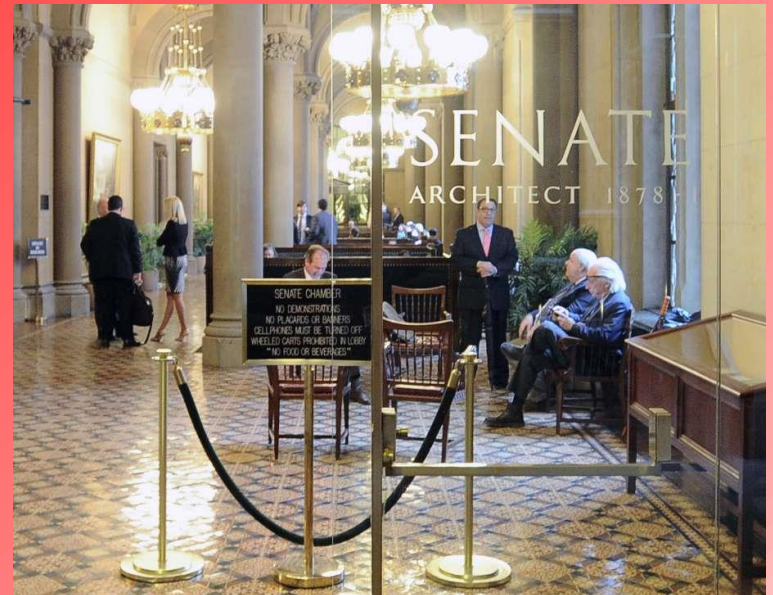


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New York State Policy Update

NORA Technical Review
& Research Planning Workshop
April 3-4, 2019



Overview

- Political Landscape
- Administrative and Legislative Issues
- Governor Cuomo's Proposal
- Response of NYS Home Heating Oil Industry Response



The NYS Political Landscape Has Changed

- Before 2019 – Two Party Rule
 - Governor Andrew M. Cuomo - Democrat
 - State Senate - Republican Majority
 - State Assembly - Democrat Majority
- 2019 Brings Democrat Party Rule to New York State
 - Governor Andrew M. Cuomo – Democrat
 - State Senate - Democrat Majority
 - State Assembly – Democrat Majority
- Issues Elected Upon
 - Progressive & Anti-Trump Agenda
 - Environmental Conservation, Energy Efficiency, Carbon & GHG Emission Reductions
 - Social Justice, Abortion Rights, Gun Violence, Voting Rights
 - Single Payer Health Care



Administrative and Legislative Issues

- NYISO Market Based Pricing of Carbon in Electric Power Generation
 - Adding a base-price for carbon into the wholesale electric market
- Climate & Community Protection Act
 - Reduce GHG Emissions by 50% by 2030
 - Zero GHG Emissions by 2050
 - Full Electrification through Wind, Solar, Hydro and Nuclear
 - Establishes a basis for creation of a social cost of carbon
 - Creates a Council for implementation
- Carbon Tax of All Fossil Fuels
 - Proposal to set the Social Cost of Carbon at \$35 to \$185 per ton
 - Each \$10 per ton equates to \$0.10 cents per gallon on heating oil
- NYSERDA Residential Heat Pumps
 - Analysis of Residential Heat Pumps Potential and Economics
- Natural Gas Hook-Up Moratorium
 - Westchester County - Con Ed institutes a moratorium
 - Long Island - National Grid warns of a moratorium



Governor Cuomo's Proposal

Climate Leadership Act

“New York State is committed to achieving carbon neutrality as soon as practicable and to ensuring that the transitioning to a carbon neutral economy is equitable for all New Yorkers and a transitioning workforce”



- Climate Control Council to set Roadmap for Statewide Carbon Neutrality
 - Heating Oil, Propane & NatGas not in State's Energy Future (c.2070)
 - Electric Clean Fuel is immediate
 - Transportation, Building, Industrial/Commercial, and Agriculture Sectors
 - Solar and Off-Shore Wind are game-changers
 - Report to be issued by December 31, 2020
- By 2030, 70% of Electricity Generated by Renewable Resources
- By 2040, 100% of Electricity Generated by Clean Energy Sources
- GHG Emission Reduction of 40% by 2030
- GHG Emission Reduction of 80% by 2050
- Mechanisms Include:
 - Market-Based mechanisms for pricing carbon in electric power generation
 - Eliminating Fossil Fuel-based electric generation – replace with clean fuels
 - Social Cost of Carbon (i.e.: a Carbon Tax)



Response of NYS Home Heating Oil Industry

Providing examples of how home heating industry has been responsible in the clean energy and energy efficiency future:

- Since the inception of NORA in 2000, the Oil Heating Industry has:
 - Reduced residential home heating oil consumption by 40% per household through efficiencies and cleaner burning fuel
 - Promoted the use of Ultra-Low Sulfur Diesel – reducing PM2 Emissions
 - Introduced Biodiesel Blended Heating Oil - reducing CO2e Emissions
 - Provided Residential Home Energy Efficiency Programs – making homes more energy efficient and reducing fuel use and energy costs
 - Provided Burner and Heating Oil Tank Replacement Rebates – making customers home heating systems state-of-the-art, more efficient and environmentally cleaner



Response of NYS Home Heating Oil Industry

- Positioning itself as part of the Clean Energy Future
 - Heating oil is the ONLY fossil fuel which can improve its environmental characteristics
- Embracing cleaner fuels
 - Current 5% biodiesel and renewable diesel requirement
 - 5% Blend in NY City, Nassau, Suffolk and Westchester Counties
 - NY City Statute
 - 2025 - B10
 - 2030 - B15
 - 2034 - B20
 - Industry Proposed Statewide Blending Requirement
 - 2020 - B5
 - 2023 - B10
 - 2025 - B15
 - 2028 - B20
 - Waiver application for cold flow issues where K-1 is blended
 - Discussion with the State Legislature for a More Aggressive Schedule
 - 2020 - B5
 - 2023 - B10
 - 2025 - B20
 - 2030 - Increase blending levels as ASTM Specifications increase (B21-50)
 - 2050 - Increase blending levels as ASTM Specifications increase (B51-100)
 - Waiver application for cold flow issues where K-1 is blended
- Continuing to invest NORA funds
 - Consumer energy efficiency programs
 - R&D to drive towards higher percentage blends of Biodiesel



Thank You!

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