







THE GREEN NEW DEAL:

WHAT DOES IT MEAN FOR ALBANY'S BUSINESSES?

New York's ambitious climate plan could rechannel the state's economy and significantly drive growth through innovation, investments in early-stage companies and jobs that hadn't been imagined a few years ago. The plan could also create unprecedented possibilities for energy providers, developers and consultants to collaborate and bring new ideas to the marketplace.

"The business opportunity today in energy is as large as I've seen in any sector," said Dennis Elsenbeck, who leads Phillips Lytle LLP's Energy Consulting Services.

But he also cautioned that implementing policy goals for goals' sake could circumvent critical transmission and storage challenges, and have companies chasing programs for their financial incentives rather than solving real-life market issues. It's a risky course that sacrifices economic sustainability.

"Goals and policies usually turn into directives and incentives. The reality is, goals are not solutions. They're not market-driven," Elsenbeck said during a June 18 panel discussion on the effects of new green initiatives on New York's economy. The event, hosted by Phillips Lytle, at Renaissance Albany, was held hours before state lawmakers passed New York's Climate Leadership and Community Protection Act.

"This is not a climate change bill. And it's not an energy bill," said panel moderator David Flynn, who leads Phillips Lytle's Energy Practice. "It's a reorientation of New York's economy."

The bill, one of the most sweeping climate deals in the country, requires the state to get 70 percent of its electricity from wind, solar and other renewable sources by 2030 and go entirely carbon-free by 2040. If the targets are met, the state would reduce greenhouse gas emissions 85 percent below 1990 levels by 2050 and effectively create a net-zero economy.

"We're talking about a radical alteration of the economy as we know it," said Darren Suarez, senior director of government affairs for The Business Council of New York State.

Suarez, too, has concerns with the new climate plan, one being that it calls for massive changes but is only 21 pages long. He compared the brevity of the current policy with a brownfield law adopted by New York lawmakers in 2013 that was 120 pages in length.

"A 21-page bill to redo our entire economy probably isn't enough," Suarez half-quipped. The legislation calls for a 22-member "climate action control" council of top officials from various state agencies. It also gives broad discretion to the state's Department of Environmental Conservation to implement the plan.

As the policy develops over the next two years, businesses, particularly those in the industrial/manufacturing sector, must have a voice in the process, Suarez said. Industry leaders can get involved in several small working groups, participate in public comment periods and help shape the state's economic future.

In particular, manufacturers need access to power that is reliable and priced to keep them competitive. However, the growing trend in New York's patchwork of energy programs is to place subsidized renewable resources where subsidized resources

already exist. This causes the utilities to compete against each other, forcing them to drive up costs because they're being used at the same time.

"There's a way to put those renewables in locations that make sense and match them with demand," Suarez said.

Moreover, the legislation establishes a working group to identify which jobs will be lost during the shift, which jobs will replace them, and what training will be needed to prepare a new workforce.

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- DENNIS ELSENBECK

"We want to make sure there's an appropriate transition and we're not leaving a lot of our workforces out to dry," said Julie Tighe, president of the New York League of Conservation Voters.

As tougher emissions regulations kick in, the transportation sector will face the greatest challenges, Tighe said. Government and businesses are accustomed to being regulated. People in cars are not.

"We know we can only make so many reductions in emissions. We need to get people thinking about mass transit and the kinds of cars they drive," said Tighe. She likened the shift to a recent New York law that bans single-use plastic bags effective March 2020, noting, "People are going to have to change their habits."

Agriculture and forestry, Upstate New York's largest industries, also offer solutions for a carbon-neutral economy through offsets, Tighe said.

Energy storage is increasingly important as power systems rely more on wind, solar and other intermittent renewable technologies, said Jon Williams, CEO of Viridi Parente Inc. His Buffalo startup makes renewable energy systems powered by lithium-ion batteries that are used by National Grid and construction companies.

It's an exciting time for the energy market, Williams said. He urged companies interested in clean manufacturing to study the market thoroughly. Then, if there's a demand, fill it.

"It's OK to have the incentives help the economics. But if the economics only work with the incentives, you're not going to be sustainable," he said.

New York's aggressive energy goals can't be achieved unless the ecosystem is aligned to deliver them, Elsenbeck said. The state needs an integrated planning strategy, and currently, the economic development community isn't part of the conversation.

"Are all these state agencies aligned with the importance of energy? I'm not seeing that," Elsenbeck said. "All of this is being done for you. It's being paid by you. Get involved in what's happening because what comes out of these policies and incentives is what's going to happen."



Left, moderator David Flynn, Jon Williams, Dennis Elsenbeck, Julie Tighe, Darren Suarez



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**THIS TUESDAY!
June 18th**

8:00 a.m. - 10:30 a.m.
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- What are the prospects of The Green New Deal becoming law?
- Whether The Green New Deal will be representing your business interests.
- Identifying opportunities that capitalize on The Green New Deal.
- How Energy Storage advances market participation in The Green New Deal agenda.

MODERATED BY

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