

## Transportation Advisory Panel Meeting

February 10, 2021 | 3:00am-5:00pm

### Attendees

#### Members present:

- Chair, Marie Therese Dominguez, Commissioner, New York State Department of Transportation
- Jared Snyder, Deputy Commissioner, New York State Department of Environmental Conservation
- Albert Gore, Policy and Business Development, Tesla
- Bob Zerrillo, Policy Director, New York Public Transit Association
- Elgie Holstein, Senior Director for Strategic Planning, Environmental Defense Fund
- Julie Tighe, President, New York League of Conservation Voters
- Kendra Hems, President, Trucking Association of New York
- Kerene Tayloe, Director of Federal Legislative Affairs, WE ACT for Environmental Justice
- Nancy Young, Vice President, Environmental Affairs, Airlines for America
- Nick Sifuentes, Executive Director, Tri-State Transportation Campaign
- Steve Finch, Senior Vice President, Automotive Services, AAA Western & Central New York
- Paul Allen, Senior Vice President, M. J. Bradley & Associates
- Dimitris Assanis, Assistant Professor, Stony Brook University
- Porie Saikia-Eapen, Director, Environmental Sustainability and Compliance, Metropolitan Transportation Authority

#### Members not present:

- John Samuelson, International President, Transport Workers Union
- Craig Turner, Executive Director, Buffalo Niagara International Trade Gateway Organization
- Renae Reynolds, Transportation Planner, New York City Environmental Justice Alliance

#### Key staff present:

- Adam Ruder, New York State Energy Research & Development Authority
- Paul Beyer, New York State Department of State
- Ron Epstein, New York State Department of Transportation

#### Guest attendees (members of the Climate Justice Working Group):

- Joseph McNearny, New York Department of Labor
- Mary Beth McEwen, Interim Executive Director, Cornell Cooperative Extension of Oneida and Madison Counties
- Neil Muscaitello, New York Department of Health
- Rahwa Ghirmatzion, Executive Director, PUSH Buffalo
- Rosa Mendez – Director of Environmental Justice Office, Department of Environmental Conservation

## Meeting Notes

### Welcome and Introduction

- Commissioner Dominguez welcomed everyone and introduced the agenda, indicated members from the climate justice working group will be joining today, and did roll call.

### Subgroup report outs

- Electrification and Fuels - Adam Ruder provided an overview of policies and strategies under consideration for the electrification and fuels subgroup (see slide 7 for details).
  - Commissioner Dominguez: As we go through the meeting today, our key goal is to present the strategies under consideration at this point and get input from folks on the Climate Justice Working Group (CJWG). Keep in mind as we go through these presentations from the subgroups, this is a brief report out and then we hope to have a larger discussion, largely focused on equity, with the broader group.
- Public Transportation – Ron Epstein provided an overview of policies and strategies under consideration for the public transportation subgroup (see slide 8 for details)
- Smart Growth – Paul Beyer provided an overview of the policies and strategies under consideration for the smart growth subgroup (see slide 9 for details)
- Financing and Market-based Programs – Jared Snyder provided an overview of the policies and strategies under consideration for the financing and market-based programs subgroup (see slide 10 for details)

### Engagement with Climate Justice Working Group

- Commissioner Dominguez welcomed the CJWG members (see list above).
- Commissioner: Do any of you have any initial comments, based on what you heard in the report outs?
- Jared: I know Kerene's colleague was not able to join, so maybe she could share information on his behalf?
- Kerene: I have nothing to share at this time, but I can add in at a later point during the discussion.
- Jared: Rahwa, were you able to hear the conversation on electric vehicles (EVs)?
- Rahwa: Unfortunately not, but I do have a question. Did you talk about the equity framework around community ownership of charging infrastructure? It's hard to create generational wealth when there isn't any wealth in these communities to begin with. One of the things we're focusing on is workforce development centered around technicians and electricians for the installation and maintenance of EV chargers. We're also talking about building a community energy microgrid that could provide the energy for these chargers. Are you considering what equity means for low income communities when it comes to electrification of transportation?
- Jared: We're definitely focused on how to get EVs in the hands of low-to-moderate income (LMI) consumers in disadvantaged communities, and also how to electrify truck fleets that operate in these communities. What you're talking about is really interesting. I'm wondering if there are any case studies or models that we could look at?
- Rahwa: Regarding case studies, there are none that I know of. This is something we're trying to do in our community. However, we're resource poor, especially in terms of knowledge and

