

December 5, 2024

Honorable Kathleen C. Hochul
Governor, State of New York
Executive Chamber
State Capitol
Albany, New York 12866

SUBJECT: Recommended Veto of S.2129-B (Krueger)/A.3351-B (Dinowitz)

The undersigned organizations oppose S.2129-B/A.3351-B, generally referred to as the “climate superfund” bill. This legislation is bad public policy that raises significant implementation questions and constitutional concerns. Moreover, its \$75 billion price tag will result in unintended consequences and increased costs for households and businesses. We also note this measure would come on the heels of the reinstatement of congestion pricing in New York City, and in advance of the Environmental Department’s pending “cap and invest” rule, which combined will also impose billions of dollars in new assessments on fossil fuel usage, impacting a wide range of consumers.

We strongly urge your veto of this legislation.

The bill discriminates by targeting only the largest fossil fuel extraction and processing firms, including petroleum, natural gas, and coal. Applying “strict liability” to a narrow category of businesses is an unfair approach that fails to consider the complexity of the issue.

This legislation ignores the near universal use and benefits associated with fossil fuel. Furthermore, New York State recognized the vital need for adequate fuel supplies and not long ago created the FUEL NY Initiative establishing a strategic fuel reserve “to maintain public safety, commerce and the well-being and economic vitality of its residents, businesses and governments.”

Now, this legislation is proposing to penalize the very same suppliers of gasoline, natural gas, and other fossil fuel-based products. In most situations during the bill’s applicability period, no realistic alternatives were available to fully serve the electric, heating and transportation needs of the state. The bill does not address the direct cause of carbon emissions: consumption. By targeting and imposing strict liability only on the extraction and refinement of fossil fuels, the bill disregards the fact that most greenhouse gas emissions are generated by the actual use of fossil fuels and not by their refinement or extraction. By imposing a fee on past activity, this legislation is clearly not designed to impact business or consumer behavior, suggesting the main goal of the legislation is to generate funding from the fuels sector.

Under this legislation, New York State would be imposing a \$75 billion assessment on the energy sector during a time of heightened concerns of affordability facing households and businesses alike. While opinions may differ as to how the cost of this legislation may be directly allocated, there is concern that these payments could impact the state's overall economy and individual households.

The petroleum and natural gas sectors have a proven track record of reliably supplying the energy that heats and cools our homes, gets us to work, and fuels our economy, and will continue to have a significant role supporting New York's economy even during its planned transition to a low-carbon future.

Given the potential legal challenges, costs, and discriminatory nature of the climate superfund, we respectfully request that you veto this legislation.

American Petroleum Institute Northeast Region
Buffalo Niagara Manufacturing Alliance
Buffalo Niagara Partnership
Business Council of New York State, Inc.
Business Council of Westchester
Capital Region Chamber of Commerce
CenterState CEO
Consumer Energy Alliance
Cortland Area Chamber
Council of Industry of Southeast New York
Empire State Forest Products Association
Fulton County Center for Regional Growth
Greater Binghamton Chamber of Commerce
Greater Rochester Chamber
Greater Utica Chamber
Long Island Association
Manufacturers Association of Central New York
Mohawk Valley EDGE
National Association of Mutual Insurance Companies
National Fuel Gas Company
National Mining Association
New York Construction Materials Association
New York Farm Bureau
New York Propane Gas Association
New York State Agribusiness Association
New York State Economic Development Council
New York State Chemistry Council
New Yorkers for Affordable Energy
North Country Chamber of Commerce

Northeast Hearth, Patio and Barbeque Association
Orange County Chamber of Commerce
Plumbing Contractors of Long Island
Queens Chamber of Commerce
Rochester Technology and Manufacturing Assn
Rockland Business Association
Ulster County Regional Chamber
Upstate Unite