,
4 including charging infrastructure and energy storage technologies;

5 (b) energy efficiency and conservation projects, including projects in
6 public buildings, and incentives for new private buildings that achieve
7 high efficiency or net-zero status and for retrofits of existing build-
8 ings, providing that landlords who receive retrofit funds or financial
9 assistance of any kind under this program not be allowed to include such
10 investments as major capital improvements or individual apartment
11 assessments in order to raise rents to recoup costs in rent-regulated
12 housing;

13 (c) large scale renewable energy projects, community-owned renewable
14 energy projects, such as community solar and community wind projects,
15 and publicly-owned renewable energy projects, including projects on
16 public buildings and land;

17 (d) port facility electrification and sustainability measures, includ-
18 ing but not limited to at the port of Albany, the port of Buffalo, and
19 the New York city waterfront, including Hunts Point and Sunset Park;

20 (e) electric grid upgrades within the state, including the
21 construction of electricity transmission, energy storage and smart grid
22 infrastructure, and including support for establishing electric vehicle
23 infrastructure and systems to optimize distributed energy resources;

24 (f) energy efficiency and renewable energy projects and programs for
25 and in public schools, school transportation (including school buses)
26 and community centers with priority given to schools located in or serv-
27 ing disadvantaged communities; and

28 (g) child and dependent care facilities and programs with priority
29 given to child and dependent care facilities and programs located in or
30 servicing disadvantaged communities.

31 4. In addition to allocating funds under the program to achieve the
32 goals and priorities outlined in this section, the department shall
33 allocate funds for the purposes of providing technical assistance to
34 eligible applicants. Such technical assistance shall include assistance
35 with: developing project proposals; implementing project proposals;
36 conducting analysis and reporting on projects implemented under the
37 program; and other needs identified by the department.

38 5. No monies from the climate jobs and infrastructure fund shall fund
39 police, prisons or related infrastructure.

40 § 77-0509. Funding instruments.

41 The department shall determine the appropriate instrument, or variety
42 of instruments, including grants, loan guarantees, incentives, bond
43 payments, loan programs, and other mechanisms for achieving the goals
44 stated in section 77-0507 of this title.

45 § 77-0511. Selection process and criteria.

46 The department is authorized, within amounts appropriated, to disburse
47 funds from the fund to eligible applicants on a competitive basis.

48 1. The department shall develop criteria and a process for selecting
49 project proposals submitted by eligible applicants under this title.

50 2. In selecting projects and distributing funds, the department shall
51 include the following criteria:

52 (a) the extent to which the project meets each of the goals set forth
53 in subdivisions one and two of section 77-0507 of this title;

54 (b) whether the project falls under a priority area for investment for
55 the five-year period;

1 (c) whether the project will benefit geographic areas where energy
2 costs are particularly high in relation to a measure of median household
3 income as determined by the department; or which have been designated as
4 a nonattainment area for one or more pollutants pursuant to section 107
5 of the federal clean air act (42 U.S.C. section 7407);

6 (d) whether the applicants include significant participation by minor-
7 ity- and women-owned business enterprises; and

8 (e) the extent to which projects would not otherwise be completed
9 without the support of the program.

10 3. In allocating funds, the department shall also, where possible, aim
11 to geographically distribute funds in an equitable manner across the
12 state, taking into account population density.

13 4. The department shall encourage eligible applicants to propose
14 projects in partnership with other eligible applicants, and with third-
15 party entities.

16 § 77-0513. Comprehensive approach to existing structures.

17 1. In consultation with the department of state, department of homes
18 and community renewal, the New York energy research and development
19 authority and other relevant stakeholders, the department shall develop
20 a master plan to:

21 (a) ensure a comprehensive approach exists to improve building energy
22 efficiency that includes all of the state's existing buildings;

23 (b) ensure that the state meets its energy efficiency goals;

24 (c) reduces energy use in all existing structures and new buildings;

25 (d) improves and protects housing affordability and enhances long-term
26 community cohesion while preventing gentrification and displacement; and
27 (e) incorporates health and safety assessments and improvements.

28 2. The master plan will specifically include recommendations for coor-
29 ordinated changes to the building and energy codes, energy efficiency
30 programs administered by the state and others, and spending pursuant to
31 the climate and community investment act, in order to ensure that most
32 buildings receive deep energy efficiency retrofits that include assess-
33 ment and improvements to health and safety.

34 3. To prepare the master plan, the department shall convene relevant
35 stakeholders in each region of the state at least once, giving at least
36 ninety days' notice of the proposed meeting in order for the public to
37 attend. For the purposes of this subdivision, "region" shall have the
38 same meaning as in subdivision nine of section twenty-four hundred twen-
39 ty-six of the public authorities law.

40 TITLE 7

41 JUST TRANSITION FOR IMPACTED WORKERS AND COMMUNITY ASSURANCE

42 Section 77-0701. Definitions.

43 77-0703. Worker assurance program.

44 77-0705. Community assurance program.

45 77-0707. Administration.

46 77-0709. Allocation of funds.

47 77-0711. Selection process.

48 77-0713. Designation of significant impact.

49 77-0715. Public engagement and social dialogue.

50 77-0717. Reporting.

51 § 77-0701. Definitions.

52 For the purposes of this title, the following terms shall have the
53 following meanings:

1 1. "Adversely affected employment" means employment in an entity regu-
2 lated by the New York state department of public service generating
3 energy that is not renewable.

4 2. "Adversely affected worker" means an individual who, because of
5 lack of work in adversely affected employment, has been totally or
6 partially separated from such employment, is expected to be totally or
7 partially separated from such employment, or is a displaced worker.

8 3. "Adjustment assistance" means any compensation, credit, benefit,
9 funding, training, or service provided under this article through any
10 option described.

11 4. "Applicable firm" means, as applicable:

12 (a) the firm, or subdivision of a firm, for which the group of workers
13 who are petitioning for certification work at;

14 (b) the firm, or subdivision of a firm, for which a group of certified
15 adversely affected workers work at;

16 (c) a group of firms within close geographic proximity, as determined
17 by the department, employing a group of workers who are petitioning for
18 certification; or

19 (d) a group of firms within a close geographic proximity, as deter-
20 mined by the department, for which a group of certified adversely
21 affected workers work.

22 5. "Energy industry" means a commercial sector, as determined by the
23 department, that:

24 (a) extracts, transports, or uses as a direct input energy resources
25 or electricity; or

26 (b) is otherwise dependent on the generation or consumption of energy
27 resources or electricity.

28 6. "Constituency-based organization" shall have the same meaning as in
29 subdivision three of section eighteen hundred ninety-one of the public
30 authorities law.

31 7. "Disadvantaged communities" shall have the same meaning as in
32 section 75-0111 of this chapter.

33 8. "Displaced worker" means an individual who is a resident of New
34 York state and who has either:

35 (a) been terminated or has received notice of termination as a result
36 of a permanent facility closure; or

37 (b) experienced partial separation and is in the energy industry.

38 9. "Disadvantaged worker" is a resident of New York state who:

39 (a) is a woman, when considering construction and building contracts;

40 (b) has a household income of less than fifty percent of the area
41 median income (AMI);

42 (c) is an individual residing in an area of concentrated poverty;

43 (d) is disabled;

44 (e) is a veteran;

45 (f) is a person previously incarcerated or convicted of a criminal
46 offense; or

47 (g) is long-term unemployed.

48 10. "Downstate region" means the counties of Richmond, Kings, Queens,
49 New York, Bronx, Westchester, Nassau and Suffolk.

50 11. "Eligible lead applicant" means a constituency-based organization,
51 labor organization, a tribal nation, local school district, or a municipi-
52 pal or county government located in or serving the impacted community or
53 communities which makes an application for funding under this title on
54 behalf of itself alone or along with eligible sub-applicants.