technical expertise. We can figure out how to do it, but it is time- and effort-intensive to get from idea to actual implementation.

- Jared: What kind of support could be provided from a policy perspective?
- Rahwa: The Climate Leadership and Community Protection Act (CLCPA) is really great for this. Particularly the 40% set aside for disadvantaged communities, which we're working to provide definitions around. We need to find ways to get people to have an ownership stake in the process, like by training a workforce. That way they'll be invested in this transition and will gain good jobs from it. We need to find ways for disadvantaged communities to financially benefit from the clean energy transition.
- Adam: There are a few examples of ideas that have come up from across the state. One is in Buffalo; there is a great history of having mobility options that come out of the community, including the community carshare and bikeshare in Buffalo. These are not big corporations, but rather they formed locally. There are opportunities to develop these structures and organizations at the local level to support the communities they're based in. There has also been talk in NYC to create co-ops to get school bus fleets electrified. The third is that NYSERDA has been working with a company to bring "dollar vans" from NYC into a more established system. These public transportation supplements often operate in the shadow economy, so we want to legitimize them and have them serve in transit deserts. We've been working with a new organization, Dollaride, to professionalize and scale the service. There are good ideas out there that we're interested in and we hope to support them through the policies that we discuss here.
- Jared: We will also be meeting with the Just Transition Working Group (JTWG) soon and the community ownership model mentioned by Rahwa works well with a just transition framework.
- Julie: Is there an opportunity to work with existing EV infrastructure programs to fold in job training?
- Jared: The programs are designed to provide access to disadvantaged communities. I'm not sure how much is devoted to job training, but we could look into it.
- Rahwa: Has this committee looked at what specific jobs will be created in the electric vehicle (EV) space and the corresponding infrastructure buildout? One of the ways that we look at workforce development is to match the number of people trained to the number of expected jobs out there.
- Jared: We haven't done that type of evaluation yet. We're meeting with the JTWG in the next few weeks, and they are conducting a general jobs report. What you're talking about is a more granular evaluation. Specifically, thinking about how to train people in a way such that jobs are dispersed in communities like yours, rather than just looking at overall numbers. In the absence of that effort, the jobs might all end up at auto dealerships in the suburbs.
- Commissioner: Yes, this is a great thought.
- Paul Allen: This is really important. Interesting studies in PA and TX by Advanced Energy Economy (AEE) have begun to look at EVs and EV charging supply chains and the jobs associated with it, specifically manufacturing. For example, there is a facility in PA that makes adhesives for EVs and employs 300+ people. That's something we could try to learn a little bit more about in New York. Also, the Biden administration has started to look into and figure out domestic content rules for all aspects of EV manufacturing.
- Commissioner Dominguez: This is a really good point and something we can look into. Are there any ideas around public transportation or any other questions focused on the equity aspects of this sub-topic?

