



NY RENEWS

Climate and Community Investment Act

Section by Section Bill Summary

Current as of December 7, 2020
(2021 Bill Number to be Determined)

The Climate and Community Investment Act creates the **Climate and Community Investment Authority** to administer multi-billion dollar programs to advance a just transition to a clean, renewable energy economy for New York. These programs include worker protections, investments in renewable energy, emissions reduction, infrastructure, and community-led projects across New York State. The investments have a particular focus on the communities that bear the greatest burdens of climate change, environmental pollution, and economic insecurity. It also creates a framework for a pollution fee and directs the revenue from this fee to these just transition efforts. The fee also funds a rebate program to ensure that low- and moderate-income New Yorkers and small-businesses benefit.

The CCIA builds on the Climate Leadership and Community Protection Act (CLCPA), enacted in 2019, which created a comprehensive regulatory program to reduce greenhouse gas emissions from all anthropogenic sources 100% over 1990 levels by the year 2050, with an incremental target of at least a 40% reduction in climate pollution by the year 2030, and requires investment in and protection of disadvantaged communities. To meet the goals of the CLCPA, the state will need to transform its energy infrastructure, including the rapid and significant deployment of clean and renewable energy. It is in the interest of the state of New York to promote and provide resources towards the development and maintenance of clean energy infrastructure.

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§ 1 This act shall be known as the "Climate and Community Investment Act".

§ 2. Legislative findings and declaration.

§ 3. Creates an AIR POLLUTION PRICING system, that is administered by the new Climate and Community Investment Authority, in consultation with the Department of Environmental Conservation. A "Co-Pollutant" surcharge is added on top of the primary climate pollution fee, to fund mitigation and emission reduction efforts with a focus on the most significant pollutants for human health impacts. *Little known fact: this section is first because New York State Bill drafting practice is to put each section in the order of the legal code it amends.*

§ 4. Prohibits diversion of funds dedicated to CLIMATE AND COMMUNITY INVESTMENT.

- Under New York State law, it is very challenging to "lock in spending", this provision is one of several tools in the bill aimed at helping to prevent the dedicated revenue collected by this bill from "leaking" out into other program areas.

§ 5. Requires RESPONSIBLE CONTRACTING, LABOR AND JOB STANDARDS, AND WORKER PROTECTION standards for all projects assisted under this act.

- NY Renews developed the revised Responsible Contracting, Labor and Community Benefits standards in collaboration with coalition member organizations, and allies from the labor movement.
- These standards include requirements for contractors and subcontractors on state-assisted projects to develop project labor agreements, provisions to "claw-back" public subsidies if there is non-compliance with these requirements. Contractors and subcontractors must follow responsible contracting standards, including standards to ensure certifications, apprenticeship, and pre-apprenticeship utilization, and wage requirements to pay at least union prevailing wages.
- The section now includes a powerful "best value procurement requirement" to ensure that New York State gets the best possible value. The bill includes priority job creation with a special focus on individuals with barriers to employment including people who have been incarcerated, people with disabilities, people coming off of unemployment,

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and people who have been traditionally underrepresented in manufacturing or construction employment.

§ 6. Creates the CLIMATE CHANGE JUST TRANSITION FOR IMPACTED WORKERS AND COMMUNITY ASSURANCE PROGRAMS. The worker and community assurance programs establish key supports and dedicated revenue streams for impacted and transitioning communities as well as a framework for a social dialogue and proactive transition support. It creates:

- Worker and community assurance task force to engage in an assessment of the impacts of this transition, ensure a cohesive approach, and create a broad social dialogue
- Worker assurance program to offer *guaranteed* economic support to adversely affected or displaced workers impacted because of the energy transition, and support to retrain or re-equip workers to prevent layoffs.
- Because the impact of a plant closure or transition can have tremendous impacts across the community it also establishes a community assurance program to provide support for communities to: maintain fair funding for our schools; create good jobs; replace lost payment in-lieu-of taxes (pilot) and local tax revenue; facilitate the expansion of existing economic development; protect ratepayers & improve our environment and our public health. This can include tax replacement, support for impacted workers, their unions, or local government to start employee-owned businesses in host communities; small business retraining and re-tooling; support to create unionized worker cooperatives in impacted communities.

§ 7 Creates the CLIMATE CHANGE JUST TRANSITION PROGRAMS, including the community just transition funding program, climate jobs and infrastructure funding program.

- Subtitle ii establishes the **COMMUNITY JUST TRANSITION PROGRAM**. Developed with frontline and community leadership, it provides billions of dollars each year of grant funding to disadvantaged communities to improve their resiliency and sustainability. This section creates the office of Climate and Community Investment to administer the program to competitively select project proposals for grants. These projects must provide benefits to designated disadvantaged communities; incorporate community

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decision making throughout project planning and implementation; and at least seventy-five percent of funds from the community just transition fund shall be for projects physically located within or adjoining a designated disadvantaged community. The program is designed to maximize benefits to the proposing community and the State of New York.

