

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ENVIRONMENTAL PROTECTION

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October 26, 2015
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HELD AT: Committee Room - City Hall

B E F O R E:

COSTA G. CONSTANTINIDES
Chairperson

COUNCIL MEMBERS:

DONOVAN J. RICHARDS
ERIC A. ULRICH
RORY I. LANCOUNCIL MEMBERAN
STEPHEN T. LEVIN

A P P E A R A N C E S (CONTINUED)

Anthony Fiore
Director of Energy and Regulatory Affairs
Mayor's Office of Sustainability

Keith Kerman
Deputy Commissioner
DCAS

Ya-Ting Liu
Director
New York League of Conservation Voters

Ling Tsou
Co-founder
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Karen Monroe
Executive Director
American Petroleum Institute, New York

Patrick Kelly
Fuels Expert
American Petroleum Institute

Scott Hendrick
Renewable Energy Group

Shelby Neal
Director of State Government Affairs
National Biodiesel Board

Rocko Lasatossa [sp?]
New York Oil Heating Association

Daniel Gianfalla
President & Chief Operating Officer
United Metro Energy Corporation

Brent Baker
Chief Executive Officer
Tristate Biodiesel

2 [gavel]

3 CHAIRPERSON CONSTANTINIDES: Alright

4 good afternoon everyone. My name is Costa
5 Constantinides, Chair of the Committee on
6 Environmental Protection. And today the committee
7 will hear Intro 642 and Intro six... 880 which
8 require increased use of biodiesel in New York City
9 home heating oil and the use of biodiesel in New
10 York City Department of Education school busses.
11 Biodiesel is a cleaner burning than conventional
12 petroleum diesel an important distinction in the
13 city where improving air quality is a challenge.
14 Petroleum diesel exhaust as a major source of air
15 pollution and exposure to such exhaust as its... as
16 adverse health effects on populations including
17 increased mortality rates, respiratory diseases,
18 changes in lung function, and asthma attacks. Links
19 have been documented between air pollution from a
20 diesel exhaust and cardiopulmonary mortality as
21 well as lung cancer mortality, increased blood
22 pressure, and altered electrical... electrical
23 functioning of the heart was as particularly
24 dangerous for people with preexisting coronary
25 artery disease. Compared to using petroleum diesel

1 using diesel in a... in a diesel engine reduce
2 biodiesel in a diesel engine reduced resulting
3 emissions from particulate matter which contributes
4 to soot respiratory... respiratory conditions.

5 Sulfates which contribute to acid rain, carbon
6 monoxide which leads to greenhouse gasses and
7 unburn hydro carbons. These benefits incur... occur

8 in part because biodiesel contains 11 percent
9 oxygen by weight allowing the fuel to burn more
10 completely so fewer unburned or partially burned
11 fuel emissions result. Emissions are reduced

12 proportionately according to the amount of
13 biodiesel used in the biofuel blend. This
14 legislation will provide health benefits for the

15 most vulnerable individuals. Everyone is impacted
16 by poor air quality. But certain groups experience
17 more serious impacts than others through their

18 greater susceptibility at the same levels of air
19 pollution. Most studies have found greater... to air
20 pollution in susceptible populations including but

21 not limited to the elderly and children. And of... of
22 all groups that are disproportionately impacted by
23 air pollution and have been studied. The most

24 research has involved adverse health impacts to
25

1 children. With the legislation heard today we move
2 that much closer to achieving the health benefits
3 most desperately needed by the most vulnerable
4 groups and individuals. Today's hearing is another
5 step towards that sustainable future. And I'll go
6 off script a minute and say you know for a... for a
7 community and for a city where the number one
8 reason of travel... teen they're... they're
9 hospitalized for asthma. Our air quality... that
10 we're doing much improvement. And I must commend
11 the administration for their great work. We are
12 still in a crisis when it comes to reducing the
13 need to reduce asthma need to reduce emissions. You
14 know we... last year the 80 by 50 bill is something
15 now we're walking that path and getting there
16 together. But everything that we can do to reduce
17 emissions we will. And every hour on the quiver
18 that we can utilize we will take that full
19 opportunity to squeeze every ounce of emissions out
20 of every... every place we can because we owe that to
21 the next generation and... and to our current New
22 Yorkers. Intro 642 will mandate that any heating
23 oil used in a building in the city must be at least
24 B5 as to October 1st, 2016, B10 after October 1st,

1
2 2020, B15 after October 1st, 2025, and B20 by
3 October 1st, 2030. In short 880 will require that
4 biodiesel... diesel powered fuel... school busses must
5 be powered by a fuel that is both ultralow sulfur
6 diesel and at least five percent biodiesel. Now
7 we'll turn it over to my... my good friend and
8 colleague Helen Rosenthal to speak on her bail
9 regarding biodiesel use in New York City Department
10 of Education school busses. Thank you for your
11 great leadership Helen.

12 COUNCIL MEMBER ROSENTHAL: Thank you
13 Chair Constantinides. And I'm going to keep this
14 short because I'm anxious to hear from the
15 administration to learn more. But I really
16 appreciate your consideration of Intro 880 and the
17 discussion of biodiesel in both building, heating,
18 as well as school busses to reduce health risks
19 across the entire city. Your leadership on
20 environmental issues is unsurpassed in the city
21 council. And I really appreciate that. Currently
22 the city of New York requires that each city agency
23 vehicles be powered by an ultra-low sulfured diesel
24 fuel blend containing biodiesel. School busses are
25 exempt from this requirement and continue to run on

1 diesel gasoline. Standard diesel fuel releases
2 harmful carbon emissions. We've talked about this.
3 In fact, the national resources defense council
4 found toxic diesel exhaust levels inside school
5 busses using diesel fuel to be 23 to 46 times
6 higher than levels considered to a significant
7 cancer risk. I'm going to pass over the benefits of
8 biodiesel which you've already eloquently stated.
9 But I do believe just to focus on the school busses
10 that in order to protect the health of our school
11 children all 9,500 school busses that carry 150,000
12 students need to be held to this higher standard.
13 The bill would require all New York City school
14 busses to use a fuel that is a minimum of five
15 percent biodiesel, B5. And hopefully having it go
16 up to B20. I want to thank Council Member Richards
17 and Constantinides who have joined me in the fight
18 for the health of our students cosponsoring this
19 bill from the very beginning. And of course Samara
20 Swanson, our committee counsel and the Office of..
21 the Mayor's Office of Sustainability and those in
22 charge of the city's fleet services for being here
23 to testify today. Again thank you for hearing the
24 bill meant to learn about the city's capacity for
25

1 biodiesel, the capacity of the school bus industry
2 to do their part in committing to reduce carbon
3 emissions in the city by 80 percent by 2050 to
4 improve air quality for our school children and all
5 New Yorkers. Thank you.

6
7 CHAIRPERSON CONSTANTINIDES: Thank you
8 Council Member Rosenthal. We are joined today by
9 our colleague Rory Lancman from Queens. Thank you
10 Councilman for being here. And with that I will
11 turn it over to the administration to hear your
12 testimony. Oh I'll you... I'll have Samara swear in
13 the witnesses please.

14 COMMITTEE COUNSEL SWANSON: Can you
15 please raise your right hand. Do you swear/affirm
16 to tell the truth, the whole truth, and nothing but
17 the truth today.

18 ANTHONY FIORE: Yes.

19 CHAIRPERSON CONSTANTINIDES: Before you
20 begin I want to make sure I recognize who just
21 walked in Councilman Donovan Richards from Queens
22 is joining us today. Thank you Councilman for being
23 here.

24 ANTHONY FIORE: Good morning Chairman
25 Constantinides and members of the Committee on

1 Environmental Protection. I'm Anthony Fiore
2 Director of Energy Regulatory Affairs for the
3 Mayor's Office of Sustainability. I'm joined by my
4 colleagues Keith Kerman and Kathy Passion. Mr.
5 Kerman is the Deputy Commissioner and Chief Fleet
6 Officer for the Department of Citywide
7 Administrative Services. Mr. Kerman has led many of
8 the city's efforts in pushing the boundaries with
9 respect to the use of biofuels in the... evaluating
10 the impacts of such. Ms. Passion is the Senior
11 Policy Advisor on Energy with... with the Mayor's
12 Office of Sustainability. Ms. Passion led a study
13 published in June of this year that took a systemic
14 approach to understanding the feasibility of
15 increasing the use of five percent biodiesel or B5
16 throughout the city and the potential for the
17 implementation of higher blends. Thank you for
18 inviting us to testify regarding the introduction
19 of two bills, introduction number 642 or intro 642
20 which pertains to the use of increasingly higher
21 blends of biofuel for... for building heat. An
22 introduction number 880, intro 880 which pertains
23 to the use of biodiesel in school busses. Intro 642
24 would require all buildings within the city of New
25

1
2 York that use fuel oil for heating have that fuel
3 be both ultra-low sulfur diesel fuel or USD and at
4 least B5 by October 1st, 2016. Thereafter Intro 642
5 requires an increase in the percentage of biodiesel
6 by five percentage points in five year increments
7 up to 20 percent in 2030. Intro 880 would require
8 diesel powered school busses that are owned,
9 operate, or contracted by the city to be powered by
10 the fuel that is both ultralow sulfur diesel fuel
11 and at least B5. Mayor's Office of Sustainability
12 appreciates the attention the city council's paying
13 to biofuel. While the city's air quality ranking
14 among major US cities improve from seventh place to
15 fourth place levels of air pollution continue to
16 cause serious health problems contributing to
17 hospital admissions and deaths mainly from heart
18 and lung problems. It is estimated that particulate
19 matter of 2.5 microns or less contribute to more
20 than 2,000 deaths and over 6,000 emergency visits
21 and hospitalizations for cardiovascular and
22 respiratory disease each year. All neighborhoods
23 are affected by these health impacts but they
24 disproportionately occur in high poverty
25 communities and among vulnerable populations. The

1 two predominate sources of PM2.5 are emissions from
2 buildings and traffic accounting for more than 70
3 percent of PM2.5 emissions in the city. Biomass
4 base fuels are a general term used to describe
5 mixtures of diesel fuels within range of
6 concentrations between two in 99.9 percent of
7 biomass based.. or biodiesel. Biofuels are rendered
8 from recently living organic matter such as
9 vegetable oil, animal fat, and waste oils unlike
10 petroleum based fuels that have been trapped in
11 geological formations for millennia. The
12 international panel on climate change guidelines
13 for a national greenhouse gas inventories does not
14 count the burning towards greenhouse gas emissions
15 though it does require that CO2 emissions from
16 biomass combustion be reported separately for
17 informational purposes only. In short the
18 combustion of biofuel sources avoids the release of
19 carbon dioxide that had been otherwise permanently
20 removed from the carbon cycle and thereby helps to
21 decrease the city's carbon footprint. We support
22 initiatives that reduce air emissions from
23 transportation and heating fuel in support of
24 multiple goals of One NYC namely reducing citywide
25

1
2 greenhouse gas emissions by 80 percent below 2005
3 levels by 2050 and having the best air quality of
4 any large US City by 2030. Expanding the use of
5 cleaner fueling alternatives in vehicles and
6 buildings that operate within city boundaries is a
7 crucial strategy to reduce emissions of greenhouse
8 gasses. Moreover, increasing biofuel usage can
9 reduce air pollutants and so lead to improvements
10 in our air quality. Biodiesel use in boilers leads
11 to a decrease in emissions of nitrogen oxide or
12 NOx... NOx is an important contributor to smog which
13 forms particularly on hot days which are increasing
14 in number annually as the climate changes. A number
15 of scientific studies have linked short term NOx
16 exposures with adverse respiratory effects
17 including airway inflammation in healthy people in
18 increased respiratory symptoms and people with
19 asthma. For example, NOx emissions from boilers
20 less than 100,000,000 BTUs per hour are
21 approximately 20 pounds per 10,000 gallons for
22 number two oil and 55 pounds for 10,000 gallons for
23 number six oil. As the biodiesel blend level
24 increases NOx emissions decrease... early. In other
25 words, with every one percent increase in biodiesel