- Rahwa: I wish some of my colleagues who serve rural communities were here. I'm not an expert on this. There are certainly some inequities in these communities. I can't speak to this, but I think more broadly, it also comes back to what jobs will be created? Has electrification of public bus fleets been discussed at all?
- Commissioner: Yes, this group has been really focused on that.
- Rahwa: Have there been discussions about how you fund this without putting it on ratepayers? A lot of the folks in western NY who take the bus are low-income.
- Commissioner: This is a big piece of what we're thinking about.
- Ron: Yes, I agree, we want to avoid putting the costs on those who are least able to pay.
- Commissioner: Thanks for your insights. Jared, is there anything else we wanted to discuss with our colleagues from the CJWG?
- Jared: This has been a good conversation, but we should find ways to continue to engage with each other. Also, our goal is to expand public transportation, so we certainly don't want to increase costs for those who can't afford to pay. As we develop some of the ideas you have shared with us, it would be great if you could continue to provide feedback and insights.
- Rahwa: Absolutely.
- Marybeth: Thanks everyone, glad to be here and glad to hear about the rules and considerations that are being deliberated.
- Commissioner: Thank you CJWG members for your participation and insights.

#### **Open Panel Discussion on Policy Recommendations**

- Commissioner: We want to hear from panel members on how you think things are shaping up. What's right? What are we missing? Any other thoughts?
- Steve: My thoughts are not quite balanced across all recommendations. It was interesting to hear Rahwa's comments, maybe because we're from the same area. I want to comment on the process we've taken so far, coming from the perspective of the AAA organization. We need to think about how these policies impact consumers. We need to bring people along on this journey from an education and outreach perspective, and we need to show how we will make people's lives better. There is pushback against electrification right now because there are currently so many barriers. The other piece is that we look a lot at what it would take to get to 2035, but I'm also concerned about what it looks like ten years from then. What happens when these vehicles start to age? We don't know what these vehicles are going to look like after 150,000 miles, etc. Also, we need to be thinking about the volume of vehicles on the road and the associated infrastructure needs. We need to think about the long-term effects of the transition.
- Commissioner: Thank you, Steve, for kicking us off and sharing your ideas and comments.
- Julie: I want to build on what Steve said. As we formalize the recommendations, we need to put equity front and center. We've been thinking about it as access, and to some extent pollution reduction in marginalized communities, but we really need to think about jobs and must further emphasize pollution reduction in these communities because they've been disproportionately impacted. We need to think strategically. We can start with where we need to be in 2050, then work backwards from there. What policies do we need to implement, acknowledging that they will build on each other? We should first all agree on the desired outcome, then examine barriers. We also need to think about rate design and how that impacts the cost of charging. And when we think about incentives, they are mostly going to high-income households. We

need to re-evaluate how to target those better, including thinking about used EVs. Can we think about the needs and agree on how to get there? That's just focusing on light duty vehicles, but we also need to think about heavy duty. In thinking about CA's goals regarding heavy duty vehicles, can we move faster than them and encourage the market to get to zero emissions faster? The other two big picture items I want to mention are: we need to increase zero emission mass transit and expand its access, as well as looking into zero emission alternative means of transportation to reduce vehicle miles traveled (VMT), including e-bikes, bikes and other micro-mobility. I have more thoughts but will let others speak.

