STATE OF NEW YORK

7134

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

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

AN ACT to amend the public service law and the labor law, in relation to requiring the establishment of carbon capture projects

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

Section 1. The public service law is amended by adding a new section 66-x to read as follows:

§ 66-x. Carbon capture projects. 1. The legislature hereby finds and declares that:

(a) the climate leadership and community protection act (CLCPA) requires significant reductions in greenhouse gas emissions, including a forty percent reduction in statewide greenhouse gas emissions by two thousand thirty and an eighty-five percent reduction in statewide greenhouse gas emissions by two thousand fifty;

(b) in order to meet these aggressive targets, it is necessary to further develop technologies that can help reduce greenhouse gas emissions from existing infrastructure;

(c) carbon capture technology has the potential to reduce greenhouse gas emissions from hard-to-electrify and other sectors, including the industrial sector, but in order for the technology to be scaled for broader use, innovative efforts will be needed;

(d) decarbonization of these sectors will provide substantial benefits to disadvantaged communities, where sources in the industrial and related sectors are often sited;

(e) supporting the further development of carbon capture technology will offer new opportunities for developing and employing New York's workforce; and

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

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(f) therefore, it is the intent of the legislature to support the development of carbon capture technology in New York in order to achieve the greenhouse gas emissions reduction goals of the CLCPA.

2. As used in this section:

(a) "carbon capture" means the capture of greenhouse gas emissions that would otherwise be released into the atmosphere;

(b) "carbon capture demonstration project" means a project integrated into the gas distribution system or installed at a customer site to develop and test carbon capture technologies, which may include aspects related to the storage and/or transportation of any captured carbon; and

(c) "final carbon capture project" means a carbon capture demonstration project that has been approved by the commission in accordance with paragraph (c) of subdivision four of this section and any additional carbon capture project or projects as noted in such paragraph.

3. No later than June first, two thousand twenty-five, the commission shall initiate a proceeding to support the development of carbon capture for the purpose of meeting the greenhouse gas emissions goals of the CLCPA.

4. (a) No later than December first, two thousand twenty-five, each gas corporation shall submit to the commission, for review and approval, at least one and no more than five carbon capture demonstration projects, provided that each gas corporation shall submit at least one carbon capture demonstration project that provides workforce benefits, including job retention, creation or training, and at least one carbon capture demonstration project that reduces greenhouse gas emissions in a disadvantaged community as defined in article seventy-five of the environmental conservation law.

(b) The commission shall, no later than June first, two thousand twenty-six, determine whether it is in the public interest to approve or modify such carbon capture demonstration projects and shall issue an order directing each gas corporation to implement the approved or modified carbon capture demonstration projects. In determining whether carbon capture demonstration projects are in the public interest, the commission shall consider whether the project: (i) reduces greenhouse gas emissions; (ii) furthers the development of carbon capture technology in New York; (iii) provides benefits to customers, including but not limited to public health benefits in areas with disproportionate environmental or public health burdens; and (iv) has the potential to be scaled to provide workforce benefits, including job retention, creation or training. The demonstration phase of the projects shall continue no longer than twenty-four months.

(c) No later than ninety days prior to completion of the carbon capture demonstration projects, and based on the information reported to the commission as required by subdivision five of this section, the commission shall determine whether it is in the public interest to approve the carbon capture demonstration projects with or without modification as final carbon capture projects and shall issue an order directing the gas corporations to continue the carbon capture demonstration projects as final carbon capture projects in accordance therewith. In determining whether it is in the public interest to approve the carbon capture demonstration projects as final carbon capture projects, the commission shall consider whether the carbon capture demonstration projects have substantially met the four factors articulated in paragraph (b) of this subdivision. The order issued in connection with this paragraph shall further authorize gas corporations

to pursue additional carbon capture projects consistent with its approval of the carbon capture demonstration projects.

(d) Any order issued pursuant to paragraphs (b) and (c) of this subdivision shall provide for full cost recovery of any costs related to the implementation and operation of the approved carbon capture demonstration projects and final carbon capture projects.

5. Each gas corporation shall report to the commission, on a quarterly basis and until completion of its carbon capture demonstration projects, on the status of each such carbon capture demonstration project. The report shall include: (a) the stage of development of each project; (b) barriers to development; (c) costs of the project; (d) number of jobs retained, created or enhanced by the demonstration project; and (e) any other information required by the commission.

§ 2. Subdivisions 1 and 8 of section 224-d of the labor law, subdivision 1 as amended by section 31 of part O of chapter 58 of the laws of 2024 and subdivision 8 as added by chapter 375 of the laws of 2022, are amended to read as follows:

1. For purposes of this section, a "covered renewable energy system" means (a) a renewable energy system, as such term is defined in section sixty-six-p of the public service law, with a capacity of one or more megawatts alternating current and which involves the procurement of renewable energy credits by a public entity, or a company or corporation provided in subdivisions twenty-three and twenty-four of section two of the public service law, or a third party acting on behalf and for the benefit of a public entity; (b) any "thermal energy network" as defined by subdivision twenty-nine of section two of the public service law; (c) any offshore wind supply chain project, including but not limited to port infrastructure, primary component manufacturing, finished component manufacturing, subassembly manufacturing, subcomponent manufacturing, or raw material producers, or a combination thereof receiving direct funding from the New York state energy research and development authority pursuant to an award under a New York state energy research and development authority solicitation; [~~or~~] (d) a "major utility transmission facility" as such term is defined by section one hundred twenty of the public service law; or (e) any "carbon capture demonstration project" or "final carbon capture project" as defined by subdivision two of section sixty-six-x of the public service law.

8. Any thermal energy network, carbon capture demonstration project or final carbon capture project covered by this section shall require all contractors and subcontractors performing construction work to use apprenticeship agreements, as defined by article twenty-three of this chapter, with pre-apprenticeship direct entry providers registered with the department.

§ 3. This act shall take effect immediately.