1
2 blend level there's a corresponding one percent
3 decrease in NOx emissions. In a transportation
4 context the effect is not as clear cut with studies
5 that evaluated NOx emissions indicating more
6 variability based on age, manufacture, and model a
7 vehicle with some studies suggesting slight
8 increases in NOx emissions especially with respect
9 to older engines. A 2007 meta-analysis conducted by
10 the National Renewal Energy Laboratory indicates
11 that there is no net impact on vehicle NOx
12 emissions. But the effect is unambiguous with
13 respect to boilers and newer vehicles. Where we see
14 a clear difference is with particulate matter
15 emissions biodiesel blends of 20 percent or B20
16 have been shown to reduce emissions of particulate
17 matter by 14 to 15 percent and have also reduced
18 emissions of other gaseous pollutants including
19 Carbon Monoxide and hydrocarbons relative to
20 conventional diesel. Because fine particulates that
21 are more closely linked to human mortality than is
22 NOx we would expect to see that a switch to
23 biodiesel would result in a net improvement and air
24 quality and public health. Adults with preexisting
25 heart or lung disease are especially vulnerable to

1 the effects of fine particle pollution which
2 compromises lung performance deep within the lungs.
3 Particulate emissions are of particular concern for
4 school busses because of the potential exposure to
5 the city's school children. The US Environmental
6 Protection Agency reports that diesel exhaust from
7 school busses has a negative impact on human health
8 especially for children who have a faster breathing
9 rate than adults whose lungs are not yet fully
10 developed. Nearly 94 percent of diesel particulates
11 have diameters less than 2.5 micrometers with the
12 average diameter of diesel particulates of 0.2
13 micrometers. Children may be especially susceptible
14 to adverse respiratory effects following exposure
15 to fine diameter particle matter emitted from
16 diesel engines. Smaller particles are able to
17 penetrate children's narrow airways reaching deeply
18 within the lung where they are more likely to be
19 retained. Higher rates of respiration among
20 children may lead to their higher exposure when
21 measured per unit of their bodyweight. There's no
22 known safe exposure to diesel exhaust for children
23 especially those with asthma or other chronic
24 respiratory disease. In addition, diesel exhaust is
25

1 classified by many government authorities including
2 the International Agency for Research on Cancer,
3 the US National Toxicology Program and the US
4 Environmental Protection Agency as a probable human
5 carcinogen. There's no single standard for
6 acceptable cancer risk from diesel exhaust in the
7 US. New York City has undertaken significant
8 efforts to reduce greenhouse gas emissions through
9 strategic initiatives. A significant biomass fuel
10 initiative was achieved in October 2012 when all
11 commercial and residential buildings in the city
12 were required to use heating oil with at least two
13 percent biodiesel by volume pursuant to Local Law
14 number 43 for the year 2010. 2013 31 million
15 leaders of biofuel were consumed in buildings in
16 New York City. This resulted in greenhouse gas
17 emission reduction of 84,000 metric tons, the
18 equivalent of removing almost 17,700 passenger
19 vehicles from the road. In 2011 the Department of
20 Environmental Protection Issued regulations that
21 require all buildings burning number six heating
22 fuel oil to convert to a cleaner fuel by June 30th,
23 2015. All buildings burning number four heating
24 fuel oil must convert to a cleaner fuel including
25

1 natural gas, ultra-low sulfur diesel number two or
2 with two percent biodiesel or steam upon boiler or
3 burner retirement or by January 1st, 2030,
4 whichever is sooner. The New York City clean heat
5 program was created to implement the phase out of
6 heavy heating oil and buildings. Between 2012 and
7 2015 New York City clean heat resulted in nearly
8 6,000 heating oil conversions from number six or
9 number four oil to a cleaner fuel. As a result,
10 PM2.5 emissions from buildings previously burning
11 these heavy heating oils have been reduced by 65
12 percent since 2011. The New York City clean heat
13 program transitioned into the New York City
14 retrofitted exceeded New York City's one stop
15 resource to help building owners and operators
16 increase the value and sustain... sustainability of
17 their properties through energy and water upgrades.
18 As a result of the success of the B2 requirement in
19 2013 largely facilitated by New York City clean
20 heat program. The New York City council enacted
21 local law 107 to both implement and study the use
22 of higher biodiesel requirements and heating fuel.
23 With the city leading the way Local Law 107 require
24 that all number two, number four, and number six
25

1 heating oil purchase for use in any building owned
2 by the city contain at least five percent biodiesel
3 by volume, also known as B5, by October 2014. To
4 test the technical and operational impacts of
5 higher concentrations of biodiesel beyond B5 Local
6 Law number 107 also required the commissioner of
7 Citywide Administrative Services to institute a
8 pilot program to use greater amounts of biodiesel
9 in city owned buildings. The city led by the parks
10 department has tested biodiesel blends of 10 and 20
11 percent in ultralow sulfur diesel over the last
12 five years. The results of the B5 mandate within
13 city owned buildings the study examining the
14 feasibility of citywide B5 mandate and the B10 and
15 B20 pilot programs provide valuable lessons that
16 can inform introduction 642. Local Law number 107
17 for the year 2013 require all heating oil purchase
18 for use and a building owned by the city of New
19 York to be B5 by October 1st, 2014. By June 30th,
20 2013 over 85 percent of the city's heating fuel was
21 converted. And by July 1st, 2014 the city had
22 phased out all non-biodiesel blended heating oil.
23 In total through June 2015 the city successfully
24 used over 102 million gallons of B5 or higher
25

1 blends of biodiesel for its diverse stock of city
2 owned buildings and facilities reducing 56,500
3 metric tons of carbon dioxide. The equivalent to
4 removing almost 12,000 passenger vehicles from the
5 road. New York City Department of Citywide
6 Administrative Services has reported no operational
7 or technical issues in transitioning to B5.
8 However, the Department of Education has reported
9 some... kitchen boilers using number six or number
10 fuel... four fuel oil blended with B5. This is likely
11 a consequence of both the fuel blend and the age of
12 the equipment as the heavier fuel oils are more
13 viscous in nature and don't require a strict in
14 isolation requirement as equipment operating on
15 thinner oils. As biodiesel is less viscous than
16 heavy fuel oils and has solvent like properties it
17 tends to clean systems out that normally result in
18 more efficient operations. However, in the case of
19 boilers using number six or number four fuel oil
20 its normal benefit... normally beneficial property
21 may result in seepage and equipment not originally
22 designed to operate with such fuels. Beginning on
23 October 1st, 2014 the city initiated a B10 fuel oil
24 heating pilot across 69 facilities managed by the
25

1 Department of Parks and Recreation, the Department
2 of Citywide Administrative Services, the Department
3 of Education, Department of Environmental
4 Protection, and the Department of Sanitation. In
5 addition, the Department of Parks and Recreation
6 has used 20 percent biodiesel blends for more than
7 75 percent of its 115 facilities from fiscal year
8 2010 through fiscal year 2014. Parks used over
9 490,000 gallons of B20 in fiscal year 2011. This
10 amount increased to over 560,000 gallons of B20 in
11 fiscal year 2014 resulting in greenhouse gas
12 emission reductions of 1,150 metric tons. The
13 equivalent emissions from approximately 2.7 million
14 miles driven by an average passenger vehicle. Some
15 challenges with the use of B10 and B20 have been
16 observed. Specifically fuel coagulation and
17 clogging of burners in ancillary equipment have
18 been experienced in heating units where there's
19 limited turnover of fuel. For example, with
20 emergency generators and interruptible or
21 temperature controlled accounts. The latter are
22 heating units that primarily run on natural gas
23 would require it by tariff to switch to fuel oil
24 when temperatures fall below a certain range.
25

1 Biodiesel that sits for a while can act like
2 cooking oils that sit for a while congealing in
3 colder weather. In these cases, short term
4 maintenance for clogging issues resulted. Possibly
5 due to biodiesel solemn properties at higher blends
6 and their use in older tank and building systems.
7 On June 5th, 2015 the Mayor's Office of
8 sustainability in coordination with the Department
9 of Citywide Administrative Services published a
10 report entitled technical and economic feasibility
11 of increasing New York City bio heat blending
12 standard to five percent biodiesel or B5 study.
13 This report was a supplement to a May 2014 report
14 entitled biomass base diesel and heating fuel
15 substitute opportunities in New York City which is
16 included as an appendix to the B5 study. The
17 feasibility study sought to answer the following
18 questions. Is there enough supply for the increased
19 demand of biofuel. How will the price of fuel
20 switch impact consumers? Will the increased demand
21 for biofuel impact price? How will the fuel switch
22 impact equipment needs and operations in
23 maintenance and what can the city do to enable the
24 successful transition of the market to the new
25

1 mandates. Biodiesel supply chain in and around New
2 York harbor is sophisticated. New York City has the
3 infrastructure received produce biodiesel via
4 truck, barge, vessel, and rail as well as
5 production of regional biodiesel. ...biodiesel is
6 received into major storage terminals in New York
7 harbor and then transported primarily by barge,
8 truck, and rail transports to distribution
9 terminals. From the distribution terminals
10 biodiesel is blended with ultralow sulfur diesel
11 for heating oil sales. All with ULSD number six... to
12 produce number four and number six heating oil for
13 end use consumption at residential and commercial
14 locations. The biodiesel heating fuel supply chain
15 includes producers, importers, marine companies,
16 transporters, terminals and blenders, distributors,
17 and end users. New York City can and does obtain
18 its biodiesel from instate production, outer state
19 supplies and imports from foreign markets.
20 According to the National biodiesel board there are
21 17 biodiesel distributors in New York state
22 including five in the greater New York City area.
23 The report estimated the annual increase in
24 biodiesel demand as a result of... of a New York City
25

1
2 b5 mandate could potentially be about eight million
3 gallons a year. In addition, a bill introduced and
4 passed by the assembly earlier this year would
5 require all heating oils sold in the state to
6 contain at least two percent biodiesel by July 1st,
7 2017. If this bill were passed by both houses and
8 signed into law this could add an additional 10
9 million gallons per year biodiesel for the demand
10 in New York state. This potential increase of 18
11 million gallons per year is only 1.5 percent of US
12 current biodiesel production that should be
13 adequately met by an industry with a number of
14 underutilized biodiesel refineries. Moreover, with
15 existing imports in New York Harbor of about 57
16 million gallons in 2013 and 25 million gallons per
17 year in 2014. There should be solid market sources
18 for biodiesel to meet the New York City demands as
19 well as the New York state demands. To assess the
20 impact of an increased biodiesel blend in heating
21 oil on consumers. It's important to first
22 understand the different factors involved in the
23 production and blending of biodiesel blends. These
24 suppliers are entities who either refine or
25 purchase ULSD from refineries or traders and who

