



**Memorandum of Support
A.7389-C (Kelles, et al.) / S.6486-D (Parker, et al.)**

April 22, 2022

A.7389-C(Kelles, et al.)/ S.6486-D (Parker, et al.): AN ACT to amend the environmental conservation law, in relation to establishing a moratorium on consolidated operations that use proof-of-work authentication methods to validate blockchain transactions; and to require a comprehensive generic environmental impact statement review.

Founded in 1991, the New York City Environmental Justice Alliance (NYC-EJA) is a non-profit, 501(c)3 citywide membership network linking grassroots organizations from low-income communities of color in their struggle for environmental justice. NYC-EJA empowers its member organizations to advocate for improved environmental conditions and against inequitable environmental burdens by the coordination of campaigns designed to inform City and State policies. Through our efforts, member organizations coalesce around specific common issues that threaten the ability for low-income communities of color to thrive.

The New York City Environmental Justice Alliance would like to voice strong support for A.7389-C(Kelles, et al.)/ S.6486-D (Parker, et al.). This legislation will establish a moratorium on the issuance of permits and renewals of existing permits for the operation of power generating facilities intended to support cryptocurrency mining operations in New York until a full generic environmental impact statement by the DEC will determine whether such operations can be mitigated. Cryptocurrency technology is incredibly energy intensive, supporting it in NYS would severely undermine the emissions reduction goals outlined in the Climate Leadership and Community Protection Act (CLCPA). It is imperative that we prevent the burdens of environmental degradation from being passed on to environmental justice communities yet again.

Retired or dormant electric generating facilities that have outlived their viability in the wholesale electricity markets are being repurposed to power energy intensive off-grid and 'behind-the-meter' data centers designed to serve blockchain transaction authentication operations, thus evading oversight by the Public Service Commission. These facilities are restarting operations under outdated certificates that do not account for the permitting standards applied to new, more efficient facilities. Retiring and peaker power plants are also being targeted for use by several corporations.

Peaker plants, though their operations are limited, contribute significantly to local air pollution in their immediate surroundings. Fossil fuel combustion at peaker plants emits harmful localized pollutants such as nitrogen oxides (NOx) and sulfur dioxide (SO₂), both of which can contribute to the secondary formation of ozone and fine particulate matter (PM_{2.5}). Peakers, particularly older ones, emit higher levels of pollutants relative to the electricity they generate. When New York's gas-fired peaker plants are operating, "they can account for over one-third of New York's daily power plant NOx emissions."¹

¹ Governor Cuomo Announces Proposed Regulations to Improve Air Quality and Reduce Harmful Ozone Caused by Power Plant Emissions, NYSERDA (February 28, 2019), <https://www.nyserdera.ny.gov/About/Newsroom/2019-Announcements/2019-02-28-Governor-Cuomo-Announces-Proposed-Regulations-to-Improve-Air-Quality-and-Reduce-Harmful-Ozone>

The PEAK coalition's 2020 report *Dirty Energy, Big Money* highlights the disproportionate public health effects of peaker plants on low-income neighborhoods and communities of color in New York City. With over 1.2 million New York City residents living within a one-mile radius of a fossil fuel peaker plant,² the reduction of air pollutants from peaker plants would have a significant impact on the health and quality of life of people living in the five boroughs of New York City. A NYC Department of Health and Mental Hygiene report notes that high-poverty neighborhoods bear 55 percent of the burden of hospital admissions due to ozone-attributable asthma and account for 56 percent of emergency department visits among children.³ In these highly impacted neighborhoods, rates are four times higher for ozone-attributable asthma hospital admissions. Similarly, environmental justice communities all over the State bear the brunt of these air pollution issues.

Replacing peaker plants with renewable and clean energy alternatives offers a major opportunity to improve public health in New York. In September 2018, the Public Service Commission's *Environmental Impact Statement for New York's Energy Storage Roadmap* found that deploying battery storage to replace peaker plants could result in a significant reduction in these criteria air pollutants and improve public health outcomes.⁴

Article 10 requires a comprehensive review of the cumulative environmental and public health impacts of all major new and re-powered electric generating facilities. Under the CLCPA, the permit review process must also account for impacts on the State's ability to meet the climate and equity mandates of the climate law, including the requirement that New York's electricity sector be emissions free by 2040 and 85% emissions reduction economy-wide by 2050

Power plants repurposed for energy intensive industrial uses, like blockchain transaction authentication operations, could have significant adverse impacts on air and water quality in environmental justice communities, while also hindering New York's progress toward eliminating greenhouse gas emissions from the power sector. A moratorium on the issuance of permits for these blockchain operations is needed so the DEC can conduct a comprehensive analysis of the environmental and health impacts of the industry.

For the reasons stated above, NYC-EJA strongly supports A.7389-C(Kelles, et al.)/ S.6486-D (Parker, et al.)

² "Opportunities for replacing peaker plants with energy storage in New York State," Physicians, Scientists, and Engineers (PSE) for Healthy Energy,

<http://psehealthyenrg.staging.wpengine.com/our-work/energy-storage-peaker-plant-replacement-project/new-york>. This page contains a section on "Individual Plant Demographics" to view population data for listed power plants.

³ Air Pollution and the Health of New Yorkers: The Impact of Fine Particles and Ozone, New York City Department of Health and Mental Hygiene, <https://www1.nyc.gov/assets/doh/downloads/pdf/eode/eode-air-quality-impact.pdf>

⁴ Final Generic Environmental Impact Statement CASE 18-E-0130 – In the Matter of Energy Storage Deployment Program, Industrial Economics, Inc., 1-7 (September 12, 2018),

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B2D2304AA-857E-429A-B17D7335AB6D58DA%7D>