



Empire State Forest Products Association

The people behind New York's healthy forests and quality wood products

www.esfpa.org

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Memorandum **A 8143-A**

Honorable Patricia Fahy
Member of Assembly
424 LOB
Albany, NY 12248
Via Email fahyp@nyassembly.gov

April 26, 2022

Dear Assembly Member Fahy:

The Empire State Forest Products Association can support many aspects of this legislation as it relates to energy efficiency and clean energy systems within buildings. There are, however, a few provisions of this legislation that present concerns for our member companies. We offer here some comments and suggested amendments that would make this legislation more palatable.

The Empire State Forest Products Association (ESFPA) represents over 300 member businesses, industries and landowners engaged in forest resource production and stewardship of New York's 19 million acres of forest. In total, \$22.8 billion dollars in annual industry production and nearly 100,000 jobs are attributable to operations of various industries within the forest related sectors. There are over 700,000 private forest landowners who own 14 million acres of New York's forests, and their stewardship decisions are critical to keeping New York's forests as forests.

Covered Products

The applicability of this legislation and the extent of covered products is not always clear. In §6-a the definition of product means "any appliance or equipment, other than a motor vehicle, which in operation consumes or is designed to consume energy or result in the consumption of energy, including any water related appliance, equipment or fixture is designed to consume or result in consumption of energy in its operation or use". This appears that it would cover wood burning devices (e.g., wood stoves, boilers

or high-density pellets boilers). In addition, under §4 3. It directs the State Fire Prevention and Building Code Council to “promulgate a construction code incorporating clean energy features applicable to the construction of any building, including but not limited to greenhouse gas reductions.” In addition, under §5 6. It furthers calls for the construction of buildings in the code to include greenhouse gas reductions under the CLCPA. Given that the State’s inventory of greenhouse gases includes biogenic sources of carbon (e.g., wood) this could also present an impediment to wood thermal heating in residential and commercial buildings.

The draft Scoping Plan recently released by the Climate Action Council acknowledges the limits of electric geothermal and air sourced heat pumps in extremely cold circumstances and that buildings will require secondary heating systems, including wood heating systems. In addition, hundreds of thousands of upstate rural homeowners and commercial businesses use wood, often harvested from their own forests, for primary and secondary heat sources. Also, as evidenced in last weeks late winter storm, hundreds of thousands on New Yorkers lost power for over 24 hours. Failure to have secondary wood heat these residents would have frozen pipes and other thermal risks to life and property.

We would suggest that language regarding greenhouse gas emissions be limited to “fossil fuel greenhouse gas emissions.”

Breadth of NYSERDA Jurisdiction

The unbridled delegation of regulatory authority to the New York Energy Research & Development Authority along with broad definitions of “products” and “appliances” could bring building and energy code burdens in industrial equipment and processes. This could potentially go beyond historical building code and energy efficiency code standards and have deleterious impacts on manufacturers across New York. More importantly, this could create competitive disadvantages to existing New York manufacturers, potentially resulting in “leakage,” or attracting new manufacturers to New York.

Once again, the Climate Action Council draft Scoping Plan makes specific notation that the “heterogeneous nature of industry, and the resulting need for customized solutions on an industry specific and even factory specific basis.” We would recommend that to avoid unintended consequences for manufacturers and “leakage” that the broad authority envisioned in this legislation exclude any “products” , “appliances” or “components of processes” that are part of a commercial or industry manufacturing process or there be legislative authorization to work with industrial or commercial manufacturers on standards that can be industry or factory specific with explicit authorization to grant conditions that would avoid leakage.

Impact on Harvested Wood Product Manufacturing

Wood product manufacturers throughout New York State use residual wood from the forest and their manufacturing processes for production of heat and electricity used in their manufacturing processes. These range from the use of chips and saw dust to “black liqueur derived in paper making to generate heat and power behind the grid and serve as a beneficial end-of-life use of residuals that would otherwise have to be disposed of as waste. This energy usage needs to be recognized for this particular sector as a viable, renewable energy resource. In addition, some of these residuals are used to produce high-density wood pellets that in turn are used for residential and commercial wood heat.

Conclusion

We write to express these concerns and suggested amendments that can make this bill better for New Yorkers and New York manufacturers. We look forward to answering any questions you have, and we welcome the opportunity to discuss these comments and recommendations further.

For Further Information Contact:

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cc: 2021-22 Assembly Energy Committee Members
2021-22 Senate Energy and Telecommunications Committee Members