55 12. "Eligible sub-applicants" means private sector entities, academic
56 institutions, non-profit organizations, other stakeholders, with a

1 relationship to the impacted community. Eligible sub-applicants, may
2 apply with a lead applicant pursuant to standards prescribed by the
3 department. Applying with support from an eligible lead applicant.

4 13. "Fund" means the worker and community assurance special purpose
5 fund created under article forty-two of the tax law.

6 14. "Greenhouse gas" shall have the same meaning as in subdivision
7 nine of section 19-1301 of this chapter.

8 15. "Labor organization" means any organization which exists and is
9 constituted for the purpose, in whole or in part, of collective bargain-
10 ing, or of dealing with employers concerning grievances, terms or condi-
11 tions of employment, or of other mutual aid or protection and which is
12 not a company union. This includes but is not limited to bona fide labor
13 organizations that are certified or recognized as the organization of
14 jurisdiction representing the workers involved and/or bona fide building
15 and construction trades councils and/or district councils and state and
16 local labor federations comprised of local unions certified or recog-
17 nized as the representative of the workers.

18 16. "Partial separation" means, with respect to an individual who has
19 not been totally separated, that such individual has experienced:

20 (a) a reduction in hours of work to eighty percent or less of the
21 individual's average weekly hours in adversely affected employment; and

22 (b) a reduction in wages to eighty percent or less of the individual's
23 average weekly wage in such adversely affected employment.

24 17. "Permanent facility closure" means the permanent shutdown of a
25 single site of employment, or one or more facilities or operating units
26 within a single site of employment, if the shutdown results in an
27 employment loss at the single site of employment during any thirty-day
28 period.

29 18. "Program" means the worker assurance program and community assur-
30 ance program established under this title.

31 19. "Significantly impacted community" is a community, municipality,
32 or other area designated as such by the department.

33 20. "Social dialogue" means an open dialogue with resources available
34 to the public and all stakeholders to encourage participation intended
35 to develop a consensus among the parties consisting of discussions where
36 participants can discuss, be provided with resources and make decisions
37 about how to respond to the challenges of the transition.

38 21. "Total separation" means the layoff or severance of an individual
39 from employment with an applicable firm.

40 22. "Totally separated" means, with respect to an individual, that
41 such individual is experiencing total separation.

42 23. "Upstate region" means all New York counties other than Nassau,
43 Suffolk, Richmond, Kings, Queens, New York, Bronx and Westchester.

44 § 77-0703. Worker assurance program.

45 There is hereby established within the department, a worker assurance
46 program, to be implemented by the department.

47 1. The purpose of the program is to create programs or disburse funds
48 from the fund to benefit the following persons, regardless of immi-
49 gration status or term of residency:

50 (a) adversely affected workers;

51 (b) displaced workers; and

52 (c) disadvantaged workers in significantly impacted communities.

53 2. Benefits, services, or financial support may be delivered directly
54 by the department or through eligible lead applicants and eligible sub-
55 applicants.

1 3. Applications under this section can be made on behalf of a group of
2 workers by an eligible lead applicant, however individuals may apply for
3 support directly from the agency even if there is a local program admin-
4 istered by or application made by an eligible lead applicant.

5 4. All individual applicants will be approved to receive benefits,
6 services, or financial support regardless of immigration status or term
7 of residency. To receive benefits applicants must demonstrate they are:

8 (a) adversely affected workers;

9 (b) displaced workers; or

10 (c) disadvantaged workers in significantly impacted communities.

11 5. The department will promulgate such regulations or guidelines for
12 the creation of programs by eligible lead applicants as may be needed.

13 6. Benefits, services, or financial support upon an application being
14 accepted, benefits, services, or financial support shall be made avail-
15 able for qualifying workers for at least three years and up to ten
16 years.

17 7. These benefits shall include income support equal to their prior
18 salary either until new employment is found at a comparable wage or as a
19 supplement to the new wage to meet the prior level for three years; and
20 additional appropriate supports including:

21 (a) employment by the department or a lead applicant (for example
22 doing remediation at their current site of employment) on a project to
23 reutilize facilities to replace losses in the tax base, or pursuant to
24 another program created under this title;

25 (b) retraining and placement in public or private sector positions;

26 (c) payment towards pension support;

27 (d) on the job training funds or wage subsidies to match their prior
28 salary or hourly wage;

29 (e) payment towards early retirement;

30 (f) transitional support including but not limited to skills training,
31 job counseling, tuition support and on-the-job training; and

32 (g) support for impacted workers to start employee-owned business,
33 early retirement or income support.

34 8. The department will report regularly to the public on the status of
35 these programs as well as what benefits are being provided and where
36 programs have been created by eligible lead applicants.

37 9. When approved applicants are employed or have been immediately
38 prior to displacement under an existing collective bargaining agreement,
39 the department shall notify the labor organization party to that agree-
40 ment of the application.

41 § 77-0705. Community assurance program.

42 There is hereby established within the department, a community assur-
43 ance program, to be implemented by the department. The purpose of the
44 program is to:

45 1. disburse funds from the fund, pursuant to this section;

46 2. provide support for disadvantaged communities and significantly
47 impacted communities directly from the department, through local govern-
48 ment entities, eligible lead applicants, or eligible sub-applicants to:

49 (a) replace lost school aid, lost property tax payments to schools, or
50 other lost school funding;

51 (b) establish job creation programs;

52 (c) replace lost payment in-lieu-of taxes (PILOT) and local tax reven-
53 ue, replace revenue raised by or paid by the state or an employer to
54 municipalities or school districts (including, but not limited to,
55 central school districts and city school districts), and other public
56 funding that is being lost; and

1 (d) facilitate the expansion of existing economic development programs
2 to enable communities to respond to permanent facility closure and/or
3 major reductions in property taxes or pilot payments; and

4 3. review which proposals for program funding may include, but are not
5 limited to:

6 (a) support to start cooperative employee-owned businesses, including
7 by displaced workers or labor organizations;

8 (b) infrastructure projects in communities where energy-intensive
9 facilities are closing;

10 (c) efforts at reclamation project creating a renewable project
11 located at:

12 (i) a brownfield site as defined in subdivision two of section 27-1405
13 of this chapter, not excluding a site subject to an enforcement order as
14 provided for in paragraph (c) of subdivision two of section 27-1405 of
15 this chapter;

16 (ii) a dormant electric generating site as determined by the commis-
17 sion; or

18 (iii) real property owned by a private developer or real property
19 owned by an applicable firm.

20 (d) projects proposed through negotiated project labor agreements or
21 neutrality agreements with labor organizations representing impacted
22 workers or adversely affected workers.

23 (e) small business retraining and transition programs: including
24 programs to identify and support small businesses, to avoid job losses
25 due to energy transition, make technological changes or training
26 improvements, on the job training programs, equipment grants, and tech-
27 nical support for existing businesses to transition to practices focused
28 on sustainability, decarbonization, or non-emitting operations.

29 (f) support for local manufacturing coordinated with decarbonization
30 programs to provide grants and no-interest loans to develop and acceler-
31 ate manufacturing of:

32 (i) electric buses (including school buses), electric pickup trucks,
33 electric cars, and other electric vehicles; and

34 (ii) energy-efficient electric appliances in significantly impacted
35 communities and adversely affected communities.

36 § 77-0707. Administration.