1 also purchase biodiesel from producers. The
2 suppliers purchase biodiesel blends such as B2 and
3 B5 at wholesale prices and mark... mark them up their
4 cost to secure and transport wholesale volumes of
5 ULSD and biodiesel to sell it to distributors.
6 Distributors then sell these products at retail.
7 The absolute impact prices for consumers is based
8 on market and competitive situations throughout
9 the... supply chain. Overall the price of biodiesel
10 attracts closely with ULSD and has been
11 competitively priced since January 2011 coinciding
12 with the reinstatement of the biodiesel mixture
13 excise tax credit also known as the biodiesel
14 blenders credit which provides a tax credit of one
15 dollar per gallon of pure biodiesel. According to
16 data from the oil price information service the
17 wholesale price for B5 in the Bronx during the
18 period between October 2014 and March 2014 was 2.85
19 cents per gallon more than ULSD while for the same
20 period the wholesale price was .9 cents per gallon
21 cheaper than ULSD in Manhattan. Long Island showed
22 a consistently lower price of B5 relative to ULSD
23 since mid2013 through June 2015 at an average of
24 four cents per gallon. Further aegis media, a major
25

1 fuel price reporting service as reported that over
2 the past 44 months since July 2012 biodiesel
3 pricing at New York Harbor has been on average
4 20.31 cents less expensive per gallon than
5 petroleum heating oil and has been cheaper 38 of
6 those 44 months. Based on this data the cost of
7 biodiesel appears... appears to be imparity with
8 ULSD. It is important to note that any fluctuations
9 in the price of biodiesel will have a smaller
10 impact on the consumers than an increase in the
11 absolute price of oil. For example, a one dollar
12 per gallon increased in biodiesel may affect
13 heating oil wholesale prices by about five cents
14 per gallon. However, a one dollar per gallon rise
15 in diesel prices would create an approximate one
16 per... one dollar per gallon increase in consumer
17 costs. Currently all boiler manufacturers provide a
18 warranty for biofuel blends up to B5 while only a
19 few manufactures' warranties cover biofuel blends
20 over B5. The new ASTM, ASTM, ASTM D396-15B
21 standard specification for fuel oils provides
22 performance specifications for six to 20 percent
23 biodiesel in number one and number two fuel oil for
24 use in domestic and small industrial burners. The
25

1
2 ASTEM standard does not apply to number four or
3 number six fuel oil. As part of the DCAS city pilot
4 there were operational issues for the vendors with
5 blending and transporting D4 and D6 with B10 and B
6 20. The bio... the pilot there for utilized number 2
7 fuel oil with blends of B10 and B20. It did not
8 integrate B10 and B20 into number four fuel oil.
9 Under current law number four heating oil will be
10 phased out of the city buildings by 2030. Although
11 we'd like to see it phased out even sooner. This
12 bill would require B10 to be instituted in 2020.
13 There currently is no ASTEM standard applicable for
14 the B10 in number four fuel oil blends. Recognizing
15 that the full impacts of operating existing boilers
16 on fuel blends not originally designed for such.
17 But the ASTEM D39615B standard does not cover the
18 full universe of fuel oil blends that are currently
19 permitted and other market uncertainties we believe
20 it is prudent to include provisions that provide
21 sufficient flexibility to mitigate any problems
22 that may arise in the course of implementing
23 legislation that mandates the use of these fuel oil
24 blends. A waiver provision similar to that now
25 included in the law with respect to B2 as added by

1 local law number 43 for the year 2010 would serve
2 as a good starting point. And we are open to
3 working with the council and others to develop
4 effective strategies to transition the use of
5 cleaner fuels. We'll now shift our attention to
6 Intro 880. Over the past several years the council
7 has taken important steps to protect the health of
8 the city's school children through a series of
9 local laws that seek to reduce emissions from the
10 city's school busses. Most recently the council
11 enacted local law 38 for the year 2015 which among
12 other things will require school busses that are
13 not utilizing a closed crank case ventilation
14 system due to a physical restraints be phased out
15 of the city's fleet by 2020. As already noted
16 children's developing lungs are especially affected
17 by particulate matter emissions which are directly
18 correlated with asthma and other respiratory
19 diseases. New York City's asthma... have some of the
20 highest rates of asthma in the US and tend to be in
21 some of the poorest parts of the city. Children who
22 suffer from asthma miss more days of school while
23 their parents miss work reducing their exposure to
24 the pollutants that contribute to asthma will mean
25

1 fewer school and work absences, fewer
2 hospitalization and healthcare cost and improve
3 the... improve the ability of families to get on the
4 path to economic security as well as a brighter
5 future for the children. Intro 880 builds on the
6 work that the council has done in this area and
7 would require diesel powered school busses that are
8 owned, operated, or contracted by the city to be
9 powered by fuel that is both ultra-low sulfur
10 diesel and at least five percent biodiesel. To
11 clarify... 80 we... we understand that this does not
12 apply to school busses that run on unleaded
13 gasoline which comprises about 28 percent of the
14 school bus fleet. The benefits of B5 have been
15 discussed. They include greenhouse gas emission
16 reductions and air quality improvements. Also
17 discussed were supply and price. As noted there is
18 adequate supply to meet the incremental increase in
19 demand. And it appears that price parity exists. As
20 with any commodity biodiesel is subject to price
21 volatility but the B5 study did not indicate that
22 the price volatility for biodiesel would be any
23 different than that of conventional diesel. In
24 fact, it suggests that price volatility of biofuels
25

1 or dampen as a consequence of blending.

2 Consequently, price and volatility are likely not

3 compelling reasons to limit the expansion of

4 biodiesel in city owned, operated, or contracted

5 busses. In addition, the city has 10 years'

6 experience using biodiesel blends of B5 to B20 in

7 its own diverse fleet including busses. A

8 potentially more serious impediment to wider use of

9 biodiesel in city owned operated and contracted

10 school busses could be the availability of

11 biodiesel at retail locations. Some companies with

12 which the Department of Education contracts fuels

13 school busses at their own private fueling stations

14 which allows them to influence the type of fuel

15 that is procured and used in the busses. But a

16 portion of the contract to bus's fuel at retail

17 sites where biodiesel blends are not commonly

18 available. The biofuel requirement proposed by

19 Intro 880 therefore makes it impossible today for

20 companies that rely strictly on retail fueling to

21 comply without an expansion of biofuels at retail

22 locations with potentially disproportionate impacts

23 on small to medium sized enterprises which include

24 MWBE contractors. This could have significant

1
2 contracting implications for the Department of
3 Education as well as serious business implications
4 for school bus lead operators that rely on retail
5 fuel stations. In conclusion the administration
6 supports the goals of Intro 880 to improve the
7 cleanliness of bus fuel, support the health of
8 school children and city residents, and reduce
9 greenhouse gas emissions. We look forward to
10 working with the council in school bus operators
11 pursue practical opportunities to reduce emissions
12 from these vehicles going forward particularly as
13 biodiesel availability improves. Intro 642 and 880
14 are both aligned with the sustainability goals
15 outlined in OneNYC and the Office of Sustainability
16 agrees with the intent of these proposed
17 legislation. We hope these suggestions help to
18 strengthen the bills and foster the implementation
19 of low carb and energy solutions in New York City
20 as well as help us reach our goals to have the
21 cleanest air quality of any large city.. of any
22 large US city. Administration looks forward to
23 working with the council to further the proposed
24 legislation in a way that allows the city to meet
25 the equity, resiliency, and sustainability goals

1
2 laid out in One NYC. Thank you and I'm happy to try
3 to answer any of your questions.

4 CHAIRPERSON CONSTANTINIDES: Thank you
5 for your testimony. We're joined by my... I'm... we're
6 joined by my colleague Steve Levin from Brooklyn.
7 Thank you Council Member Levin for being here.
8 First question I'll ask is how many gallons of
9 petroleum have not been burned as a result of the
10 city's existing B... B2 bill?

11 ANTHONY FIORE: Do you know it? I... I
12 don't have that number off hand.

13 CHAIRPERSON CONSTANTINIDES: Is it... it's
14 in the millions of gallons? I mean it's going to
15 be... or a ballpark or...

16 ANTHONY FIORE: I... I would speculate
17 that it is in the millions of gallons but we can
18 get you...

19 CHAIRPERSON CONSTANTINIDES: Okay.

20 ANTHONY FIORE: ...number.

21 CHAIRPERSON CONSTANTINIDES: Great,
22 thank you. Do you have an estimate of how... for the
23 amount of waste grease generated by restaurants
24 etcetera and... and the city per year, the amount
25

1 that is collected and the amount that is used to
2 produce biodiesel?

3 ANTHONY FIORE: I don't have that
4 estimated amount...

5 CHAIRPERSON CONSTANTINIDES: Okay.

6 ANTHONY FIORE: ...on me.

7 CHAIRPERSON CONSTANTINIDES: Okay.

8 ANTHONY FIORE: Department of
9 Environmental Protection though could...

10 CHAIRPERSON CONSTANTINIDES: Okay.

11 ANTHONY FIORE: ...could provide that.

12 CHAIRPERSON CONSTANTINIDES: Okay great.
13 The number? Okay. I think we've covered this
14 already. The air quality benefits that you've sort
15 of quoted here. So I'm jumping through another... go
16 from B2 to B5 as the equivalent of taking another
17 12,000 cars off the road? What was your... I'm trying
18 to sort of rehash your testimony.

19 ANTHONY FIORE: Let's see...

20 CHAIRPERSON CONSTANTINIDES: So we're
21 talking about a significant air quality benefit.

22 ANTHONY FIORE: Yeah I... Okay it is
23 significant I... I hope to find the exact location in
24 the testimony. So in... as a result of Local Law 43
25

1
2 in 2013 31 million liters of biofuel were consumed
3 in New York City's buildings. And that resulted in
4 a reduction of 84,000 metric tons...

5 CHAIRPERSON CONSTANTINIDES: Mm-hmm.

6 ANTHONY FIORE: That's equivalent to
7 removing 17,700 passenger vehicles from the road.
8 That... that's a very significant decrease in
9 greenhouse gas emissions for the city.

10 CHAIRPERSON CONSTANTINIDES: And another
11 three percent would take us... double that right.
12 That sort...

13 ANTHONY FIORE: Yes.

14 CHAIRPERSON CONSTANTINIDES: ...that's
15 correct? Okay. Alright great with that I'm going
16 to... I'm going to come back maybe for a second round
17 but I'll turn it over to my colleagues... Councilman
18 Rosenthal for her questions.

19 COUNCIL MEMBER ROSENTHAL: Thank you so
20 much and thank you for you for that testimony. I
21 guess first just building off of Council Member
22 Constantinides question can you do the same math
23 for could you do the same math for moving to B5
24 and... with school busses.

25 ANTHONY FIORE: We... we could. I...

2 COUNCIL MEMBER ROSENTHAL: That'd be
3 great.

4 ANTHONY FIORE: Yeah sure we'll... we'll
5 get you that number.

6 COUNCIL MEMBER ROSENTHAL: Yeah so the
7 sense I get listening to your testimony is that the
8 biggest problem is the availability of B5 at retail
9 location for the bus contractors. Would... what would
10 be the difficult... and yet you're... also seem to say
11 that availability in general is there, just not
12 necessarily retail. Would it be possible for the
13 school busses to purchase from the city biodiesel
14 from the city and fuel the busses at city locations
15 because the city fleet is using biodiesel? Ah,
16 DCAS.

