



ROUNDTABLE ENERGY

During Business First's Roundtable discussion on Energy, regional leaders gathered to discuss the opportunities and challenges posed by New York's Climate Leadership and Community Protection Act and other issues affecting the energy industry. Here is a report from the discussion, held July 12, 2022.

LOOMING DEADLINES A CHALLENGE FOR NEW YORK'S ENERGY GOALS

New York's businesses and residents in the coming years will be required to dramatically change their energy consumption by virtue of the state's Climate Leadership and Community Protection Act.

That will mean the state will be phasing out of gas-guzzling cars, oil-burning heaters and natural gas-fired furnaces while shifting to electricity produced by carbon-free sources.

Specifically, the Climate Act requires New York to reduce economy-wide greenhouse gas emissions 40% by 2030 and no less than 85% by 2050 from 1990 levels.

By all accounts, the deadlines set by the 2019 law are ambitious.

Three experts in the energy field gathered at Buffalo Business First recently to discuss the real challenges and the potential merits of the Climate Act.

PANELISTS WERE:

- **David Flynn**, energy practice team leader and partner, Phillips Lytle LLP
- **Gary Marchiori**, president, Energy Mark LLC
- **Katie Soscia**, business development director, Montante Solar

New York State's desire to move to renewable energy offers many opportunities but involves an enormous about of work before

that becomes a reality, Marchiori said.

"There has got to be a balanced transition," Marchiori said. "Reliability is what the consumer wants without a skyrocketing price. This transition needs to be reasonable and consumer-focused. The state's goal of less emission and no combustion-type energy production is ambitious and faulty if it compromises reliability."

He called on the state Public Service Commission to better take into consideration the impact the state's goals will have on consumers.

"The PSC has got to be concerned about price and reliability rather than some ethereal goal set forth

by politicians," Marchiori said.

Flynn agreed. He said those in the industry recognized years ago that it would take time to accomplish such a drastic transition.

Natural gas for years was viewed as the bridge between the completely fossil fuel-dominated energy supply and renewable or non-fossil, carbon-based fuel. The current momentum is taking the bridge out of the equation, Flynn said.

"What we are attempting to do is to transition from the heavy carbon-based to renewables and eliminate the natural gas bridge as quickly as possible," he said. "That is where we are going to see reliability issues and horrific cost

ROUNDTABLE ENERGY



GARY MARCHIORI
President
Energy Mark LLC

Gary Marchiori is the founder and President of EnergyMark, a licensed energy supply company.

EnergyMark, formed in 2002, with headquarters on Main Street, Williamsville, NY supplies electric, natural gas, and renewable energy including Community Solar and renewable natural gas from local dairy farms.

He has been involved in all aspects of the Natural Gas Business since 1985. He is Vice President of the Independent Oil and Gas Association of New York and a long term energy entrepreneur.

His past experience includes positions as Vice President, NorthEast Region of Constellation NewEnergy; Managing Partner, NOCO Energy Marketing; and Regional Marketing Director of Texaco Natural Gas Inc.

A resident of WNY since 1983, Gary and his wife Patricia, live in Williamsville, NY.

His community involvement includes membership in 11 area Chambers of Commerce, Clean Communities of WNY, Art Park and National Energy Marketers Association.



spikes. Business is just starting to wake up now as to what this could mean in price and reliability."

The Climate Act created a Climate Action Council charged with developing a scoping plan of recommendations to meet these targets and place New York on a path toward carbon neutrality.

It has two goals. One is to advance the penetration of renewables and the other is to reduce the carbon footprint including changing the state's fuel blend.

When the act was passed, the council was created to develop a blueprint for the implementation. Work has been ongoing for the past 18 months; during a comment period, which closed earlier this summer, more than 100 environmental groups submitted 400 pages of comments, Flynn said.

There is pressure building within the climate council to transition to and through gas immediately to all renewables much sooner than anyone would have envisioned in the past, Flynn said.

"Business and industry are starting to see that, and the concern is building now. 'How are we going to transition? I cannot afford and be competitive in a global or even a U.S. market if I am paying 30% or 40% more for my energy. I cannot be told to shut down on Tuesday because



KATIE SOSCIA
Business Development Director
Montante Solar

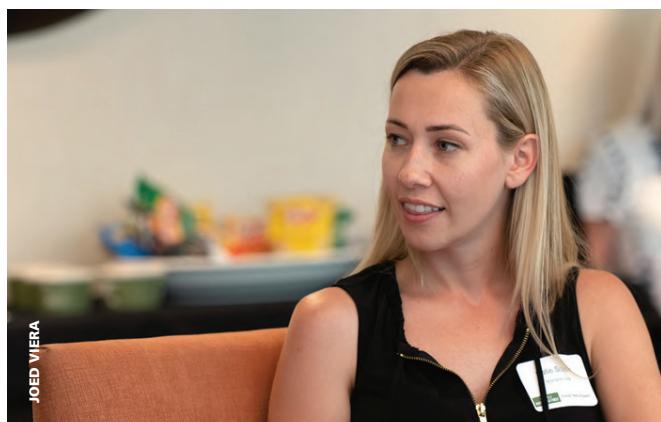
Katie Soscia is the director of business development for Montante Solar. Ms. Soscia leads customer engagement, project evaluations, RFP response, and contract negotiation. She also heads project development including land acquisition, PPA negotiations, and getting projects through the complex public approvals process.