37 1. Within six months of the effective date of this title, the depart-
38 ment is hereby authorized and directed to establish the programs author-
39 ized by this title. The department shall:

40 (a) use monies made available for the programs for the establishment
41 of the worker assurance program pursuant to section 77-0703 of this
42 title, and the community assurance program pursuant to section 77-0705
43 of this title to achieve the purposes of each program;

44 (b) enter into contracts with eligible lead applicants, eligible sub-
45 applicants, and other entities through the competitive selection process
46 authorized by this title;

47 (c) enter into contracts with one or more program implementers to
48 perform such functions as the department deems appropriate;

49 (d) evaluate disadvantaged communities and other communities to iden-
50 tify those where permanent facility closure is likely, and engage in
51 outreach to ensure that constituency-based organizations, labor organ-
52 izations, and eligible applicants are aware that the program is under
53 development and invite them to be involved in the development of the
54 program; and

55 (e) exercise such other powers as are necessary for the proper admin-
56 istration of the program.

1 2. The department shall notify the labor organizations party to
2 collective bargaining agreements covering workers in significantly
3 impacted communities of proposed programs or funding opportunities under
4 this section.

5 § 77-0709. Allocation of funds.

6 1. Funds from the fund shall be disbursed under the programs and be
7 used to ensure a stable transition for workers and communities impacted
8 by the transition to a carbon free economy. Funds may be used for activ-
9 ities pursuant to sections 77-0703 and 77-0705 of this title.

10 2. The department shall:

11 (a) develop clear guidelines and engage in public comment before allo-
12 cating funds;

13 (b) determine a transparent and consistent level of funding, program
14 portfolio, and process for accessing that support in both the upstate
15 region and the downstate region; and

16 (c) coordinate with the New York state department of labor regarding
17 the program administered by the department that directs funds to indi-
18 vidual New York residents pursuant to section 77-0703 of this title;

19 3. (a) All projects funded pursuant to this section must be operated
20 as zero-emission projects. No funds from this program may be awarded to
21 any project that uses carbon-based-fuels in its operations.

22 (b) No funds under this title shall fund police, prisons or related
23 infrastructure.

24 (c) Funds administered under section 77-0705 of this title should be
25 coordinated whenever possible with existing programs, and with funding
26 opportunities under other titles of this article.

27 § 77-0711. Selection process.

28 The department is authorized, within amounts appropriated, to disburse
29 funds from the fund on a competitive basis for approved projects to
30 eligible applicants and partners.

31 1. The department shall develop criteria and a process for selecting
32 project proposals submitted by eligible applicants under this title.

33 2. The department will select projects based on proposals from eligi-
34 ble lead applicants and labor organizations or based on a request from
35 individual impacted workers and adversely affected workers.

36 3. Proposals should clearly articulate: the programs to be supported;
37 the number of workers impacted; overall expected funding level; a plan
38 to engage the people most affected by the transition, including workers
39 and community members; a plan for any necessary site remediation and
40 economic development; and a plan to ensure that funding is time limited
41 to no more than ten years of direct support from the fund.

42 4. The department shall give priority to proposals from or related to:

43 (a) disadvantaged workers or disadvantaged communities;

44 (b) adversely affected workers;

45 (c) eligible applicants that relate to adversely affected employment;
46 and

47 (d) projects that have significant employment and tax base impacts
48 when experiencing a permanent closure.

49 5. Where a proposal is received and one or more labor organization
50 represent impacted workers, they shall be notified, and given a reason-
51 able opportunity to submit a proposal either on their own or in partner-
52 ship with other eligible applicants.

53 6. In developing the criteria, the department shall attempt to maxi-
54 mize: the number of people from affected communities that will benefit
55 from any implemented project and from the suite of projects across the
56 program; the degree of direct benefits delivered to affected communi-

1 ties; greenhouse gas and emissions reductions for regulated air contam-
2 inants; and, to the extent possible, the leveraging of private capital.

3 7. The department shall encourage lead eligible applicants to propose
4 projects in partnership with other eligible lead applicants, and in
5 partnership with eligible sub-applicants, and will notify all those
6 parties involved if multiple proposals are received regarding the same
7 site, workers, or community.

8 8. Where possible, the department shall aim to distribute funds in an
9 equitable manner by region of the state.

10 9. If adequate funding is available, the department may consider
11 proposals related to other impacts associated with climate change that
12 have the effect of causing job losses, including climate-related natural
13 disasters.

14 10. The department shall allocate funding annually, or as determined
15 appropriate by the department for ensuring continuous funding for the
16 needs of the chosen programs and projects.

17 § 77-0713. Designation of significant impact.

18 1. The department shall establish criteria to determine when an indus-
19 try has become significantly impacted as a direct result of policies to
20 reduce greenhouse gas emissions in New York state. The department shall
21 identify an initial set of industries that are significantly impacted as
22 a direct result of emissions reduction policies for the purposes of
23 implementing this section. After those initial set of industries,
24 further industries can be added by the department.

25 2. In designing the criteria and listing the industries described in
26 subdivision one of this section, the department shall consider factors
27 such as:

28 (a) permanent facility closures or the closure of businesses as a
29 result of regulatory changes related to the climate and community
30 investment act;

31 (b) significant job losses across an industry as a result of techno-
32 logical change in order to achieve greenhouse gas emission reductions;
33 or

34 (c) loss of property tax or school tax revenue that would lead to
35 local layoffs or service reductions as a result of regulatory changes
36 related to such act.

37 3. Before finalizing the criteria for identifying industries that are
38 significantly impacted as a direct result of climate change policy and
39 identifying a list of significantly impacted industries pursuant to
40 subdivision one of this section, the department shall ensure that there
41 are meaningful opportunities for public comment, including by persons
42 working in potentially significantly impacted industries and persons
43 that may be identified as part of affected communities pursuant to this
44 article, including by:

45 (a) publishing draft criteria and a draft list of significantly
46 impacted industries and making such information available on the inter-
47 net.

48 (b) holding at least six regional public hearings on the draft crite-
49 ria and the draft list of significantly impacted industries, including
50 at least three meetings in the upstate region and three meetings in the
51 downstate region; and

52 (c) allowing at least one hundred twenty days for the submission of
53 public comment, following the date of the publication of draft criteria
54 described in paragraph (a) of this subdivision.

55 4. The department no less than four times annually shall review the
56 criteria and methods used to identify significantly impacted industries,

1 and may modify such methods to incorporate new data and scientific find-
2 ings, subject to the same process requirements listed under subdivision
3 three of this section.

4 5. An industry that has been significantly impacted as a direct result
5 of climate change policy, or workers in an industry that has been
6 significantly impacted as a direct result of climate change policy, may
7 also be identified based on a petition from a municipality, labor organ-
8 ization, or constituency-based organization located in or adjacent to an
9 impacted community.

10 6. The comptroller of the state of New York shall oversee the distrib-
11 ution of funds in collaboration with the department.

12 § 77-0715. Public engagement and social dialogue.

13 1. The department may regularly seek input and feedback from the
14 community, both in every region and directly from impacted communities
15 and impacted workers.

16 2. All meetings of the department shall include opportunities for
17 meaningful public input and allow all those affected the opportunity to
18 be a part of the dialogue; additionally, the department shall hold
19 regional meetings in each region each year, in addition to their regular
20 meetings in order to get public input.

21 3. The department will release a preliminary report within one year of
22 their first meeting, but after completing public engagement meetings in
23 each region this report will include:

24 (a) initial recommendations for a process for a comprehensive long
25 term just transition planning for New York state, including, but not
26 limited to identifying impacted communities, identifying applicable
27 firms, making recommendations for ongoing workforce strategy, and any
28 additional programs or supports required for a just transition.

29 (b) identifying every community across New York that is already a
30 significantly impacted community, already has significant adversely
31 affected employment (including significant employment in the energy
32 industry is likely to be a significantly impacted community), or already
33 has impacted workers or permanently closed facilities.