17 KEITH KERMAN: Hi, Keith Kerman from
18 DCAS. So you know the city uses biodiesel for all
19 its city fleet. But of course the city does that
20 mostly almost exclusively through city owned
21 facilities in fuel sites. So it's... it's not really
22 the buying of the biodiesel. There's biodiesel on
23 the market. And by the way it's not the
24 compatibility with school busses. We operate the
25 whole Department of Correction bus fleet which has

1 obviously a very different purpose on B5 and B20
2 blends. So we know that works. The issue is the
3 access. So the issue about city owned fleet... city
4 fuel sites are really not designed for the large 60
5 plus passenger busses in general that the
6 Department of Education through contracts use its.
7 So if you think about sites like police precincts
8 where the sanitation sites or parks department
9 facilities that... that's where our fueling
10 infrastructure is. So it'd be prohibitive to try
11 and run enormous school busses through those sites.
12 So... so there would be a... [cross-talk] different
13 solution.

14
15 COUNCIL MEMBER ROSENTHAL: Could you get
16 the information from the Office of Pupil
17 Transportation from DOE to identify how many of the
18 busses are the large 60 seaters and how many are
19 the smaller ones first of all. And then you're
20 going to have to explain that to me again. So you
21 said that DOC does have the biodiesel engines.
22 Aren't they the same bus as the school busses?

23 ANTHONY FIORE: Well it's a little
24 different bus but... but again it's not the
25

1 compatibility with the busses that's at issue. The
2 biodiesel will work in the... in the school busses.

3
4 COUNCIL MEMBER ROSENTHAL: I understand.

5 ANTHONY FIORE: It's... it's...

6 COUNCIL MEMBER ROSENTHAL: Access to...

7 ANTHONY FIORE: It's access to fueling
8 infrastructure and...

9 COUNCIL MEMBER ROSENTHAL: Right. But
10 what I don't understand is why couldn't... what... tell
11 me more about the burden of adding 90... I... I forget
12 the number. It was 95 hundred more busses, is that
13 right?

14 ANTHONY FIORE: Sure so... so I'll give
15 you know quick... so currently our diesel fueling
16 infrastructure that the city runs supports about
17 10,000 diesel pieces in total. So... and the majority
18 of those who are a lot smaller in scale than a
19 school bus which is... would be among the largest
20 individual units that we operate. So you would be
21 talking about trying to double the total diesel
22 fueling capacity that we have and... and just
23 honestly you know if... we really not designed for
24 most of our fuel sites are not designed for that

1 large of bus. At issues just turning radius and
2 total parking and space availability.

3
4 COUNCIL MEMBER ROSENTHAL: Sure.

5 ANTHONY FIORE: So... so that would be the
6 burden of trying to bring them into our network.

7 COUNCIL MEMBER ROSENTHAL: Given that we
8 have a shared goal of the importance of moving the
9 busses to B5 I guess my question to you from a
10 practical standpoint is how do we help them access
11 retail? Right? So one obvious road is through the
12 city infrastructure. And it would be helpful to get
13 an... a good understanding from you not sort of you
14 know the in... in general terms the very specific
15 understanding from you about how many busses could
16 the city infrastructure accommodate. You know
17 where's the tipping point where you can't? Where
18 could the city infrastructure accommodate busses of
19 the different sizes. And then once we understand
20 the answer to that could we think about retail
21 options? Could we think about a time... and wait a
22 minute even before that what are the... how many of
23 the bus contractors have fueling sites, fueling
24 stations on site? If we could find that out from
25 OPT because that'll take care of another chunk of

1
2 it. And then what's left over? What's the remainder
3 after that? If it's you know perhaps the answer is
4 those contractors who have fueling capacity had now
5 open up to a whole new market of busses. But
6 without that information I don't know how we talk
7 about this. Right? Because it... it sounds like
8 really just the problem is how do we... how do we...
9 how do we get these busses to access the fuel?

10 ANTHONY FIORE: Yeah I... I think that's
11 right. The logistics of... and accessibility of... of
12 fuel for the busses. I think you know as... as Keith
13 mentioned the... the city fueling sites are not
14 really designed for that for the most part but we
15 can take a look at... at where the... and... and where
16 they... and... and my... when I say that I mean that
17 there... inside of yards that are as Keith mentioned
18 can't get busses to get in and turn and... and get
19 out. They're not set up as retail facilities so
20 there's not...

21 COUNCIL MEMBER ROSENTHAL: Of course no...

22 ANTHONY FIORE: ...fuel the busses all day
23 long right? They... you have to have a certain
24 certification to do that. Those people go out in...
25 with their crews during the day and are working. So

1
2 it's not set up like a retail fueling station
3 today. We can certainly look at... at the stations...
4 what could accommodate a bus, what couldn't, and
5 then obviously the location of those fueling
6 stations would be very important so that you could
7 keep the schedule of the school busses moving
8 right? So we... we can take a... a look at that. And as
9 far as the number of busses... fleet operators that...
10 that have their own fueling versus those that
11 don't. It's... It... less than half of the contracts
12 that DOE has today have their own fueling depots.

13 COUNCIL MEMBER ROSENTHAL: We could word
14 that a different way, different way. Nearly half,
15 already have fueling opportunities. We're nearly
16 halfway there. So I mean that's the testimony that
17 I'm interested in hearing. I... I think I'm done.

18 CHAIRPERSON CONSTANTINIDES: Councilman
19 Richards.

20 COUNCIL MEMBER RICHARDS: Thank you Mr.
21 Chairman and thank you Council Member Rosenthal for
22 your work on these both important bills and
23 obviously we updated the air code. A few months ago
24 and we... we obviously are... are supposed to be
25 phasing out the particular busses in 2018 that

1 can't be retrofitted. So I wanted to know what work
2 is being done from now. So by the time we get to
3 2018 we're not having a conversation on if these
4 busses will all be in line in meeting the
5 obligation that the air code in particular is
6 supposed to fulfill. So what outreach is being done
7 from now being that we are going into 2016 pretty
8 soon. Is there any word... have there been
9 conversations in particular with bus companies
10 already? I... I would have to defer that to the
11 Department of Education. They... they're the ones
12 that are dealing directly with their fleet
13 operators. We don't...

14
15 COUNCIL MEMBER RICHARDS: Okay so... so
16 you are unaware of what DOE is doing at the moment?

17 ANTHONY FIORE: Yes, we...

18 COUNCIL MEMBER RICHARDS: Alright.

19 ANTHONY FIORE: ...we can... we can speak
20 with DOE and...

21 COUNCIL MEMBER RICHARDS: Okay. That's
22 just a little surprising. So I'm hoping that
23 everybody is talking to each other so we all know
24 in particular... where it was supposed to go. So I'm...
25 so I was a little disappointed in particular to not

1
2 hear more of a well to ensure that we are ensuring
3 that some of the operators are in particular moving
4 towards biodiesel. And what I'm getting at is that
5 you know it... government can regulate private
6 industry. Am I correct? Especially when they're
7 contracting with the city. So would you say that if
8 a company has a contract with the city that we have
9 I would say stronger cards to negotiate with them
10 being that we're giving them contracts.

11 ANTHONY FIORE: Well... well as you
12 mentioned the city has regulated in the area of
13 emissions for school busses as well as for the
14 waste hauling industry. Many of the laws that were
15 tied to the city fleet also impacted waste haulers,
16 school busses, construction companies, the touring
17 busses, and the one you mentioned in... in your... you
18 want to speak specifically for the Department of
19 Education but my understanding is that they are
20 working to implement the diesel particulate filter
21 retrofit laws and... and... and are very aware of
22 those.

23 COUNCIL MEMBER RICHARDS: Alrighty,
24 good.

2 ANTHONY FIORE: We'll... we'll... we'll get
3 a more specific answer from them since they
4 regulate and manage that, not us. But... but...

5 COUNCIL MEMBER RICHARDS: So my question
6 is why couldn't we hold them to that same
7 accountability with the use of biodiesel?

8 ANTHONY FIORE: Well again I think we...
9 we support the intent of this legislation.

10 COUNCIL MEMBER RICHARDS: Mm-hmm.

11 ANTHONY FIORE: You know... you know my
12 own background. We've been putting biodiesel in... in
13 trucks for a decade and want to keep doing that and
14 expanding that. The real... you know the real true
15 issues you know as Anthony outlined are one that
16 very practical operational capacity issue you have
17 to have a place to fuel up. And... and in that...

18 COUNCIL MEMBER RICHARDS: ...answer the
19 question so in the city... [cross-talk] city in
20 particular ready to invest in... in more fueling
21 stations. Is there any will on the... on the part of
22 the city to ensure that this is happening, that
23 this can happen? So if infrastructure is the big
24 issue is there a plan to expand any infrastructure
25 in boroughs. So perhaps you know I... I represent

1 Southeast Queens... is there a particular fueling
2 station there. And if not are you prepared to have
3 conversations with at least gas stations I'm... I
4 mean I'm sure you know they put in mind I'm sure
5 enhancing their business. So is there any plan to
6 reach out to them in particular to aid them in... in
7 particular and infrastructure.
8

9 ANTHONY FIORE: Yeah so... so I... I think
10 of course the preference would be to see private
11 retail fueling sites adopting biodiesel... expanding
12 biodiesel options. You know I don't know that we
13 want to grow the city owned fueling infrastructure
14 in... in such dramatic way but... And we have had those
15 conversations. And we've been pushing... you know
16 honestly I'd like... you know I think hopefully
17 you'll hear from some of the... the fuel providers
18 later in... in this hearing about what they're doing
19 to expand retail capacity. But we absolutely have
20 that as a regular ask in our conversations with
21 retail and fuel supplies. We want to see biodiesel
22 not just for school busses but frankly also would
23 help our implementation for the city's own fleet.
24 We want to see biodiesel as... as prevalent as
25 possible. And... and that would be the solution to

1 expanding biodiesel not just in the school bus area
2 but honestly in a lot of other industries and a lot
3 of other regulated fleets.
4

5 COUNCIL MEMBER RICHARDS: And you spoke
6 of MWBEs in particular in your testimony. Can you
7 tell me how much money is the city spending in
8 particular in terms of working with the MWBEs? And
9 how many fueling stations in particular we speaking
10 of in the MWBE programs. Because you know we like
11 to use that word and I...

12 ANTHONY FIORE: Yeah I think... and... and...
13 as Anthony mentioned earlier we need to get that
14 specifically from DOE and we'll... we'll work on...

15 COUNCIL MEMBER RICHARDS: Alright but
16 you used it in your testimony so I'm just a little
17 confused why we wouldn't know the answer.

18 ANTHONY FIORE: About that and... and so
19 they've said that and... MWBEs that are affected but
20 we don't have those exact numbers.

21 COUNCIL MEMBER RICHARDS: Okay so if you
22 can get that number back to the in particular
23 committee chair that would definitely be a helpful...
24 Number 6 oil, so it's supposed to have been phased
25

1 out just about every building in... in June. Where
2 are we at there? Clean heat?

3
4 ANTHONY FIORE: Yeah the... the number 6
5 fuel were just shy of 100 percent complete.

6 COUNCIL MEMBER RICHARDS: What is shy?

7 ANTHONY FIORE: 99 percent. I... I'll get
8 the exact number from DEP. But I don't have it in
9 front of me. We did have that conversation and it
10 was... it was close enough to call it 100 percent. So
11 it...