- Subtitle iii establishes the **CLIMATE JOBS AND INFRASTRUCTURE PROGRAM**. The program's goals are to direct billions of dollars in funding to achieve reductions in greenhouse gas emissions and regulated air contaminants; create jobs ; fund large-scale projects, including those that may span multiple communities or regions. This includes projects to: reduce energy costs through improvements in energy efficiency, energy conservation, load balancing, energy storage and the installation of clean energy technologies; achieve advancements in social equity; electrify equipment and appliances for residential, commercial and industrial applications; encourage the development of energy efficiency and renewable energy projects and programs for and in public schools and community centers; encourage the development of quality child care; and development of workforce development programs. Every five years, the authority, in consultation with the advisory Council, shall designate priority project types for investments. The first five years of funding shall prioritize investment in: (a) public transit (b) energy efficiency and conservation projects (c) large scale renewable energy projects, (d) port facility electrification and sustainability (e) electric grid upgrades (f) energy efficiency and renewable energy projects and programs for and in public schools and community centers (g) child care facilities and programs.
- Allocates funds for the purposes of providing technical assistance to eligible applicants.
- Requires the development of a master plan to improve building energy efficiency that includes all of the state's existing buildings.
- Bars any funding from this section from supporting police, prisons, or related infrastructure.

§ 8. Creates the Climate and Community Investment Authority. Designed to be the most transparent and accountable authority in New York, the Climate and Community Investment Authority would supplement state, local, and federal efforts already underway to combat climate

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change. The Climate and Community Investment Authority collects the polluter fee and administers the spending programs created under the CCIA.

- The Authority works with other state agencies and authorities to regulate and collect the polluter penalty revenue and administers the spending programs.
- Has a 13-member board of appointees, including regional representation and representation by labor, environmental justice, and youth.
- Requires independent auditors, an ombudsperson, and other reporting requirements.

§ 9. Creates the CLIMATE POLLUTION FEE. To generate revenue for the just transition required by the CLCPA, polluters who emit climate impacting emissions will be charged a fee for disposing of waste and use of our shared air resources.

- The fee will be set annually per ton of carbon dioxide, or equivalent content that would be emitted through the combustion or other process. The fee starts at \$55 per ton and increases 2-5% per year depending on whether we are meeting environmental progress metrics.
- It will be collected on any carbon-based fuel sold, used, or entered into the state during the calendar year as well as other sources of green house gases at the furthest upstream point – generally at the point of production or importation.
- To avoid undermining other efforts, any applicable entity covered by the Regional Greenhouse Gas Initiative (RGGI), a federal law or regulation that imposes a direct price, or a carbon tax or carbon fee mechanisms on the same greenhouse gas emissions is entitled to deduct from the fee an amount equal to their price under the other scheme.
- The Section requires the development of an “emissions leakage mitigation policy” at a minimum to include: a study of the implementation of a border carbon adjustment and other necessary measures.

Article 43 creates a LOW-INCOME AND SMALL BUSINESS ENERGY REBATE. A program administered by the authority to ensure qualifying households, small business, and non-profits receive a rebate and their energy costs remain affordable.

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- Eligible households will be automatically enrolled based on their tax filing. If members of a household did not or were not required to file taxes, they may apply for rebates under this article.
- Rebates will be provided starting with the lowest income New Yorkers. Upon determination by the authority that there are adequate funds, moderate income households will then receive their rebate, followed by middle income households, until funds are depleted. The rebate is calculated to provide support to up to sixty percent of the households in New York.
- The authority will cooperate with the office of temporary and disability assistance to identify households that are sufficiently low-income to qualify for means tested benefits. Those households will receive the rebates as non-income vouchers. Those above that cut off will receive a rebate payment annually. However, anyone eligible for the rebate can request the rebate as an annual payment or non-income voucher.
- The rebate amount is calculated to be equal to or exceed the average estimated impact of the polluter fee. For that reason households and small businesses outside of New York City will receive at least fifty percent more than the rebate amount applicable to New York City households and small businesses.
- The Section also requires the Public Service Commission to investigate the impact of the polluter fee on households and to evaluate ways to mitigate any impact.
- Small Businesses and non-profits shall be provided a credit against income for each year equal to the higher of five hundred dollars a year, or the amount computed for a household rebate. The rebate may be claimed even if no taxes are owed by the eligible small business. such credit may be used to reduce the tax liability of the credit claimant below zero.

§ 10. Severability

§ 11. This act shall take effect one hundred eightieth day after it shall have become a law.

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