34 4. The department shall commence a social dialogue in each region
35 consisting of discussions where participants can discuss, be provided
36 with resources, and develop a consensus about how to respond to the
37 challenges of the transition. The social dialogue must be directed by
38 the people most affected. Goals of the social dialogue include: ensuring
39 economic decisions are made with real input from those most affected
40 they must include engagement with the broader community and across
41 sectors including input from the community, workers, businesses and
42 others who are impacted by climate policies, uncovering the best local
43 economic development and workforce plans and set the stage for diverse
44 investments into community rebirth provide resources to communities to
45 develop solutions, including access to technical expertise, information
46 about climate change, its impacts and causes; the impact climate change
47 has on the communities and the workforce, and regional economy; and
48 information about emerging jobs and sectors.

49 5. Within two years of the effective date of this title, the depart-
50 ment will release a draft plan that shall include, at a minimum:

51 (a) specifics of how to transition a workforce into emerging jobs;

52 (b) estimates of sufficient resources for that transition;

53 (c) what expertise and supports must be allocated for the development
54 and implementation of an effective workforce plan;

1 (d) a skills map for each impacted position, current and emerging new
2 energy jobs and regional employment opportunities with similar require-
3 ments; and

4 (e) education and training options for workers that allows them to
5 rapidly re-skill for jobs in demand that recognizes their current and
6 transferable skills, provides competency-based training, learn and earn,
7 and credit for prior learning opportunities upskilling through joint
8 labor management journey person extension programs sponsored by joint
9 apprenticeship training programs.

10 6. The department will also seek public input on:

11 (a) a policy for workforce impact statements; and

12 (b) additional potential funding and possible partnerships for oppor-
13 tunity and workforce and economic revitalization.

14 7. For the purposes of subdivisions two, three and four of this
15 section, "region" shall have the same meaning as in subdivision nine of
16 section two thousand four hundred twenty-six of the public authorities
17 law.

18 § 77-0717. Reporting.

19 1. No later than two years following the effective date of this title,
20 and every two years thereafter, the department shall produce a report on
21 the implementation of the program established under this title and the
22 extent to which program implementation is meeting stated program goals
23 and priorities. Such report shall include but not be limited to:

24 (a) reporting on the effectiveness of the policies established under
25 this title to the legislature and public on the job creation and
26 retention impacts;

27 (b) an overview of social benefits pursuant to the implementation of
28 this section, including benefits to the economy, environment, and public
29 health, including women's health;

30 (c) an overview of administrative costs for the department and other
31 state agencies;

32 (d) recommendations for future policy pertaining to transition assist-
33 ance; and

34 (e) data identifying both who submitted petitions and who received
35 support from the program and why.

36 2. (a) Prior to finalizing the report described in subdivision one of
37 this section, the department shall ensure that there are meaningful
38 opportunities for public participation, including by:

39 (i) allowing at least one hundred twenty days for the submission of
40 public comment, following the date of the publication of a draft report;
41 and

42 (ii) holding at least four regional public hearings, including: two
43 meetings in the upstate region and two meetings in the downstate region,
44 with emphasis on maximizing participation and accessibility for members
45 of disadvantaged communities.

46 (b) The following entities shall be invited to attend and given notice
47 of the public hearings described in paragraph (a) of this subdivision:

48 (i) environmental justice representatives;

49 (ii) organizations representing disadvantaged community members;

50 (iii) labor organizations in the area;

51 (iv) local businesses;

52 (v) local governments and school authorities; and

53 (vi) climate change experts.

54 3. The final report described in subdivision one of this section shall
55 be submitted to the governor, the president of the senate, the speaker
56 of the assembly, the minority leader of the senate and the minority

leader of the assembly and shall be posted on the website of the department. Additionally, all reports shall be shared publicly through the department of information technology and telecommunications of the city of New York.

§ 7. The tax law is amended by adding two new articles 42 and 43 to read as follows:

ARTICLE 42

CLIMATE POLLUTION FEE

Section 3039. Definitions.

3040. Imposition of carbon pollution fee.

3041. Amount of fee.

3042. Applicable entities.

3043. Calculation of emissions factors.

3044. Exemptions and deductions.

3045. Emissions leakage mitigation policy.

3046. Creation of funds within the department of environmental conservation.

3047. Reporting.

§ 3039. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Border carbon adjustment fee" means a fee imposed to address emissions leakage that adjusts the price of a good, at the point of the importation into the state of goods that require emissions of greenhouse gases for their production or operation, or export from the state, to reflect the known or estimated greenhouse gas emissions quantities associated with the production of such good.

2. "Carbon-based fuel" means coal, a petroleum product, natural gas, methane, municipal solid waste (or any other feedstocks used for waste-to-energy conversions), or biomass that may be a source of greenhouse gas emissions through combustion and fugitive emissions.

3. "Carbon dioxide equivalent" and "CO₂e" mean the amount of carbon dioxide by mass that would produce the same global warming impact as a given mass of another greenhouse gas over an integrated twenty-year timeframe after emission, based on the best available science.

4. "Regulated air contaminant" shall have the same meaning as in subdivision twenty-two of section 19-0107 of the environmental conservation law.

5. "Disadvantaged communities" shall have the same meaning as in section 75-0111 of the environmental conservation law.

6. "Downstate region" means the counties of Richmond, Kings, Queens, New York, Bronx, Westchester, Nassau and Suffolk.

7. "Emissions leakage" means an increase in emissions outside of the state, as a result of, or in correlation with, the implementation of measures within the state to limit such emissions.

8. "Fugitive emissions" means those emissions of a greenhouse gas that are released during extraction, transportation of fuel, during processing, and due to leaks during industrial processes or at solid waste and wastewater management sites.

9. "Greenhouse gas" shall have the same meaning as in subdivision nine of section 19-1301 of the environmental conservation law.

10. "Greenhouse gas emission source" or "source" means any anthropogenic source or category of anthropogenic sources of greenhouse gas emissions.

11. "Industrial processes" means those processes that include fossil fuel extraction, the operation of fuel processing plants, pipeline operations and other fuel transport, the operation of fuel refineries, and

1 other processes involved in the extraction, refinement or transport of
2 carbon-based fuels.

3 12. "Life cycle analysis" means a method for calculating greenhouse
4 gas emissions that encompasses emissions that are released or seques-
5 tered during all phases of a fuel or other product's life, including
6 those emissions released during extraction, processing, transport,
7 distribution, combustion (or some other form of consumption), and
8 disposal. Such term shall include CO₂e that is sequestered during
9 biological processes, pertaining to biomass fuel.

10 13. "Petroleum product" means all petroleum derivatives, whether in
11 bond or not, which are commonly burned to produce heat, electricity, or
12 motion, or which are commonly processed to produce synthetic gas for
13 burning, including without limitation, propane, gasoline, unleaded gaso-
14 line, kerosene, heating oil, diesel fuel, kerosene based jet fuel, and
15 number 4, number 5 and residual oil for utility and non-utility uses,
16 but not including, petroleum feedstocks to plastics production or other
17 manufacturing.

18 14. "Upstate region" means all New York counties other than Nassau,
19 Suffolk, Richmond, Kings, Queens, New York, Bronx and Westchester.

20 § 3040. Imposition of carbon pollution fee. There is hereby imposed
21 upon any applicable entity, as specified under section three thousand
22 forty-two of this article, a fee in an amount determined under section
23 three thousand forty-one of this article, on:

24 1. any carbon-based fuel sold, used, or brought into the state by an
25 applicable entity as defined in section three thousand forty-two of this
26 article; and

27 2. any fugitive emissions of methane emitted in the state by an appli-
28 cable entity.