12 COUNCIL MEMBER RICHARDS: But you don't
13 have the numbers today.

14 ANTHONY FIORE: Don't have the number...

15 COUNCIL MEMBER RICHARDS: You know I
16 used to tell my teacher I had my homework and I
17 didn't. Don't tell my mom. I hope she's not
18 watching. But when you come to class you must have
19 your homework, especially when the teacher asked
20 for it. So I would just recommend in the future
21 when you... when you bring testimony. Since I'm not
22 the chair I can be worse now. Yeah I'm off the
23 leash now. I... you know... So when you come before as
24 I would hope that we have more definitive answers
25 in that you know we can answer the questions that

1
2 the committee and the council deserves in
3 particular to be answered. And I'll just end with
4 this that you know we're looking at Uber, we're
5 looking at all of these other entities that we want
6 to reel in. And there's no reason that the city in
7 particular should not be able to push private
8 school bus operators to do better. And I applaud
9 you. And I am definitely thankful for the... you not
10 in totally chopping up the bills today but... but you
11 know they can do better. And if they're contracting
12 with the city we absolutely have everything in our
13 power at our disposal to ensure that they are doing
14 better. So I want to thank you. And thank you Mr.
15 Chairman and Council Member Rosenthal for your
16 work. Thank you.

17 CHAIRPERSON CONSTANTINIDES: Thank you
18 Council Members. Thank you. We have been joined by
19 my colleague Eric Ulrich from... from Queens. Thank
20 you Council Member Ulrich for being here. Okay I'm
21 actually just going to quickly just chime in very
22 quickly. So just to clarify your position on 642.
23 The administration is in support of the B5 and B10
24 B20 if we have this waiver... provisions and other
25 documents that we can sort of work through. We

1
2 visit... there's a framework for us to move forward
3 on 642 beginning with B5. Correct?

4 ANTHONY FIORE: That's correct.

5 CHAIRPERSON CONSTANTINIDES: Alright
6 thank you. I'll pass it back over to my colleague
7 Helen Rosenthal and I'll come back for one last
8 question.

9 COUNCIL MEMBER ROSENTHAL: Okay. I just
10 wanted to ask something from your testimony. 28
11 percent of the school bus fleet runs on unleaded
12 gasoline. And of course you can't change. You would
13 have to change their engines. Would it be possible...
14 I mean I know this is a question for OPT and I'm
15 sorry they are not here today to testify so you're
16 getting the brunt of it. But you know could we... if
17 you could add to the list of questions could we get
18 a length of time that it would take for them to
19 phase out those vehicles naturally and replace them
20 with diesel so we could get a sense of how quickly
21 we can move to 100 percent diesel and then
22 obviously clean diesel... Was that a yes?

23 ANTHONY FIORE: We... we can certainly ask
24 the Department of Education.

1
2 COUNCIL MEMBER ROSENTHAL: And then I
3 had a quick question for Ms. Passion... where did you
4 get your water bottle?

5 PASSION: Oh my water bottle...

6 [cross-talk]

7 COUNCIL MEMBER ROSENTHAL: What does
8 that mean? How do I get one of those?

9 [background comments]

10 PASSION: You do... you do need to sign a
11 pledge to commit to using this bottle.

12 COUNCIL MEMBER ROSENTHAL: So anyone can
13 go online, sign a pledge to use a bottle, and I
14 could get a bottle?

15 PASSION: Yes, you can.

16 COUNCIL MEMBER ROSENTHAL: But anyone
17 could?

18 [background comments]

19 COUNCIL MEMBER ROSENTHAL: No it's New
20 York City tap water. I'm sorry I didn't mean to get
21 silly. I just really like it. So I guess my last
22 question would be similar to Council Member
23 Constantinides if we could figure out the retail
24 issue would you have any reason not to support this
25 bill?

2 ANTHONY FIORE: No I... I think we're
3 supportive of the bill and the... that problem is a
4 serious problem that needs to be overcome.

5 COUNCIL MEMBER ROSENTHAL: What do you
6 think the timing is on getting us answers to the
7 question of the... you know so we can start to claw
8 away at how big of a problem is it.

9 ANTHONY FIORE: We'll begin talking with
10 Department of Education today and get you those
11 answers as soon as we can.

12 COUNCIL MEMBER ROSENTHAL: Last
13 question. It's my understanding right now if I
14 walked... if I went... drove over to a... a... a gas
15 station they would have... be five available. They
16 just have to declare beyond B5 if they... they have a
17 blend higher than that. Is that... am I... am I on the
18 right beat there? ...diesel, I'm sorry. If it's... if I
19 wanted to buy a diesel gallon of gas? Yeah is that...
20 is that a fair accurate... EPA doesn't... [cross-talk]
21 beyond that... But would... I would be able to get a
22 gallon of gas that would have B5, if it was diesel
23 only correct?

24 ANTHONY FIORE: Well we... we won't speak
25 for the fuel industry. But right so there's... within

1 every... every... every diesel gallon sold by industry
2 there can be up to biodiesel five there's no
3 guarantee that it's B5 but there can be some
4 biodiesel mix and I believe it's up to five but
5 under five. But it isn't being marketed or
6 regulated for that. And it's very possible that
7 that diesel gallon could have no biodiesel in it.
8 So you're... only if you're getting something that is
9 specifically marketed as B5 are you applying to the
10 ASTM and are you guaranteed to have five percent
11 biodiesel mix. But there is some amount of
12 biodiesel mixed our diesel fuel.

14 CHAIRPERSON CONSTANTINIDES: Alright so
15 no... Yeah I don't know... Alright so with that I thank
16 you for your testimony and look forward to
17 continuing the work with you as we... for you to
18 implement the reduction by 80... 80 percent by 2050.
19 Thank you very much.

20 ANTHONY FIORE: Thank you.

21 CHAIRPERSON CONSTANTINIDES: Thank you
22 for your partnership. Sorry, microphone. Ya-Ting
23 Liu from the New York League of Conservation Voters
24 and Ling Tsou from the United for Action who please
25

2 can come forward and have us our... our Committee
3 Attorney Samara Swanson swear you in.

4 COMMITTEE COUNSEL SWANSON: Yes, you
5 will... swear... when she comes back. Can you... can you
6 please...

7 CHAIRPERSON CONSTANTINIDES: ...surprised
8 you.

9 COMMITTEE COUNSEL SWANSON: Can you
10 please raise your right hands? Do you swear affirm
11 to tell the truth, the whole truth, and nothing but
12 the truth today?

13 CHAIRPERSON CONSTANTINIDES: ...go first?

14 YA-TING LIU: Great. Thank you. Good
15 afternoon Chair Constantinides, council Member
16 Rosenthal, Council Member Rosenthal, Council Member
17 Levin. Thank you so much for having the New York
18 League of Conservation Voters here testify today on
19 two bills, Intro 642, intro 880. The New York
20 League of Conservation Voters... we're a statewide
21 organization, environmental organization with over
22 22,000 members here in New York City. My name is
23 Ya-Ting Liu and I'm a New York City Program
24 Director here to testify in support of these two
25 pieces of legislation. I have submitted two memos

1 in support for each bill. And I won't read them
2 verbatim so I'll just sort of combined the remarks
3 together here. So in order for New York City to
4 achieve our ambitious 80 percent reductions by
5 2050. We absolutely need to take every opportunity
6 available to us to help get us there especially
7 when it comes to cleaning up the city's one million
8 buildings which account for over 75 percent of the
9 city's carbon footprint. Emissions from dirty
10 heating oils are not only an environmental problem
11 but a threat to public health. Soot pollution in
12 New York City causes more than 3,000 deaths every
13 year from lung and heart disease and switching to
14 cleaner heating fuels is New York City biggest step
15 to healthy air. So in terms of the clean heat side
16 in terms of buildings we've already made tremendous
17 strides as a city as you've heard from some... the
18 previous testimony. Between 2012 and 2015 the New
19 York City clean heat program resulted in nearly
20 6,000 heating oil conversions from number six or
21 four to a cleaner fuel. And intro 642 will help
22 keep up the momentum toward that goal. With respect
23 to the school busses... You know the impacts of
24 school bus pollution on children's health have been
25

1 well documented. Yale University researchers have
2 demonstrated high pollution levels inside busses by
3 attaching monitors to children's backpacks and
4 recording the pollution levels during their trips
5 to school. The California Air Resources Board found
6 out school bus trips can increase a children's
7 daily exposure to black carbon up to 34 percent
8 compared to regular passenger cars. And PM levels
9 inside a school bus can be five to ten times the
10 level outside the bus. So one important tool to
11 cleaning up dirty busses is retrofitting them with
12 crane cases or tailpipe filters. Another strategy
13 is to require cleaner burning fuels which is what
14 intro 880 would do. We believe that this would be a
15 big step towards again requiring the use of ultra-
16 low sulfur diesel fuel and the best retrofit
17 available technologies to reduce emissions will go
18 a long way to clean up the city's air quality which
19 this council because of your leadership has already
20 done. And so we are here to support your continued
21 leadership on this issue and to do everything we
22 can to help keep that momentum going, to make sure
23 that New York City is a leader on sustainability
24 issues. Thank you.
25

2 CHAIRPERSON CONSTANTINIDES: Thank you.

3 LING TSOU: Thank you Chairman

4 Constantinides and Council Member Helen Rosenthal
5 and Samara and Bill and Nick and everybody in the
6 city council. My name is Ling Tsou. I'm a Co-
7 founder of United for Action, a grassroots all
8 volunteer activist group based in New York City. We
9 are advocating for ending our addiction to fossil
10 fuel and nuclear power and inclementing renewable
11 energy for our sustainable future. So I want to
12 thank Chairman Constantinides for introducing intro
13 642. This bill will gradually increase the minimum
14 percentage of biodiesel in the city's building
15 heating oil from the current two percent to 20
16 percent by October 2030. Increasing the percentage
17 of biodiesel in the heating oil will increase the
18 benefits derived from the original legislation by
19 helping to further reduce greenhouse gas emissions
20 and air pollution. Biodiesel fuel can be used in
21 any number two boiler, diesel car or truck, diesel
22 generator, or construction equipment. None of these
23 uses require any modifications to the equipment or
24 vehicle. With the help of the New York state clean
25 heating fuel tax credit, residential consumers may

1 find the price competitive with natural gas without
2 a substantial upfront cost of a natural gas
3 conversion and of course the more use of natural
4 gas will simply lead to more fracking of natural
5 gas and we all know the danger of fracking. We also
6 support Intro 880 introduced by Council Member
7 Helen Rosenthal requiring city owned, operated, or
8 contracted school busses to use ultra-low sulfur
9 diesel fuel and contain at least five percent
10 biodiesel to... to me as an advocate I just think...
11 think that it's totally common sense. And I heard
12 the previous comment and testimony. I think... you
13 know we should just invest in infrastructure so
14 that the school busses will have access to the
15 biodiesel blend. As demand for biodiesel increases
16 hopefully this will bring about increased
17 production of biodiesel and decreasing pricing. So
18 we may see many more buildings heated with 100
19 percent biodiesel. School busses and in New York
20 City MTA busses run on 100 percent biodiesel. This
21 will in turn help to drastically reduce greenhouse
22 gas emissions and further reduce air pollution. The
23 only way to slow and reduce the impact of climate
24 change is to end our reliance on fossil fuel
25

1 including coal, oil, gas, and nuclear power and use
2 renewable and clean energy like solar, wind,
3 geothermal, and biodiesel. I wish to thank the New
4 York City council for enacting legislations to lead
5 New York City in that direction. Thank you very
6 much.
7

8 CHAIRPERSON CONSTANTINIDES: Thank you
9 both for your testimony. Ask one quick question...
10 well two actually. Does this surprise you to hear
11 that the benefits of the B2 mandate were in upwards
12 of taking 17,000... the equivalent of taking 17,700
13 cars off the road. And then just to the... the B5 and
14 the city owned buildings that was an additional
15 equivalent of taking 12,000 cars off the road. So
16 we're too king... just city owned buildings of B5
17 and... and our current B2 mandate the equivalent of
18 taking close to 30... 30,000 cars off the road. Does
19 that surprise you at all?