- Elgie: I'd like to make some comments on financing issues. I agree with Jared's characterization that the pricing gap for EVs is rapidly closing. It is closing in part due to existing federal subsidies. It will be closed more by intense competition between manufacturers in this space. With battery costs continuing to fall, this will get better. The biggest issue is in the medium-heavy duty vehicle (MHDV) space. The gap there is much larger. We haven't done enough to learn how truck financing is done. If there is a cost advantage for EV trucks (total cost of ownership, or TCO), we should think about how to pull that forward and lower the upfront cost of the vehicle. This is similar to the rooftop solar issue. Customers can pay for it over time as they save money on energy production. I'm hoping we can come up with creative ideas, or at least a recommendation on exploring this concept further. Second, there are some outstanding data needs. I would like to see data from NYS on the voucher program. How is that program working? How many truck transactions does it make possible? Is it enough, such that expanding it would help raise demand sufficiently to bring down cost of the trucks? According to the research done by EDF, the cost per transaction is \$97k on average. If that is true, it may be better to invest the money in MHDV in other ways. Lastly, I want to discuss geographic focus and school buses. The more limited the duty of the truck, the more likely it is to be an affordable proposition to electrify. Geographically, we should be thinking of airports in addition to ports. Not just vehicles that serve those specifically, but also for limited range trucks that service those surrounding areas. A discussion is needed about subsidizing EV charging infrastructure and grants for those who service the infrastructure installation. Finally, regarding school buses, there are equity components to consider. The same can be said for ports and airports. Bringing resources to these points of focus would have a strong public health impact. Public school buses should be discussed differently than MHDV fleets because being able to connect them to the grid is a whole new economic opportunity (like the pilot program in Virginia). Financing of school buses is difficult, but utilities can play a role here. The opportunity for creative financing can also play a role here. To reiterate, I would like to ask state folks to provide data on NYS voucher programs, and if you have similar estimates for "feebacks". I also haven't heard much on NYS's strategy for light-duty EV infrastructure. What are you doing with Electrify America's funds and how are you educating folks to overcome range anxiety, particularly in rural communities?
- Commissioner: Thanks, Elgie.
- Kendra: I've reached out to some of our members that currently finance EVs. As soon as I get information on that, I can share it. I've also reached out to CA's trucking association to see what they've learned from their experience with the voucher program. I will also share information on that when we have it. The price difference between an EV and diesel tractor trailer is about \$50,000. We need to get more data on the cost of use. The more you can close the gap, the more we'll start to see acceptance. On financing, I get concerned with our smaller operators, such as owner-operators.

- Elgie: There are a number of us who would gladly join a call with you and financing experts to learn more about this. What I'm interested in is whether a revolving fund in New York could work. It doesn't do us any good to shove our program down the throat of smaller operators. Instead, this is all about how we close the gap for fleet operators of any reasonable size and do it in a way so that they can take advantage of the benefits of EV trucks. In the end, maybe we should focus on the ports and maybe leave freeway operation to a different type of program.
- Kendra: I'll work on trying to pin down some folks who would be willing to speak on the topic. The NYS Department of Transportation (DOT) has done the clean trucks program, so they may have some data to share, along with the ports of NY and NJ. I would be interested to learn more from that, for example, who took advantage of those programs? What was the population of owners/operators that used the programs? It would be helpful to see presentations on those programs.
- Paul: I want to second everything that has been said so far. I would add that the sequence of policy recommendations is really important. If you establish standards that serve as a forcing function on certain aspects of the market, then you can size the amount of change you're trying to make. CA's programs try to do this. But we need to think about how quickly this can happen. Particularly, we need to be thinking about integrating with the electric grid. The potential to match clean transportation to a cleaning power grid is the goal. We also need to think about what can be done to leverage private capital and what can be done with public funding. The regulatory process, the technical process, and the permitting process all take time in terms of getting the infrastructure out there in a way that works for the grid. We need to start to bring the relevant parties together. Encouragingly, despite a very slow year for the automotive industry, the EV industry has remained strong. We know where the puck is going, but we need to figure out how to skate to it. All of this needs to be done simultaneously, and we need to reduce noise and air pollution from truck traffic in poor neighborhoods.
- Commissioner: I have heard you talk about some of these elements before. Thank you for being succinct and relating your points to how these discussions have been progressing at the national level.
- Dimitris: It is important for the MHDV policies we're considering to note that going to a zero-emission fleet in the future isn't going to happen simultaneously. We're going to learn more over the years of this transition. It takes 15 years to turn over the fleet for a new technology available today. Anything we can do to reduce the use of fossil fuels today will propagate through those 15 years, even if it is small. For example, blending biofuels into current fuels is a small step we can take now that will have an effect during the transition. We need to be open to policies that reduce carbon. I encourage all low carbon fuels be considered, including biofuels, RNG, etc. We can't only discuss electrifying; we need to think about interim fuels.
- Kendra: I agree 100%. Some of our smaller operators might not have the opportunity to transition anytime soon. Blending fuels can be a good option for them to reduce their emissions. The focus is getting to zero carbon, but we need to do it in a way that makes sense.
- Julie: There is also an opportunity to reduce pollution in the interim. If we did an low-carbon fuel standard (LCFS), the fossil fuel companies would have to pay for that transition.
- Commissioner: Would anyone else like to weigh in?
- Albert: I think Elgie did a great job talking about MHDVs. I would like to put in a word for LDVs. As we know, battery cost is the biggest component in addressing the price gap. As we get to price parity, we need to address the challenges associated with charging barriers in communities. This includes rural communities as well. One of the big components here is rate