29 § 3041. Amount of fee. 1. The amount of the fee imposed by section
30 three thousand forty of this article, per short ton of carbon dioxide
31 equivalent content that would be emitted through the combustion of such
32 product, as determined by the department of environmental conservation,
33 in consultation with the New York state energy research and development
34 authority, pursuant to this article, shall be equal to the following:

35 (a) during calendar year two thousand twenty-four, twenty-five
36 dollars;

37 (b) during calendar years two thousand twenty-five through two thou-
38 sand twenty-seven, an amount equal to the sum of:

39 (i) the amount in effect under this subdivision for the preceding
40 calendar year, and

41 (ii) a five percent increase to the amount assessed in the previous
42 year;

43 (c) during calendar years two thousand twenty-eight through two thou-
44 sand thirty-three, an amount equal to the sum of:

45 (i) the fee assessed under this subdivision for the preceding calendar
46 year, and:

47 (A) two percent of the previous year's fee if the most recent five-
48 year environmental integrity metric, described under paragraph (a) of
49 subdivision two of this section, is less than minus five percent;

50 (B) five percent of the previous year's fee if the most recent five-
51 year environmental integrity metric, described under paragraph (a) of
52 subdivision two of this section, is greater than or equal to minus five
53 percent and less than five percent;

54 (C) seven percent of the previous year's fee if the most recent five-
55 year environmental integrity metric, described under paragraph (a) of

1 subdivision two of this section, is greater than or equal to five
2 percent and less than ten percent; or

3 (D) ten percent of the previous year's fee if the most recent five-
4 year environmental integrity metric, described under paragraph (a) of
5 subdivision two of this section, is greater than or equal to ten
6 percent; and

7 (ii) the department of environmental conservation shall also assess a
8 cost-of-living, or inflation, adjustment using the United States Bureau
9 of Labor Statistics Consumer Price Index or, if that index is not avail-
10 able, another index adopted by the commissioner;

11 (d) during calendar years two thousand thirty-four through two thou-
12 sand fifty-three, an amount equal to the sum of:

13 (i) the fee assessed under this subdivision for the preceding calendar
14 year, and:

15 (A) two percent of the previous year's fee if the most recent five-
16 year environmental integrity metric, described under paragraph (a) of
17 subdivision two of this section, is less than minus five percent, and
18 the most recent cumulative environmental integrity metric, described
19 under paragraph (b) of subdivision two of this section, is less than
20 minus one percent;

21 (B) five percent of the previous year's fee if:

22 I. the most recent five-year environmental integrity metric, described
23 under paragraph (a) of subdivision two of this section, is greater than
24 or equal to minus five percent and less than five percent, and the most
25 recent cumulative environmental integrity metric, described under para-
26 graph (b) of subdivision two of this section, is less than two percent;
27 or

28 II. the most recent five-year environmental integrity metric,
29 described under paragraph (a) of subdivision two of this section, is
30 less than five percent, and the most recent cumulative environmental
31 integrity metric, described under paragraph (b) of subdivision two of
32 this section, is greater than or equal to minus one percent and less
33 than two percent;

34 (C) seven percent of the previous year's fee if:

35 I. the most recent five-year environmental integrity metric, described
36 under paragraph (a) of subdivision two of this section, is greater than
37 or equal to five percent and less than ten percent, and if the most
38 recent cumulative environmental integrity metric, described under para-
39 graph (b) of subdivision two of this section, is less than three
40 percent; or

41 II. the most recent five-year environmental integrity metric,
42 described under paragraph (a) of subdivision two of this section, is
43 less than ten percent, and the most recent cumulative environmental
44 integrity metric, described under paragraph (b) of subdivision two of
45 this section, is greater than or equal to two percent and less than
46 three percent; or

47 (D) ten percent of the previous year's fee if:

48 I. the most recent five-year environmental integrity metric, described
49 under paragraph (a) of subdivision two of this section, is greater than
50 or equal to ten percent; or

51 II. the most recent cumulative environmental integrity metric,
52 described under paragraph (b) of subdivision two of this section, is
53 greater than or equal to three percent; and

54 (ii) the department of environmental conservation shall also assess a
55 cost-of-living, or inflation, adjustment using the United States Bureau

1 of Labor Statistics Consumer Price Index or, if that index is not avail-
2 able, another index adopted by the commissioner.

3 2. In two thousand twenty-six, and every year thereafter, the commis-
4 sioner shall, in consultation with the department of environmental
5 conservation:

6 (a) calculate the five-year environmental integrity metric, which
7 shall equal a fraction, expressed as a percentage:

8 (i) the numerator of which is:

9 (A) the sum of the quantity of actual statewide greenhouse gas emis-
10 sions, measured in short tons CO₂e, in each of the preceding five years,
11 minus

12 (B) the sum of the quantity of target statewide greenhouse gas emis-
13 sions, measured in short tons CO₂e, in each of the preceding five years,
14 pursuant to subdivision four of this section; and

15 (ii) the denominator of which is the sum of the quantity of target
16 statewide greenhouse gas emissions, measured in short tons CO₂e, in each
17 of the preceding five years, pursuant to subdivision four of this
18 section; and

19 (b) calculate the cumulative environmental integrity metric, which
20 shall equal a fraction, expressed as a percentage:

21 (i) the numerator of which is:

22 (A) the sum of the quantity of actual statewide greenhouse gas emis-
23 sions, measured in short tons CO₂e, in each of the preceding years that
24 are after two thousand eighteen, minus

25 (B) the sum of the quantity of target statewide greenhouse gas emis-
26 sions, measured in short tons CO₂e, in each of the preceding years that
27 are after two thousand eighteen, pursuant to subdivision four of this
28 section; and

29 (ii) the denominator of which is the sum of the quantity of target
30 statewide greenhouse gas emissions, measured in short tons CO₂e, in each
31 of the preceding years that are after two thousand eighteen, pursuant to
32 subdivision four of this section; and

33 (c) publish the amounts calculated in paragraphs (a) and (b) of this
34 subdivision not later than July first in that year.

35 3. The department of environmental conservation shall calculate and
36 publish the amount of the fee in current dollars for each year, no later
37 than July first in that year.

38 4. For the purposes of calculating the five-year environmental integ-
39 rity metric and the cumulative environmental integrity metric under
40 subdivision two of this section, the department of environmental conser-
41 vation shall refer to the following statewide greenhouse gas emissions
42 targets:

43 (a) for the year two thousand twenty-three, eighty-five percent of two
44 thousand eighteen emissions;

45 (b) for each year after two thousand twenty-three and before two thou-
46 sand twenty-nine, less than in the preceding year by four percent of two
47 thousand eighteen emissions;

48 (c) for each year after two thousand twenty-eight and before two thou-
49 sand forty-four, less than in the preceding year by three percent of two
50 thousand eighteen emissions; and

51 (d) for each year after two thousand forty-three, less than in the
52 preceding year by two percent of two thousand eighteen emissions.

53 § 3042. Applicable entities. For the purposes of this article, the
54 term "applicable entity" means:

55 1. for the purposes of any coal sold, used, or entered into the state:

1 (a) the vendor of such coal at the first point of sale, in cases where
2 the sale of coal occurs in the state; and

3 (b) the purchaser of such electricity, in cases where the sale of the
4 electricity occurs outside of the state;

5 5. for the purposes of any municipal solid waste (or any other feeds-
6 tocks used for waste-to-energy conversions) sold, used, or entered into
7 the state;

8 (a) the vendor of such municipal solid waste (or any other feedstocks
9 used for waste-to-energy conversions) at the first point of sale, in
10 cases where the sale of municipal solid waste (or any other feedstocks
11 used for waste-to-energy conversions) occurs in the state; and

12 (b) the purchaser of such municipal solid waste (or any other feeds-
13 tocks used for waste-to-energy conversions), in cases where the sale of
14 the municipal solid waste (or any other feedstocks used for waste-to-en-
15 ergy conversions) occurs outside of the state;

16 6. for the purposes of any biomass sold, used, or entered into the
17 state;

18 (a) the vendor of such biomass at the first point of sale, in cases
19 where the sale of biomass occurs in the state; and

20 (b) the purchaser of such biomass, in cases where the sale of the
21 biomass occurs outside of the state; and

22 7. for the purposes of any fugitive emissions of methane released in
23 the state, the owner of the property that is the source of such fugitive
24 emissions, including stationary sources and mobile sources, and includ-
25 ing pipeline operators, fuel distributors, transportation companies and
26 other entities.