20 YA-TING LIU: Yeah I mean what is
21 amazing to me is that this... the... the council
22 already had the foresight and have already acted on
23 this legislation to clean up city owned buildings
24 and vehicles. So the fact that these bills sort of
25 will extend... start extending it out to private

1
2 sector buildings or you know hopefully eventually
3 privately run busses is... is... is... is really smart
4 sort of policy because the city's already proving
5 that it... it can... it's possible. And... and the
6 results are dramatic.

7 CHAIRPERSON CONSTANTINIDES: And you...
8 and you both believe that climate change is real
9 and that fossil fuels and petroleum had... do have a
10 strong hand in causing climate change, correct?

11 LING TSOU: Yes, and just to answer your
12 question before... I mean I was surprised. I... I
13 hadn't... well you know I don't have access to these
14 numbers. And I hadn't thought about the numbers
15 that even just at two percent you know has already
16 made this kind of progress. And it just makes me
17 feel hopeful that everyone of us can take even one
18 small step, every small steps add up to a lot. And
19 I think with all of our government really we... we
20 really rely on local governments, our city to
21 really lead the way and do the best. And then maybe
22 our state and our country and our... you know our
23 legislators and the congress will finally follow
24 suite. So thank you very much.

2 CHAIRPERSON CONSTANTINIDES: I mean we...
3 we take this very seriously and... [cross-talk] we
4 are looking at every arrow in our quiver whether
5 it's biodiesel, whether it's geothermal, whether
6 it's... solar or... or harnessing wind power we take
7 this very seriously and every opportunity that we
8 have to reduce emissions we are going to do so.
9 And... and I appreciate your advocacy and your work
10 to raise awareness in our communities to make sure
11 and hold us accountable for getting where we need
12 to go which is reducing emissions and reducing them
13 quickly.

14 YA-TING LIU: And... and Council Member if
15 I may just say too at the previous micro...
16 microbeads hearing I... and I said this too that what
17 you're doing here in the council not only will it
18 have impact in New York City but the country and
19 the worlds. And the whole world really is watching
20 what we're doing here. So again I commend you and
21 the rest of the council for remaining leaders on
22 all of these issues.

23 CHAIRPERSON CONSTANTINIDES: Alright...

24 YA-TING LIU: Thank you.
25

2 CHAIRPERSON CONSTANTINIDES: Thank...
3 thank you both.

4 LING TSOU: ...very much.

5 CHAIRPERSON CONSTANTINIDES: Alright so
6 Karen Monroe and Jay Patrick from the American
7 Petroleum Institute. Samara will swear you in.

8 COMMITTEE COUNSEL SWANSON: Can you
9 please raise your right hands. Do you swear affirm
10 to tell the truth, the whole truth, and nothing but
11 the truth today?

12 CHAIRPERSON CONSTANTINIDES: ...which one
13 of you would like to go first. Or just... only one
14 testimony? Okay great, thank you.

15 KAREN MONROE: Thank you. Thank you very
16 much for this hearing and for the invitation to
17 appear today. Mr. Chairman and members of the
18 committee. I am Karen Monroe. I am the Executive
19 Director of API of New York. We're a division of
20 the American Petroleum Institute, API, which is the
21 only national trade association to represent all
22 aspects of America's oil and gas industry. We
23 support 9.8 million US jobs and eight percent of
24 the US economy. And again thank you for this
25 opportunity to submit comments on intro number 642

1 relative to the use of clean heating oil in New
2 York. Before I address our specific concerns I
3 would like to dispel a common misconception that
4 the oil and gas industry is opposed to alternative
5 fuels or in this particular instance biofuels. Our
6 industry is not opposed to the development and use
7 of these for fuels. From 2000 to 2014 the US oil
8 and gas industry invested about one-third of total
9 dollars spent on greenhouse gas mitigating
10 technologies. And this industry has poured money
11 into developing alternative energy solutions to
12 meet demands for cleaner more efficient energy and
13 reduced 2014 emissions equal to taking 11.8 million
14 cars off the road. However, what the industry does
15 oppose our government mandates. In imposing
16 mandates particularly in the energy sector the
17 government is essentially picking the quote winners
18 and losers in fuel options. Such decisions are
19 often made in a vacuum without consideration of
20 market realities. Mandates traditionally mean a
21 loss of flexibility that would ordinarily permit
22 the market to seek the most favorable solutions in
23 terms of the environment, in terms of available and
24 proven technology, in terms of adequate secure
25

1 supply and in terms of competitive prices. As the
2 council knows since November of 2012 all heating
3 oil sold in New York City is required to contain
4 two percent biodiesel content B2. However, the
5 council should be mindful that Intro 642, a mandate
6 that would increase the biodiesel component would
7 actually result in higher net emission of nitrogen
8 oxide which contributes to ground level ozone.
9 Furthermore, the adoption of New York state of
10 ultralow sulfur diesel ULSD several years ago led
11 to a 95 percent reduction in particulate matter.
12 The proposed increase in biofuel content to B5
13 would offset these improvements by increasing
14 particulate emissions according to EPA data. In
15 general, estimated climate benefits from replacing
16 petroleum fuels with biofuels are about zero
17 according to the international institute for
18 sustainable development. This requirement as
19 proposed can have detrimental repercussions. The US
20 Energy Information Administration, EIA data shows
21 that one quarter of biodiesel imports to the east
22 coast came from Indonesia in the last year where
23 the principal biodiesel feedstock is palm oil.
24 According to the New York Times editorial board
25

1 quote palm oil's advantages as a cleaner fuel are
2 clearly. Quote palm oil's advantages as a cleaner
3 fuel are clearly outweighed by the deforestation it
4 causes unquote. Secondly, biodiesel produced from
5 soybean oil is land intensive, require four times
6 more farmland than ethanol for the same amount of
7 energy. Significant increases in soybean oil for
8 biodiesel put pressure on available land for other
9 food and feed production. Biodiesel demand alone
10 has been blamed for an increase of 74 cents per
11 bushel or roughly eight percent in the price of
12 soybeans. Another concern is whether food should be
13 used for fuel. This practice increases the level
14 and volatility of food prices in the United States
15 and around the world. The environmental benefits of
16 food based and land intensive biofuels are
17 questionable at best. In 2012 a top UN Official
18 called upon the United states to suspend its
19 biofuels mandates to help avert a looming global
20 food shortage. His comments were prompted by a
21 surge in corn prices when the crow... crop was
22 decimated by droughts. Quote much of the reduced
23 crop will be claimed by biofuel production in line
24 with US federal mandates leaving even less food and
25

1
2 even less for food and feed markets. According to
3 Jose Graziano de Silva Director General of the UN's
4 Food and Agricultural Organization and a financial
5 times op ed. Ultimately biofuels contribute to
6 hunger by driving up the cost of food and
7 increasing volatility. These higher food and energy
8 cost place a burden on the most vulnerable segments
9 of our population. Minorities, the elderly, and
10 hardworking low and middle income families. To
11 complicate matters biofuels reduced energy
12 efficiency because they require more fuel to
13 produce the same amount of heat. The greater the
14 content of biofuels the lower the energy density.
15 This lower energy density reduces efficiency which
16 in turn means higher cost and more frequent
17 deliveries of biofuel. In fact, the states of Main
18 and Massachusetts study the possibility of
19 mandating biofuels and deciding not to move forward
20 because of cost. Each mixtures generally cost about
21 three to five cents per gallon more than
22 traditional heating oil and a B20 mix could cost
23 about 30... 20 to 30 cents more per gallon according
24 to a recent study by Wesson Company. The Department
25 of Energy's alternative fuel price report shows

1 that retail prices for biodiesel have been 40
2 percent higher than diesel fuel this year. It's
3 difficult to justify the higher cost of biofuel
4 when New York already has the highest heating oil
5 cost in the country. New York has the largest
6 heating oil market in the country as 33 percent of
7 all families, 2.7 million and tens of thousands of
8 businesses use heating oil. According to the New
9 York state energy research and development
10 authority, NYSERDA. Biodiesel producers are
11 pursuing an extension of a production tax credit of
12 a dollar per gallon. And there is a question as to
13 whether or not the subsidy will continue since
14 biofuel production hit over 1.5 billion gallons
15 this year. Why should New York City mandate and
16 subsidize an artificial market for biodiesel.
17 Biodiesel can also present infrastructure
18 challenges. Biodiesel cannot be shipped via common
19 carrier pipelines due to concerns related to jet
20 fuel contamination therefore is shipped by rail,
21 truck, or barge where it is blended with diesel.
22 Biodiesel has poor cold temperature operability due
23 to the presence of saturated fatty acids thereby
24 making B5 biodiesel fuel a less than optimal fuel
25

1 choice for city owned operated or contracted school
2 busses as proposed by Intro 880. Biodiesel storage
3 tanks need to be heated and or insulated
4 particularly in colder climates. To ensure a proper
5 blending biodiesel must be kept ten degrees
6 Fahrenheit above the cloud point for blending to
7 successfully avoid forming crystals or gel in the
8 mixture. High cloud point bio feedstock with a high
9 blend of biofuel is problematic in cold weather
10 conditions. In order to address cold water
11 operability additives must be blended in the fuel
12 which also add to the cost. Also biodiesel is
13 biodegradable and therefore is more susceptible to
14 biological growth during storage. The national
15 biodiesel board recommends its use within six
16 months. Above all in considering this legislation
17 the council should weigh the overall benefit to the
18 environment and at what cost. For the first time in
19 years the cost to the consumer for gasoline and oil
20 is decreasing as a result of the shale energy
21 revolution yet now New York City is proposing
22 additional cost for the consumer by increasing the
23 amount of biofuel contained in home heating oil.
24 According to the EIA the average cost to heat a
25

1 home in the Northeast with natural gas is about
2 half the cost of heating with oil. Why make
3 homeowners who don't have access to low cost clean
4 burning natural gas pay more for bio heat when they
5 already pay twice as much for oil than natural gas.
6 We hope that the council will consider these
7 comments in the light in which they are intended
8 which is to highlight the paramount importance of
9 ensuring the most cost effective and
10 environmentally safe heating alternative for the
11 residents of New York City. This month the USEIA
12 released statistics that show household heating
13 costs are expected to be lower fuel prices and
14 warmer weather. Mandating a premium or boutique
15 fuel eliminates consumer choice and deprives low
16 and middle income households of the projected
17 energy savings brought about by increase domestic
18 oil production with minimal environmental benefit.
19 Because of the above concerns we oppose this
20 legislation. We thank you for this opportunity
21 present the views of our member companies Patrick
22 Kelly from API who's a fuels expert and a technical
23 expert on these issues is here with me and we're
24

1 here to answer your questions. I thank you for your
2 attention.
3

4 CHAIRPERSON CONSTANTINIDES: Thank you
5 for your testimony. So I think your statement that
6 the shale energy revolution sort of decreases your
7 credibility here when we've recognized here in New
8 York state that the shale energy revolution is
9 something we didn't want to see happen because the
10 fracking is an environmental unsound way of
11 extracting gas. But we'll set that aside... the real
12 question I have is do you believe that climate
13 change is a real thing and that petroleum and
14 fossil fuels player contribute to climate change.

15 KAREN MONROE: Patrick?

16 PATRICK KELLY: I... I think in the... in
17 the context of a biodiesel mandate you...

18 CHAIRPERSON CONSTANTINIDES: that's not
19 what I asked. So please answer my question.

20 PATRICK KELLY: Using biodiesel
21 increases GHG emissions. That's... that's the opinion
22 of many reputable scientists who study land use
23 and... and the impact of indirect land use.