design. The discussion has been around how to address demand charges for DC fast chargers (DCFC) that have low utilization. In the urban context, an idea is to include charging infrastructure in building codes. We also need to think about multi-unit dwellings (MUDs) and how to overcome barriers with charging there. DCFC can help that issue, but it is more expensive, so it can impact TCO. This will become a bigger portion of TCO as the vehicle cost decreases. More work should be done in these areas.

- Commissioner: there is a robust discussion going on in providing accessibility in housing. Internal to the CAC, the discussion is about how to do it in an affordable way.
- Nick: I want to make a quick comment on transit. The scale of what we have to do will be really expensive, in the tens of billions of dollars. I want to reemphasize the importance of market-based solutions to drive investment in transit (e.g. LCFS). We also need to think about affordability programs. Transit isn't just about being near you, but also about being able to afford it. One thing to start considering is a VMT tax or similar charge to encourage people to make the transition to EVs quicker and to fund the transit expansion.
- Commissioner: Thanks, Nick, this is all stuff we're thinking about.
- Nancy: One thought going back to LCFS issue and equity. Among the options for feedstock are municipal solid waste (MSW) and other waste products, which can disproportionately impact low income areas. Channeling MSW through energy policy to alternative fuels can be a two-way solution, helping to reduce the impact of the waste stream while alleviating concerns regarding the availability of low-carbon feedstocks.
- Commissioner: Anything to add to this Jared, since you've had interactions with the waste panel?
- Jared: Well, they're mostly focused on reducing waste. But where they can't do it, they are thinking about capturing methane and using it in beneficial ways. While I have the mic, I'd like to note that Nick's thoughts were the only ones that were focused on public transportation. Maybe in our next meeting on the 18<sup>th</sup>, we can focus our conversation on public transportation and smart growth. In the meantime, the staff can take what we heard today and integrate it into the policy recommendations. What I heard today is that there is a multi-layered approach that will need to be taken. We can preview those at the next meeting.
- Commissioner: I'd like to extend a big thank you to everyone. The opportunity for the TAP to provide direct comments to all of us is really important. We'll take what we heard today and integrate it so we can have a really robust conversation at our next meeting. I want to bring up a point that was mentioned in the comments. There is a significant amount of information out on the LD EV rebates, which we will share with folks.

#### **Discuss Advisory Panel recommendations template/process for Inter-Panel/CAC review**

- Commissioner Dominguez showed the process timeline (see slides)
- Commissioner: We've shared the recommendation templates with the AP members and will work to fill those out during subgroup meetings
- Jared: They're pretty straightforward, but feel free to let us know if you have any final questions. Final recommendations are due to NYSERDA by the third week in March. Then Commissioner Dominguez will have the opportunity to share them with other folks to ensure everything is aligned. Then they will be shared with the CAC in mid-April.

#### **Discuss need for additional expert input/research**

- Commissioner: A couple of people have provided additional requests for experts. We're currently considering an additional roundtable on freight. Please feel free to provide any input on that.

#### **Next Steps/Open Discussion**

- Jared: We will be seeking input at a public meeting on February 24<sup>th</sup> from 2-4pm. We will not have the full templates filled out at that point, but we will have slides for folks to respond to.
- Commissioner Dominguez closed the meeting.