27 § 3043. Calculation of emissions factors. 1. Not later than one year
28 after the effective date of this article, the New York state energy
29 research and development authority, in collaboration with the department
30 of environmental conservation, shall, for each carbon-based fuel identi-
31 fied in this article and for various sources of electricity consumed in
32 the state, calculate greenhouse gas emissions factors, in carbon dioxide
33 equivalent.

34 2. Emissions factors associated with combustion or other consumption
35 of the carbon-based fuels identified in this article shall be calculated
36 according to life-cycle analysis methods, which at a minimum shall
37 incorporate:

38 (a) any greenhouse gases released at the point of combustion or other
39 consumption; and

40 (b) up-steam fugitive emissions of methane released during the
41 extraction, processing, refining, transport, or distribution of natural
42 gas products and petroleum products before the point of consumption in
43 New York.

44 3. The New York state energy research and development authority, in
45 collaboration with the department of environmental conservation, shall
46 calculate, for various sources of electricity consumed in the state,
47 greenhouse gas emissions factors, in carbon dioxide equivalent per kilo-
48 watt-hour, associated with the combustion of each carbon-based fuel
49 identified in this article for the purposes of generating electricity.
50 This calculation should take into account the best available information
51 and science regarding power plant heat rates and other operational
52 parameters that may determine efficiency in the conversion of thermal
53 energy to electrical energy. The CO₂e of each kilowatt-hour of electric-
54 ity delivered in the state shall be determined by taking the weighted
55 average of the coal, petroleum product, natural gas, municipal solid
56 waste (or any other feedstocks used for waste-to-energy conversions), or

1 biomass portions of the fuel mix and multiplying each of those portions
2 separately by the amount of carbon dioxide equivalent emissions created
3 per kilowatt-hour of electricity produced by each such fuel. The calcu-
4 lation of emissions factors under this subdivision shall take into
5 account all electricity consumed in the state, which shall include any
6 electricity produced within the state and outside of the state.

7 § 3044. Exemptions and deductions. 1. The owner of any electric
8 generating facility that is covered by the CO2 budget trading program (6
9 NYCRR part 242) established by the department of environmental conserva-
10 tion shall be entitled to deduct from the fee imposed by this article an
11 amount equal to the amount it paid to purchase CO2 emission allowance to
12 comply with the CO2 budget trading program; provided, however, that the
13 amount so deducted may be no greater than the total amount of the fee as
14 calculated in this article.

15 2. Any applicable entity subject to a fee under this article, shall be
16 entitled to deduct from the fee imposed by this article an amount equal
17 to the amount it paid for the same year on account of a federal law or
18 regulation that imposes a direct price (including through cap-and-trade,
19 or a carbon tax or carbon fee mechanisms) on the same greenhouse gas
20 emissions from carbon-based fuels; provided, however, that the amount so
21 deducted may be no greater than the total amount of the fee as calcu-
22 lated in this article.

23 3. The department of environmental conservation may exempt certain
24 sources of greenhouse gas emissions found to produce de minimis quanti-
25 ties of such emissions. In order to exempt sources of greenhouse gas
26 emissions under this subdivision, the department of environmental
27 conservation, in partnership with the New York state energy research and
28 development authority, shall first promulgate a rule, or rules, outlin-
29 ing the specific requirements for being classified as a de minimis
30 source, including, at a minimum, identifying the quantities of green-
31 house gases that would make a source a de minimis source. In promulgat-
32 ing such rule, or rules, the department of environmental conservation
33 shall provide meaningful opportunities for public comment, including
34 from persons living in disadvantaged communities.

35 § 3045. Emissions leakage mitigation policy. 1. Not later than one
36 year after the effective date of this article, the department of envi-
37 ronmental conservation, in partnership with the New York state energy
38 research and development authority and the commissioner of labor, shall
39 prepare and approve a scoping plan outlining recommendations for policy
40 measures to reduce emissions leakage associated with the implementation
41 of this article.

42 (a) The draft scoping plan shall be developed in consultation with
43 stakeholders.

44 (b) The department of environmental conservation shall provide mean-
45 ingful opportunities for public comment from all persons who will be
46 impacted by the plan, including persons working in energy intensive and
47 trade exposed industries and persons living in disadvantaged communi-
48 ties.

49 (c) The measures and actions considered in such scoping plan shall at
50 a minimum include:

51 (i) imposing a border carbon adjustment fee;

52 (ii) the implementation of a border carbon adjustment for vulnerable
53 industries and companies;

54 (iii) the implementation of an output-based carbon pollution fee
55 rebate program for vulnerable industries and companies;

1 (iv) quantitative methods for designating vulnerable industries or
2 companies, such as energy intensive and trade exposed industries; and
3 (v) policies for mitigating any impacts to consumers and workers
4 caused by the implementation of policies under this section, including
5 through the use of revenues from a possible border carbon adjustment fee
6 for reducing such impacts.

7 (d) Not later than one year after the effective date of this article,
8 the department of environmental conservation shall submit the final
9 scoping plan to the governor, the speaker of the assembly and the tempo-
10 rary president of the senate and post such plan on its website.

11 2. Not later than two years after the effective date of this article,
12 the department of environmental conservation, after public workshops,
13 representatives of regulated entities, and other stakeholders, shall,
14 after no less than two public hearings, promulgate rules and regulations
15 to implement a policy to reduce emissions leakage associated with the
16 implementation of this article.

17 (a) The regulations promulgated may include:

18 (i) a border carbon adjustment fee for vulnerable trade exposed energy
19 intensive industries and companies to reduce emissions;

20 (ii) an output-based carbon pollution fee and rebate program for
21 vulnerable industries and companies;

22 (iii) quantitative methods for designating vulnerable industries or
23 companies, such as energy intensive and trade exposed industries; and

24 (iv) policies for mitigating any impacts to consumers and workers
25 caused by the implementation of policies under this section, including
26 through the use of revenues from a possible border carbon adjustment fee
27 for reducing such impacts.

28 (b) In promulgating these regulations, the department of environmental
29 conservation shall:

30 (i) design and implement all regulations in a manner that seeks to be
31 equitable, to minimize costs and to maximize the total benefits to New
32 York state;

33 (ii) ensure that activities undertaken to comply with the regulations
34 do not disproportionately burden disadvantaged communities; and

35 (iii) minimize emissions leakage.

36 3. Any funds collected pursuant to a policy arising from this section
37 shall be appropriated by the department of environmental conservation
38 pursuant to the mandated proportions in section three thousand forty-six
39 of this article.

40 § 3046. Creation of funds within the department of environmental
41 conservation. 1. (a) Within ninety days following the effective date of
42 this article, the commissioner, in coordination with the comptroller,
43 shall establish a fund within the department of environmental conserva-
44 tion to be known as the "community just transition fund", consisting of
45 such amounts as may be appropriated or credited to such fund and thir-
46 ty-three percent of the total amount of fees received under section
47 three thousand forty of this article during such year.

48 (b) The community just transition fund shall be administered by the
49 department of environmental conservation for the purposes enumerated in
50 the climate and community investment act.