24 CHAIRPERSON CONSTANTINIDES: Well...
25 [cross-talk] ...answer my question please?

2 PATRICK KELLY: ...if... if I believe in
3 climate change then I'm... I must not want to use
4 more biodiesel.

5 CHAIRPERSON CONSTANTINIDES: But you do
6 not believe in climate change.

7 PATRICK KELLY: I... that's not what I
8 said sir, I'm sorry.

9 CHAIRPERSON CONSTANTINIDES: You said if
10 you believe in climate change so do you believe in
11 climate change and do you believe that fossil fuels
12 contribute to climate change, yes or no?

13 PATRICK KELLY: I believe that there are
14 GHG emissions that need to be controlled. I... I
15 stand for the American Petroleum Institute. We do
16 not have a belief system built into whether or not
17 we believe in... in climate change. We understand
18 there is a practical reality that fossil fuels
19 contribute to GHG emissions and that it is
20 advantageous and beneficial to reduce those GHG
21 emissions.

22 CHAIRPERSON CONSTANTINIDES: But as a...
23 as a organization you've donated to candidates that
24 are climate deniers in congress correct? Jeff
25 Dunham, republican from California who wants to gut

1 the clean air act. You donated 35 hundred dollars
2 to his campaign cycle to his campaign, Patrick
3 McHenry 25 hundred dollars who has a score from the
4 League of Conservation Voters at three percent.
5 That's 25 hundred. Steve Scalise, a republican from
6 Louisiana, 1,000 dollars. Is that... are those
7 accurate numbers?
8

9 PATRICK KELLY: I... I don't know if those
10 are accurate numbers sir but I do know that I
11 remember companies... [cross-talk] leaders in
12 reducing GHG emissions.

13 CHAIRPERSON CONSTANTINIDES: I... I... I
14 believe that there is supporting those that want...
15 continue to deny climate change. That is my...
16 assertion. I have it right here in front of me. But
17 your campaign donations and your actions have
18 spoken that you are here to keep us from continuing
19 to move forward on policy that the Mayor's Office
20 seems to support, the advocates support, the city
21 council supports and you know we've been a success
22 story here in New York City. We've been... equivalent
23 of taking 29,000 cars off the road. Those... those
24 are real numbers. I don't think the mayor's office
25

1
2 made those up. But you're saying that somehow this
3 was a boutique fuel. I disagree with that.

4 KAREN MONROE: Patrick? With respect to
5 the reduction in emissions in New York City through
6 Mayor Bloomberg's clean heat program a great deal
7 of that was due to the... [cross-talk]

8 CHAIRPERSON CONSTANTINIDES: Well that's
9 how that's... [cross-talk]

10 KAREN MONROE: Excuse me but Sir...
11 [cross-talk] Sir please let me respond. In all due
12 respect the significant increase in the use of
13 natural gas as a source of heat in New York City
14 has led to dramatic improvements in air quality. In
15 fact, the increased use of natural gas using the
16 60-year-old technology of fracking from across this
17 nation in over 30 states done under the regulation
18 of many states as a federal government is what is
19 led to this abundance of natural gas. Yes, part of
20 the shale energy revolution. Because of that many
21 New York City apartment buildings were converted to
22 natural gas. Lowering the cost significantly in
23 improving air quality. School busses, busses across
24 this nation, natural gas busses are doing the same
25 thing. Vehicle fleets across this nation being

1 changed to natural gas significant impact. So as I
2 think we're trying to present there are many
3 possible solutions to improving the environment as
4 well as quality of life. And there has to be
5 balance and there has to be attention paid to cost.
6 Cost to consumers, cost to people that... [cross-
7 talk]
8

9 CHAIRPERSON CONSTANTINIDES: Yeah the
10 cost... cost that I have... [cross-talk]

11 KAREN MONROE: ...people that cannot
12 afford... [cross-talk] people that cannot afford a
13 boutique fuel. People that will... And by the way if
14 it's so great then why do you have to mandate it?
15 If people want this, they can buy it. It's
16 available.

17 CHAIRPERSON CONSTANTINIDES: I
18 appreciate that. With that I'll turn it over to my
19 colleague Council Member Rosenthal. I may or may
20 not come back.

21 COUNCIL MEMBER ROSENTHAL: Thank you
22 Council Member Constantinides. I'm curious... I just
23 want to pick up your last statement. Do you have a
24 sense of what the cost to con... for our... for New
25

1
2 York City school busses to convert to being natural
3 gas? Do you know what the cost of that will be?

4 KAREN MONROE: Honestly I don't know
5 what the cost would be? I think it's something
6 very... I think we should look into that and we were
7 willing to help you in any way. I know several
8 years ago there was an assemblywoman Lopez who
9 actually had sponsored legislation to convert
10 busses to natural gas. And this frankly is
11 happening all over the country as was testified to
12 earlier by one of the members of the mayor's
13 office. There are always challenges with delivering
14 fuel of any kind involving infrastructure, filling
15 stations, etcetera. In fact, there are many places
16 across the state where there's not natural gas fuel
17 available because we don't have the infrastructure.
18 So I... it's all something that with people that with
19 people that have a mind to solving problems and not
20 you know grandstanding. I think it's all doable.

21 COUNCIL MEMBER ROSENTHAL: I'm just
22 trying to follow your point of view about cost of
23 doing things differently. Let's... I mean my premise
24 is that I want to do something about 150,000 school
25 kids that are being subjected to the adverse health

1 impact of diesel fuel today right? So what would
2 you suggest we do?

3
4 KAREN MONROE: Well I guess my
5 suggestion would be that... I mean it sounds to me
6 that this has been a very significant and very... and
7 again very important issue for you Councilwoman.
8 It's something that I think warrants a taskforce
9 involving members of industry. I mean you know you
10 want to get things done you need to have the people
11 involved that actually do... do this. You need to
12 have the expertise in the private sector that is
13 working with you. And I know companies that we
14 represent across this nation are very focused on
15 these types of things. But again it... it requires
16 the cooperative approach. I don't think demonizing
17 individuals who work for an industry is the right
18 approach nor do I think demonizing government
19 officials that have a different point of view than
20 I do.

21 COUNCIL MEMBER ROSENTHAL: Stick to the...

22 KAREN MONROE: ...not productive.

23 COUNCIL MEMBER ROSENTHAL: Stick to the
24 questions that I'm asking you. I don't know why
25 you're answering a question I didn't ask. But I... I

1
2 guess I'm trying to get to what to do about these
3 150,000 kids. And what I heard today is we that we
4 have a sort of... an answer that could be fairly
5 quickly implemented which would be to require the
6 busses to use biodiesel seems like we have a
7 problem of getting them... you know infrastructure.
8 But it doesn't sound insurmountable to me. We're
9 going to hear back from the administration about
10 how much could be accommodated without any changes.
11 And now you're suggesting that instead we should
12 require that the mayor's office do set up a
13 taskforce to study the problem. I mean one solution
14 might be to do both right. I mean do something
15 that's a no brainer that's right in front of us and
16 zero cost we learned that nearly half of the bus
17 companies have fueling stations right on site. So
18 why wouldn't you recommend we take care of the
19 problem to the extent that we can now? And I'm just
20 trying to weigh all the different things that you
21 raise in your testimony about cost? And when
22 confronted with the immediate concern which is my
23 kid, your kid getting on a school bus every day and
24 having to inhale these fumes when we want to
25 address this sooner rather than later.

2 KAREN MONROE: Patrick can you just...

3 [cross-talk]

4 PATRICK KELLY: Yeah to...

5 KAREN MONROE: ...to... so, so...

6 PATRICK KELLY: As you know the entire
7 transportation fleet has transferred, transitioned
8 over to ultra-low sulfur diesel and new diesel and
9 new diesel and...

10 COUNCIL MEMBER ROSENTHAL: I'm sorry?

11 PATRICK KELLY: The entire
12 transportation...

13 COUNCIL MEMBER ROSENTHAL: In New York
14 City?

15 PATRICK KELLY: Nationally.

16 COUNCIL MEMBER ROSENTHAL: National... so
17 I'm just talking about the school bus industry in
18 New York City.

19 PATRICK KELLY: Okay.

20 COUNCIL MEMBER ROSENTHAL: If you could
21 limit your comments to the school bus...

22 PATRICK KELLY: Sure.

23 COUNCIL MEMBER ROSENTHAL: ...contractors
24 in New York City.

2 PATRICK KELLY: Okay. The transportation
3 that's used nationally and in transportation in New
4 York City.

5 COUNCIL MEMBER ROSENTHAL: Sorry I'm so
6 parochial. I can't... you know people ask me who I
7 support for president. And I can tell you about the
8 pothole in my district. I really just am focused
9 today on the school bus industry so let's... if you
10 could direct your comments to that. And if you
11 don't know about the school bus industry in New
12 York and no shame I would just rather that we focus
13 our attention the school bus contracts. I don't
14 know if you know how the system works in New York
15 but we... New York City has a rule for its own fleet
16 but the Department of Education is separate and
17 apart. And they have... a department called the
18 Office of Pupil Transportation. Do you know about
19 this? Or already... I don't want to school you if you
20 already...

21 PATRICK KELLY: No... no and I'm... and I'm
22 sorry if I... I don't understand the intricacies of...
23 of how the bus... [cross-talk]

1 COUNCIL MEMBER ROSENTHAL: It's only
2 relevant to the extent that I'm only talking about
3 New York City school busses...

4 PATRICK KELLY: That's the context...
5 [cross-talk]

6 COUNCIL MEMBER ROSENTHAL: So...

7 PATRICK KELLY: ...of which I'm talking
8 about as well ma'am.

9 COUNCIL MEMBER ROSENTHAL: Mm.

10 PATRICK KELLY: The transportation fleet
11 which includes New York City busses.

12 COUNCIL MEMBER ROSENTHAL: School
13 busses.

14 PATRICK KELLY: School busses.

15 COUNCIL MEMBER ROSENTHAL: Hmm.

16 PATRICK KELLY: It... it... their... the
17 entire transportation plea is required to use
18 ultralow sulfur diesel. That...

19 COUNCIL MEMBER ROSENTHAL: ...required to...

20 PATRICK KELLY: ...use ultralow sulfur
21 diesel. That's as of... back in 2006 the transition
22 began to use ultralow... [cross-talk]

23
24
25

2 COUNCIL MEMBER ROSENTHAL: ...New York
3 City school busses? I don't think so. They were
4 exempt.

5 PATRICK KELLY: Okay I... I...

6 COUNCIL MEMBER ROSENTHAL: That's why
7 you're... [cross-talk]

8 PATRICK KELLY: I'm not sure where
9 they're getting their fuel.

10 COUNCIL MEMBER ROSENTHAL: ...this bill
11 today.

12 PATRICK KELLY: Then... then... then I... I
13 think if you're looking at improving the... the
14 emissions for New York City busses perhaps you
15 should look into...

16 COUNCIL MEMBER ROSENTHAL: School
17 busses.

18 PATRICK KELLY: School busses, thank
19 you. Perhaps you should look into the sulfur
20 content of the... of the... [cross-talk]

21 COUNCIL MEMBER ROSENTHAL: Okay...

22 PATRICK KELLY: ...that they're using.

23 COUNCIL MEMBER ROSENTHAL: I would be
24 more than happy to entertain a letter from you or a
25 follow-up meeting when you know about what's going

1 on with New York City school busses which is... I'm...
2 I'm a sponsor of intro 880 which only has to do
3 with New York City... [cross-talk]

4 PATRICK KELLY: Understand.

5 COUNCIL MEMBER ROSENTHAL: ...school
6 busses. Okay and then... so the question I was going
7 to... well you sort of answered it. So just overall
8 in your testimony in the first page and the second
9 paragraph it says from 2000 to 2014 US or natural
10 oil and natural gas industry invested about a third
11 of total dollars spent on greenhouse gas mitigating
12 technologies. Could you just talk about what your
13 findings were and what the impact of that was and
14 what were they... what were the mitigating
15 technologies?