Ms. Soscia has overseen the successful installation of more than 20MW of solar systems in New York State. She has experience with solar on all levels and regularly works through complex commercial and industrial projects. Ms. Soscia has overseen numerous projects while successfully coordinating efforts with project stakeholders, NYSERDA, and utility companies.



DAVID FLYNN
Energy Practice Team Leader and Partner Phillips Lytle LLP

David P. Flynn is a partner at Phillips Lytle and leader of the firm's Environmental Practice Team and co-leader of the firm's Energy and Cryptocurrency & Bitcoin Mining Practice Teams. He advises clients on the financing, development and siting of solar, storage, hydrogen and wind projects, as well as the licensing of hydropower projects. He also represents cryptocurrency firms on facility siting, regulatory and energy-related matters. Mr. Flynn regularly speaks on energy topics across New York State and has strong connections with major energy and energy-related organizations, including the American Council on Renewable Energy (ACORE) and the Business Council of New York State.



"By having your own fuel source that can produce energy and you can break even on in less than six years, the long-term outcome for planning your operation costs are really going to change and allow you to invest in infrastructure or labor or expansion."

- KATIE SOSCIA

the wind is not blowing and it is really hot and all of our gas-fired power plants have been decommissioned', " Flynn said.

Flynn said organized labor has been very aggressive in its support of the act, so the effort is "seeing the train pull out of the station."

He said the regulatory agencies and others need to start catching up with the law and the roadmap is supposed to help develop and tell the state Department of Environmental Conservation what it needs to do and what the Department of State needs to do regarding building code, Flynn said.

"You do not want to wake up when these become promulgated and effective. It will be too late to really influence or impact the outcome," Flynn said. "What we are telling our clients is you need to understand what this will mean to you," Flynn said. "You need to be heard now, because a year or two years from now, this stuff is going to be happening, and there is not going to be a lot you can do about it."

Despite the looming, demanding deadlines, renewable energy projects aren't happening with an equal sense of urgency, Marchiori said. Solar panel installation and storage facility projects, for example, aren't happening fast

ROUNDTABLE ENERGY



ENERGY, continued

enough.

"New York's policy goals are not realistic, but work toward achieving them is moving, slower than expectations, but moving," Marchiori said.

Founded by Marchiori in 2009, EnergyMark is Western New York's 11th largest renewable energy company with eight employees in Williamsville and Rochester offices. The company is the official energy

supplier to the Buffalo Bills and St. Bonaventure University.

The company offers business customers the ability to analyze and compare various electricity and natural gas pricing strategies to help them find the best solutions.

EnergyMark also serves homeowners, renters, nonprofits and small business with Community Solar. After a simple sign-up process, participants can realize lower energy costs while supporting renewable energy, Marchiori said.

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- GARY MARCHIORI

In Community Solar, clients become members of a solar community that earns credits from a solar farm and realizes automatic 10% savings on their monthly electric bill.

The program breaks down commitments to a more marketable three to five years, Marchiori said.

"In the past if you dedicated to a project, you would have to have a very good set of economics and financial status to get a 25-year outtake to a planned project," Marchiori said. "Using EnergyMark's financial strength, you can deal with us instead and break down the projects to shorter terms commitments. This will help spread community solar."

The regulatory hoops are significant. Marchiori noted, for example, that there are at least 22 state and federal permits required in order to locate a 5-megawatt or 10-megawatt solar field.

And there are the concerns of communities where solar fields are proposed. Soscia said municipality leaders are holding moratoriums on installations of solar or storage or both to be cautious.

"A lot of municipalities are not necessarily anti-solar, they hear their constituents' concerns that they don't want to live across the street from a 5-megawatt solar field," Soscia said. "What we've been doing over the past two years with any project in a municipality, we make them our project partner."

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It's about respectful solar siting, it's about understanding the concerns of the community and hearing them and making the municipality a project partner. They're the ones who know their constituents the best and can guide you with the best way to move a project forward."

There has been increasing interest in solar among companies that want to hedge against current rising energy costs, she said. Montante Solar, a developer and installer of commercial and industrial solar energy systems is the region's 9th largest renewable energy company with 13 employees. Its office is in Tonawanda.

Montante can address the demand with large projects on sites such as brownfields, former industrial sites or landfills and smaller, rooftop projects. Building commercial rooftop solar projects was focus of the company when it was founded 13 years ago.

The company has noted a recent uptick in that option lately, she said. A rooftop solar array is an energy option for businesses that own or leases property and big-box stores where they can lease out their rooftops for others.

One of its largest of such projects was the installation of 19 rooftop arrays in the Buffalo Public School district. It is the largest solar project completed for a public school

system in New York. The company also completed the largest solar array powering a manufacturing plant, Sealing Devices Inc., manufacturer and distributor of seals and gaskets, located in Lancaster.

Rooftop projects are quicker to get done because there is less labor and materials involved and no permitting required, Soscia said.

"By having your own fuel source that can produce energy and you can break even on in less than six years, the long-term outcome for planning your operation costs are really going to change and allow you to invest in infrastructure or labor or expansion," Soscia said. "So, it really gives that owner some flexibility on long-term planning."

Can New York reach its goals?

Flynn is optimistic but concerned about the momentum of "green politics" that is taking an increasingly aggressive approach to getting the end state as quickly as possible.

"We have got to bring some rational thought back into the process as how do we manage the cost and the unintended consequences of the program," Flynn said. "I think there is room for recovery, but this is kind of like the car going into a skid on a curve. The question is can we pull out of it or do we go into the tree."



JOE VIERA

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