51 2. (a) Within ninety days following the effective date of this arti-
52 cle, the commissioner, in coordination with the comptroller, shall
53 establish a fund within the department of environmental conservation to
54 be known as the "climate jobs and infrastructure fund", consisting of
55 such amounts as may be appropriated or credited to such fund and thirty

1 percent of the total amount of fees received under section three thou-
2 sand forty of this article during such year.

3 (b) The climate jobs and infrastructure fund shall be administered by
4 the department of environmental conservation for the purposes enumerated
5 in the climate and community investment act.

6 3. (a) Within ninety days of the effective date of this article, the
7 commissioner, in coordination with the comptroller, shall establish a
8 fund within the department of environmental conservation to be known as
9 the "low-income and small business and household energy rebate fund",
10 consisting of such amounts as may be appropriated or credited to such
11 fund and thirty percent of the total amount of fees received under
12 section three thousand forty of this article during such year.

13 (b) The low-income and small business and household energy rebate fund
14 shall be administrated by the department of environmental conservation
15 for the purposes enumerated in the climate and community investment act.

16 4. (a) Within ninety days of the effective date of this article, the
17 commissioner, in coordination with the comptroller, shall establish a
18 fund within the department of environmental conservation to be known as
19 the "worker and community assurance fund", consisting of such amounts as
20 may be appropriated or credited to such fund as follows:

21 (i) in the first fiscal year in which any fees under this article are
22 collected, no less than five hundred million dollars shall be trans-
23 ferred to the worker and community assurance fund; and

24 (ii) seven percent of the total amount of fees received under section
25 three thousand forty during such year.

26 (b) The worker and community assurance fund shall be administered by
27 the department of environmental conservation for the purposes enumerated
28 in the climate and community investment act.

29 5. No proceeds received through the implementation of the fee estab-
30 lished under this article shall fund government operations of the state,
31 other than to pay for reasonable administrative costs associated with
32 implementing the climate and community investment act.

33 6. No proceeds received through the implementation of the fee estab-
34 lished under this article shall fund police, prisons or related infras-
35 tructure.

36 § 3047. Reporting. 1. No later than three years following the effec-
37 tive date of this article, and every two years thereafter, the depart-
38 ment of environmental conservation, in partnership with the comptroller,
39 and the New York state energy research and development authority, shall
40 produce a report on the implementation of this article. Such report
41 shall include but not be limited to:

42 (a) the total annual revenues associated with the implementation of
43 this article;

44 (b) the effectiveness of the fee established under section three thou-
45 sand forty of this article to reduce greenhouse gas emissions statewide,
46 including an analysis of reductions by geographic subdivisions of the
47 state;

48 (c) the amount of estimated emissions leakage that may be occurring in
49 correlation with the implementation of the fee established under section
50 three thousand forty of this article, the effectiveness of any policies
51 that have been implemented to address emissions leakage, and recommenda-
52 tions for improving policies to mitigate emissions leakage;

53 (d) an overview of social benefits from the fees and other policies
54 established pursuant to this article, including benefits to the economy,
55 environment, and public health, including the health of women, youth and
56 children;

1 (e) an overview of the distribution of costs and benefits of the poli-
2 cies promulgated under this article, across different communities and
3 sectors of the state economy;

4 (f) an overview of compliance costs for regulated entities;

5 (g) an overview of administrative costs for the department of environ-
6 mental conservation and other state agencies; and

7 (h) recommendations for future regulatory and policy action, and, in
8 general, pertaining to measures for reducing greenhouse emissions in the
9 state.

10 2. Before finalizing the report described in subdivision one of this
11 section, the department of environmental conservation shall ensure that
12 there are meaningful opportunities for public participation, including
13 by:

14 (a) allowing at least one hundred twenty days for the submission of
15 public comment, following the date of the publication of a draft report;
16 and

17 (b) holding at least four regional public hearings, including two
18 meetings in the upstate region and two meetings in the downstate region,
19 with emphasis on maximizing participation and accessibility for members
20 of disadvantaged communities.

21 3. The final report shall be submitted to the governor, the temporary
22 president of the senate, the speaker of the assembly, the minority lead-
23 er of the senate and the minority leader of the assembly, and shall be
24 posted on the website of the department of environmental conservation.

ARTICLE 43

HOUSEHOLD AND SMALL BUSINESS ENERGY REBATE

Section 3050. Definitions.

28 3051. Establishment of the household and small business energy
29 rebate program.

30 3052. Administration by the department of environmental conser-
31 vation.

32 3053. Allocation of funds.

33 3054. Qualifying households.

34 3055. Rebate amount and report.

35 3056. Delivery of funds.

36 3057. Reassessment of allocations.

37 3058. Small business tax credit.

38 3059. Public service commission investigation.

39 § 3050. Definitions. For the purposes of this article, the following
40 terms shall have the following meanings:

41 1. "Eligible low-income household" means, with respect to a given
42 calendar year, any household in New York state whose gross income does
43 not exceed one hundred fifty percent of the poverty line, regardless of
44 citizenship or term of insurance.

45 2. "Eligible moderate-income household" means, with respect to a given
46 calendar year, any household in New York state whose gross income
47 exceeds one hundred fifty percent of the poverty line, but does not
48 exceed the median household income for the county in which they reside,
49 regardless of citizenship or term of insurance.

50 3. "Eligible small business" means a business, cooperative, or not-
51 for-profit corporation which is resident in this state, and employs
52 fifty or less persons (including a sole proprietorship), and with
53 respect to businesses, is independently owned and operated and not domi-
54 nant in its field.

1 4. "Fund" or "rebate fund" means the household and small business
2 energy rebate fund established under subdivision three of section three
3 thousand forty-six of this chapter.

4 5. "Poverty line" shall have the same meaning as in section 673(2) of
5 the federal community services block grant act (46 USC section 9902).

6 6. "Program" means the household and small business energy rebate
7 program established under this article.

8 § 3051. Establishment of the household and small business energy
9 rebate program. There is hereby established within the department of
10 environmental conservation, the "household and small business energy
11 rebate program". The purposes of the program include:

12 1. disbursement of funds from the household and small business energy
13 rebate fund; for the benefit of the most vulnerable populations, to
14 offset the increased cost of living associated with the implementation
15 of the climate pollution fee created pursuant to article forty-two of
16 this chapter and other regulatory measures established as part of the
17 state's climate mitigation efforts; and

18 2. reducing the already severe energy burden on low- and moderate-in-
19 come families.

20 § 3052. Administration by the department of environmental conserva-
21 tion. Within six months of the effective date of this article, the
22 department of environmental conservation is hereby authorized and
23 directed to establish and operate the program. The department of envi-
24 ronmental conservation shall implement the program in consultation with
25 the office of temporary and disability assistance and the departments of
26 health and labor. The department of environmental conservation shall be
27 authorized and directed to: use monies made available for the program
28 pursuant to article forty-two of this chapter to achieve the purposes of
29 the program; and exercise such other powers as are necessary for the
30 proper administration of such program, including issuing rules and regu-
31 lations consistent with this article.

32 § 3053. Allocation of funds. Funds from the household and small busi-
33 ness energy rebate fund shall be disbursed under the program to eligible
34 households and small businesses. The department of environmental conser-
35 vation shall collect and then distribute directly to eligible households
36 the entire amount of funds dedicated to the rebate fund. Eligible house-
37 holds shall be notified that they are automatically being enrolled based
38 on their tax filing status or receipt of public benefits. The department
39 of environmental conservation, in coordination with the commissioner,
40 the public service commission, the New York state office of temporary
41 and disability assistance, and the department, will make determinations
42 as to which households and small businesses are eligible for the rebate
43 and establish an appeals process within the department of environmental
44 conservation as to such determinations. The department of environmental
45 conservation shall also establish an opportunity for individual resi-
46 dents of the state who are not required to file income taxes to apply
47 for rebates under this article.

