STATE OF NEW YORK

1343--A

2025-2026 Regular Sessions

IN SENATE

January 9, 2025

Introduced by Sens. PARKER, ADDABBO, FAHY, HARCKHAM, ROLISON, SANDERS, SEPULVEDA, TEDISCO -- read twice and ordered printed, and when printed to be committed to the Committee on Environmental Conservation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the environmental conservation law, in relation to establishing the "clean fuel standard of 2025"

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

Section 1. Legislative findings and declarations:

1. The transportation sector in New York is a leading source of criteria pollutants and the leading source of greenhouse gas emissions that endanger public health and welfare by causing and contributing to increased air pollution and dangerous climate change. Meeting the pollution reduction requirements of the Climate Leadership and Community Protection Act will require sharp decreases in transportation-related emissions.

2. Shifting from today's petroleum-based transportation fuels to alternative fuels has the potential to significantly reduce transportation emissions of air pollutants and greenhouse gases and is recommended by the Intergovernmental Panel on Climate Change as an important pathway for holding global warming to 1.5 degrees Celsius.

3. The Climate Leadership and Community Protection Act directs the Department of Environmental Protection to promulgate regulations that will reduce greenhouse gas emissions, including from on-road vehicles.

4. New York signed a 15-state MOU to develop an action plan to reduce toxic diesel emissions from medium and heavy-duty vehicles by 2050.

5. A clean fuels standard regulation would promote innovation production and use of non-petroleum fuels that reduce vehicle and fuel-related air pollution that endangers public health and welfare and disproportionately impacts disadvantaged communities.

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

LBD01966-02-5

§ 2. Short title. This act may be known and may be cited as the "clean fuel standard of 2025".

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

§ 19-0333. Clean fuel standard.

1. A clean fuel standard is hereby established. The clean fuel standard is intended to reduce greenhouse gas intensity from the on-road transportation sector by twenty percent by two thousand thirty-three. In advance of two thousand thirty-three and every five years thereafter, the department shall promulgate regulations determining the minimum additional greenhouse gas intensity reduction to be achieved over the following five years, with further reductions to be implemented based upon advances in technology and to support achieving the requirements of the New York state climate leadership and community protection act and the goals of the scoping plan established pursuant to section 75-0103 of this chapter, as determined by the commissioner. Fuels which provide net human health benefits through overall air quality improvements relative to diesel and gasoline usage shall be eligible. Aviation fuels shall be exempted from the clean fuel standard due to federal preemption, but sustainable aviation fuel shall be eligible to generate credits on an opt-in basis to help encourage development of a viable sustainable aviation fuel market.

2. The clean fuel standard shall apply to all providers of transportation fuels, including electricity, in New York, shall be measured on a full fuels lifecycle basis and may be met through market-based methods by which providers exceeding the performance required by the clean fuel standard shall receive credits that may be applied to future obligations or traded to providers not meeting the clean fuel standard. The generation of credits must use a lifecycle emissions performance-based approach that is technology and feedstock neutral to achieve greenhouse gas reductions. In addition, the department shall consider other environmental impacts of fuels in determining credits, including but not limited to crop displacement impacts and forms of pollution other than greenhouse gas emissions, whether or not occurring within the United States.

3. For purposes of this section the term "providers" shall include, but shall not be limited to, all refiners, blenders, producers or importers of transportation fuels, or enablers of electricity used as transportation fuel, "greenhouse gas intensity" means the quantity of lifecycle greenhouse gas emissions per unit of fuel energy, and "full fuels lifecycle" means the aggregate greenhouse gas emissions, including direct emissions and indirect emissions, such as emissions from direct or indirect land use changes, whether or not such emissions occur within the United States, measured in carbon dioxide equivalents, as such term is defined in subdivision two of section 75-0101 of this chapter, with aggregate per unit fuel energy emissions determined by the commissioner after consideration of all relevant factors, including as contemplated by subdivision four of this section.

4. The full fuels lifecycle shall be assessed annually and such assessment shall include all stages of fuel and feedstock production and distribution, including but not limited to feedstock generation or extraction through the distribution, delivery, and use of the finished fuel by the ultimate consumer.

5. a. Within twenty-four months following the effective date of this section, the commissioner, in consultation with the New York state energy research and development authority, shall promulgate regulations

establishing a clean fuel standard with performance objectives to implement subdivision one of this section. Such regulations shall include establishment of measures to limit costs and maximize savings.

b. The clean fuel standard shall take into consideration the low carbon fuel standard adopted in other states, and the recommendations of the scoping plan, and shall include coordination with other Northeastern states to promote regional reductions in greenhouse gas emissions.

c. In addition, such regulations shall:

(i) require providers to disclose all information material to determine the full fuels lifecycle and impose rigorous standards regarding transparency with respect to information relevant to determining the full fuels lifecycle;

(ii) require such disclosure and transparency in order to obtain credits; and

(iii) impose significant penalties for failure to disclose or report information required by such regulations or as otherwise requested by the department.

d. Such regulations shall include fees for the registration of providers to offset the costs associated with implementation of the clean fuel standard.

e. Such regulations shall allow for a deferral of the program based on emergency or forecasted conditions.

6. Electric utilities, state agencies, and authorities, in consultation with the climate justice working group and the climate action council established pursuant to section 75-0103 of this chapter, shall, to the extent practicable, invest or direct available and relevant programmatic resources to provide forty percent of such electric utility's, state agency's, or authority's overall credit value on electrified transportation programs, projects, or investments to directly benefit disadvantaged communities, including, but not limited to, electrification and battery swap programs for school or transit buses; electrification of drayage trucks; investment in public electric vehicle charging infrastructure and electric vehicle charging infrastructure in multi-family residences; investment in electric mobility solutions such as electric vehicle sharing and ride hailing programs; multilingual marketing, education, and outreach designed to increase awareness and adoption of electric vehicles; and additional rebates and incentives for low-income individuals beyond existing local, federal, and state rebates and incentives.

7. Within twenty-four months following the adoption of regulations implementing a clean fuel standard, the commissioner shall report to the legislature regarding the implementation of the program, the reductions in greenhouse gas emissions that have been achieved through the clean fuel standard and targets for future reductions in greenhouse gas emissions from the transportation sector.

8. Nothing in this section shall preclude the department from enacting or maintaining other programs to reduce greenhouse gas emissions from the transportation sector.

§ 4. This act shall take effect immediately.