48 § 3054. Qualifying households. A rebate will be available to eligible
49 low-income households, moderate-income households, and additional house-
50 holds, provided that rebates shall only be provided to such additional
51 households upon a determination by the department of environmental
52 conservation that there are adequate funds. Notwithstanding the preced-
53 ing sentence, the rebate shall be available to a maximum of sixty
54 percent of the households in New York state. Households shall qualify
55 regardless of citizenship. The department of environmental conservation
56 will cooperate with the department and the office of temporary and disa-

1 bility assistance to identify households and place them in the following
2 four household categories:

3 1. eligible moderate-income households containing New York city resi-
4 dents;

5 2. eligible low-income households containing New York city residents
6 in which the household income is below one hundred fifty percent of the
7 poverty line or who are receiving any means-tested government assistance
8 aimed at low-income individuals or households;

9 3. eligible moderate-income households containing residents outside of
10 New York city; and

11 4. eligible low-income households containing residents outside of New
12 York city with a household income below one hundred fifty percent of the
13 poverty line or receiving any means-tested government assistance
14 programs aimed at low-income individuals or households.

15 § 3055. Rebate amount and report. 1. The department of environmental
16 conservation shall determine the appropriate amount of the rebate,
17 consistent with the standards set forth in this section. Each eligible
18 household will receive a share of the total allocated rebate funds so
19 that:

20 (a) all eligible households in New York city shall receive the same
21 amount,

22 (b) all eligible households outside of New York city shall receive the
23 same amount and that amount shall be at least fifty percent more than
24 the rebate amount applicable to New York city households, and

25 (c) the total amount provided for rebates must not exceed the annual
26 revenue in the rebate fund.

27 2. The department of environmental conservation shall annually assess
28 and report to the legislature and the governor at least the following
29 information: the number of households in each rebate category in section
30 three thousand fifty-four of this article; the number of households who
31 select each delivery mechanism set forth in section three thousand
32 fifty-six of this article; and how the number of households compare to:

33 (a) the incremental increase in the cost of living associated with the
34 implementation of the fee established pursuant to article forty-two of
35 this chapter and other regulatory measures established under article
36 forty-two of this chapter;

37 (b) other estimated increases in the cost of living associated with
38 the transition to a low-carbon economy; and

39 (c) existing energy burdens.

40 § 3056. Delivery of funds. 1. The department of environmental conser-
41 vation, in partnership with the the New York state energy research and
42 development authority, the public service commission and the office of
43 temporary and disability assistance shall determine appropriate mech-
44 anisms for delivering rebates under this article. These departments
45 shall within the bounds of the law share necessary expertise and data.
46 That mechanism shall ensure that:

47 (a) Eligible moderate-income households in the first and third house-
48 hold categories set forth in section three thousand fifty-four of this
49 article shall receive a direct payment redeemable tax credit.

50 (b) Eligible low-income households in the second and fourth household
51 categories set forth in section three thousand fifty-four of this arti-
52 cle shall receive their rebate through mechanisms that will not consti-
53 tute income for purposes of any means-tested government assistance
54 programs that they may be receiving. Unless an eligible low-income
55 household opts out of such benefit under this section, the benefit shall
56 be:

1 (i) a transit voucher for use receiving services through the Metropol-
2 itan Transportation Authority, Access-a-Ride, or other public transit
3 service for households in the second household category under section
4 three thousand fifty-four of this article.

5 (ii) utility assistance or a weatherization grant for the fourth
6 household category under section three thousand fifty-four of this arti-
7 cle.

8 (iii) another form that complies with this subdivision.

9 2. All qualifying households may opt out of the default option for
10 delivery of the rebate, and can choose to receive their benefit amount
11 in the form of one of the following four options: (a) utility assist-
12 ance; (b) a weatherization grant; (c) a voucher for use with their local
13 transit authority; (d) a redeemable tax credit; or (e) a direct payment
14 if the authority offers such option.

15 3. The department of environmental conservation shall make reasonable
16 efforts to deliver funds as frequently as practical, and to distribute a
17 portion of the rebate at least quarterly.

18 § 3057. Reassessment of allocations. 1. Beginning in two thousand
19 twenty-three and every five years thereafter, the department of environ-
20 mental conservation, in coordination with the department, the office of
21 temporary and disability assistance, the public service commission and
22 the New York state energy research and development authority shall
23 perform an assessment, which shall include, at a minimum, the following
24 information: (a) the statewide energy burden for small businesses, and
25 households by geography and income; (b) whether such energy burden has
26 stayed level or decreased since the effective date of this section; (c)
27 the uptake of energy efficiency and renewable energy in each income
28 category; and (d) an estimated impact on energy burden or another equiv-
29 alent estimate of the proportion of household income spent on energy.
30 Based on such information and any additional information that the
31 department determines is appropriate, the department shall determine
32 whether the present rebate amount is appropriate or whether it is appro-
33 priate to reduce the rebate benefit amount.

34 2. Following any assessment under subdivision one of this section
35 where the impact of the fee established is found not to increase house-
36 hold spending, or where the energy burden has fallen, the rebate shall
37 be reduced by at least ten percent and the funds reallocated in equal
38 amounts to the community just transition fund established pursuant to
39 subdivision one of section three thousand forty-six of this chapter and
40 the climate jobs and infrastructure fund established pursuant to subdi-
41 vision two of such section.

42 § 3058. Small business tax credit. 1. Eligible small businesses shall
43 receive a redeemable tax credit to reduce any incremental increase in
44 the cost of doing business associated with the implementation of the fee
45 established pursuant to article forty-two of this chapter and other
46 regulatory measures established under the climate and community invest-
47 ment act or the transition to a low-carbon economy in New York state.

48 2. Any eligible small business that incurs energy or fuel costs in the
49 course of its business, shall be allowed a credit, to be computed as
50 provided in subdivision three of this section, against business income
51 for each year that the fee established pursuant to article forty-two of
52 this chapter is collected.

53 3. The credit authorized by this section shall equal the higher of
54 five hundred dollars a year, or the amount computed for a household
55 rebate.

1 4. The credit created under this section may be claimed even if no
2 taxes are owed by the eligible small business. Such credit may be used
3 to reduce the tax liability of the credit claimant below zero.

4 § 3059. Public service commission investigation. Not later than six
5 months after the effective date of this article, the public service
6 commission shall establish a proceeding to investigate, identify and
7 mitigate any increase in electric or gas rates for qualifying households
8 and eligible small businesses that may be projected to arise under this
9 article and article forty-two of this chapter.

10 § 8. Severability. If any word, phrase, clause, sentence, paragraph,
11 section, or part of this act shall be adjudged by any court of competent
12 jurisdiction to be invalid, such judgment shall not affect, impair, or
13 invalidate the remainder thereof, but shall be confined in its operation
14 to the word, phrase, clause, sentence, paragraph, section, or part ther-
15 eof directly involved in the controversy in which such judgment shall
16 have been rendered.

17 § 9. If any word, phrase, clause, sentence, paragraph, section, or
18 part of this act shall be adjudged to require the department of environ-
19 mental conservation to act outside of their legal powers, such as
20 engaging in the market beyond activities allowed as a market actor, the
21 relevant statutory requirements shall be interpreted so that the powers
22 and duties herein are enforced to the extent allowed by law.

23 § 10. This act shall take effect on the one hundred eightieth day
24 after it shall have become a law and shall apply to any grants, loans,
25 contracts and financial assistance awarded or renewed on or after such
26 effective date. Effective immediately, the addition, amendment and/or
27 repeal of any rule or regulation necessary for the implementation of
28 this act on its effective date are authorized to be made and completed
29 on or before such date.