16 PATRICK KELLY: No I'm... I'm sorry I
17 don't know the specifics of... of... to the... the
18 details of that data point. I'd be happy to follow-
19 up with more information.

20 COUNCIL MEMBER ROSENTHAL: Well examples
21 certainly include just a little bit more
22 background. American petroleum institute which has
23 actually been around since the... for 90 years and
24 started in New York City. Started out as a standard
25

1 setting organization for setting the standards..
2 technical standards throughout the oil and gas
3 industry. And this has to do with everything from
4 pipelines to drilling to actual engine you know
5 fuels.. fuel research engines, other things with the
6 idea to improving efficiencies and certainly
7 reducing sulfur in the content of fuel. So that's
8 just one of many examples. And we can provide you
9 with... if you want specific examples beyond that we
10 can... we can certainly though speak to the amount
11 that's been spent overall which is the point.

13 COUNCIL MEMBER ROSENTHAL: Yeah I just
14 always wonder when anyone comes in here and
15 testifies and makes assertions what the information
16 is, the baggage that goes along with those
17 assertions. So I'm just trying to understand what
18 you're saying. Thank you very much.

19 CHAIRPERSON CONSTANTINIDES: That's my
20 last question and I'll piggyback on what my
21 colleague said. If we have... we know that there is a
22 fuel that... provide real air quality benefits that
23 we've seen. It's not a... imaginary... The
24 administration here testified that by going to B2
25 we were able to reduce emissions, the equivalent of

1 taking 17,700 cars. Not part of the clean heat... not
2 four and six but going to B2 17,700 at additional
3 12... to the equivalent of 12,000 cars we were able
4 to reduce through having the city owned buildings
5 go to B5. So we know that we have this 30,000... the
6 equivalent of 30,000 cars off the road. We had the
7 ability very done. And we can do more. Why
8 shouldn't we take advantage of that?
9

10 PATRICK KELLY: Sir with respect to the...
11 the assertion that there is a clear cut improvement
12 from using biodiesel I'd like to contend that
13 because the... there is a known increase in NOx
14 emissions from using biodiesel that's per EPA data,
15 that's the California Air Resources Board, and
16 several other sources point to an increase in NOx
17 emissions from using biodiesel. There's also...

18 CHAIRPERSON CONSTANTINIDES: You're
19 contending the administration was wrong and
20 they're... they're misinformed. That... is that... and
21 the city council and the administration are
22 misinformed.

23 PATRICK KELLY: I don't know what study
24 or research that they have to support it. So I
25 haven't reviewed that. I do know the EPA data and

1 the California air resources... data that point to
2 and other sources that point to an increase in NOx
3 emissions. The... I... I do not know where they came up
4 with that piece of information.
5

6 CHAIRPERSON CONSTANTINIDES: I think if
7 we have the opportunity to have cleaner air we
8 should take it and we should take it. And we... have
9 every arrow in our quiver. So I appreciate your
10 time and your testimony. Thank you very much.

11 KAREN MONROE: Thank you.

12 CHAIRPERSON CONSTANTINIDES: Shelby
13 Neal, National Biodiesel Board and Scott Hedrick,
14 Renewable Energy Group to have Samara swear you in
15 please.

16 COMMITTEE COUNSEL SWANSON: Can you
17 please raise your right hand. Do you swear or
18 affirm to tell the truth, the whole truth, and
19 nothing but the truth today?

20 CHAIRPERSON CONSTANTINIDES: Shelby...
21 Neal... like to go first? Thank you very much. Can
22 you check his microphone please?

23 SCOTT HENDRICK: How about that?

24 CHAIRPERSON CONSTANTINIDES: There you
25 go.

2 SCOTT HENDRICK: That better?

3 CHAIRPERSON CONSTANTINIDES: Okay...

4 [cross-talk]

5 SCOTT HENDRICK: Works better when it's
6 on. Well thank you Mr. Chairman, members of the
7 committee not only for having us here today and for
8 sponsoring these particular pieces of legislation
9 but for your leadership over the years and not just
10 on biodiesel but on a number of different
11 technologies although we work for the biodiesel
12 industry and we're proud of our contributions to
13 clean air and greenhouse gas reductions. We support
14 a broad number of technologies. We think that small
15 and modest contributions from a broad scope of
16 technologies are really what we need to help
17 improve peoples' health and our climate for
18 generations to come. As the... the Chairman mentioned
19 my name is Shelby Neel. I serve as a Director of
20 State Governmental Affairs for the National
21 Biodiesel Board, national biodiesel award
22 represents about 150 biodiesel companies across the
23 nation. We also now represent the renewable
24 hydrocarbon diesel industry. So we represent more
25 than 90 percent of the biodiesel industry and 100

1 percent of the renewable hydrocarbon diesel
2 industry. There's a bit of a challenging venue
3 always is because you have only a couple of minutes
4 to share why you think something you spent most of
5 your life working on is important. It is tempting
6 to go through all the facts and figures. But I
7 think... I think the administration actually did an
8 exemplary job in collating a significant amount of
9 data about biodiesel. So I think that's a very good
10 reference document. It is also tempting to respond
11 to some of the items from the last panel. But I'll
12 refrain from that at least temporarily. But what I
13 would like to do in... in just a couple of minutes
14 which is the time I have is... is kind of get to the
15 essence of... of really why does this matter. I think
16 sometimes we get lost in facts and figures and... and
17 dollars and cents. And we sort of forget why we're
18 all really... really here, not on Earth but just this
19 committee. So... so last week I was contacted. If I
20 could just tell a brief story by a gentleman from...
21 from Medford New Jersey which is about an hour and
22 a half south of here unsolicited. But he heard that
23 you were doing this hearing. So again what you do
24 in New York City impacts the whole country. So he...

1 he heard that this was happening. We're very
2 excited about it and contacted me through a mutual
3 acquaintance. And he said you know I've been
4 working on biodiesel since 1997. That's what he
5 said. I'm a certified diesel technician, mechanic...
6 we started... and... and I oversee all of the... the
7 school bus programs for my district. I'm... I'm the
8 head technician and I do all of the contracting. We
9 started using B20 in 1997 which is... you know we
10 were selling biodiesel by the jar in 1997. No ASTM
11 specification. And so he started out at B20 in
12 Medford, New Jersey an hour and a half south of
13 here, similar weather conditions. And so he's a
14 real pioneer. And so he called me up and he said
15 you know I am just so excited you know to see this
16 happening in New York City and to see the impacts
17 that... that could happen there. Is there anything I
18 could do to help? And so while I was kind of
19 thinking about this it really came out of the blue.
20 He said well can I share a testimonial. And... and so
21 I've included that with my... with my testimony and I
22 hope you'll find a chance to read it. So I wanted
23 to just tell one story which... which he... he talks
24 about if I can. And so when... when Joe started this
25

1 using B20 and every single school bus in this town
2 of about 25,000 there... there were detractors. I
3 mean there are always detractors. But there was one
4 particular woman who was a school bus driver who
5 was... who was very angry. And took this issue to the
6 school... school board and kind of made it you know
7 really a personal issue. But... but Joe prevailed and
8 the biodiesel program was implemented at the B20
9 level. Well a few weeks after this was implemented
10 the woman sought Joe out and... to apologize. And...
11 and this is what he... he says about that. This is
12 his recollection of the story from... from her. He
13 says during the winter months in order to preserve
14 the heat in the school bus the driver's wheelchair
15 bound students are loaded and unloaded while the
16 bus is running. So she was in charge of
17 transporting all of the... the children with physical
18 and mental disabilities. And so they leave the bus
19 running when the kids are getting on and off to
20 keep it warm. So prior to changing the fuel the
21 exhaust from the diesel would irritate one of her
22 children with respiratory... extreme respiratory
23 difficulties. She informed me that roughly a month
24 after switching to biodiesel that there was a
25

1
2 noticeable difference in that child's breathing
3 during loading and unloading. That child no longer
4 struggled to breath. And... and he told me that it
5 wasn't just during these periods of time. It really
6 helped clear up her breathing issues you know
7 throughout the day. The only change in that bus was
8 biodiesel. This child... this kind of goes to my
9 point about the facts and figures. He... he says this
10 child wasn't concerned with facts and figures. But
11 reducing a daily struggle was far more important.
12 So I... I know this is only one example. But... but
13 it's one of many across the country that points to
14 the fact that while we're here and... and... and it's
15 really because you know cleaning up the air I mean
16 we forget these are toxic emissions. You know the
17 way EPA tests diesel fuel is they... they put rats in
18 this little box and you know it... it has... they have
19 to last a certain number of hours before they die.
20 I mean you know this is what people are breathing,
21 this is what children are breathing. And this is...
22 this is really serious. And so this is just how it
23 impacted one particular child. But I've been in
24 this industry now seven and a half years and I've
25 never seen an instance in which someone switched to

1
2 biodiesel you know... you know was able to breathe
3 cleaner air and then went backward. Nobody ever
4 breathes cleaner air and then goes backward. And I
5 think that's really a testament to not just our
6 product but all cleaner products and... and really
7 how important that is. So I realize I've skirted
8 all of the important issues that... that have... have
9 been addressed in terms of what precisely our
10 emissions benefits are. But... but I think really
11 what's important why we're here is to help these
12 kids. And... and to help you know not just the kids
13 in school busses, kids in homes. We have an
14 opportunity to do it and... and I know I'm not one of
15 your voters but in my opinion you know we should do
16 that. So if there are questions of course I'd be
17 happy to... to take those. But we do very strongly
18 support intro 642 and 880 and again commend you for
19 your leadership on all these clean air and public
20 health issues. Mr. Hendrick. Alright Hendrick,
21 sorry.

22 SCOTT HENDRICK: Good afternoon Chairman
23 Constantinides. I've been practicing that in my
24 head for like all afternoon.

25

2 CHAIRPERSON CONSTANTINIDES: Teaching
3 people how to say Constantinides one hearing at a
4 time.

5 SCOTT HENDRICK: And Councilwoman
6 Rosenthal. Thank you for the opportunity to testify
7 today. I told my wife I would do something before I
8 started my testimony and that is to... to wish her a
9 happy anniversary. It's my 24th wedding anniversary
10 as she would say 24 long... long years. I'm very
11 blessed in that... that my spouse knows what I do is
12 important enough but sometimes it means missing an
13 anniversary here or there. So she's back in Iowa.
14 And I'm out here. And the other thing I'm going to
15 do for myself is say go Mets. As an upstater and a
16 lifelong Mets fan I'm still hopeful you'll convert
17 over to the... to the blue and orange. Real briefly
18 going to summarize part of my testimony and then
19 hopefully get to some... some questions. I... before I
20 start I do want to say that I think I've discovered
21 why I'll never be a politician and that is because
22 I think you have to have the patience of Jobe [sp?]
23 to sit on that end of the dais to hear all the... the
24 information factual and otherwise that comes at
25 you. And I don't have that sort of patience. My

1 name is Scott Hedrick. I'm Director of Cooperate
2 Affairs. My name is Scott Hendrick. I'm Director of
3 Cooperate Affairs for Global Energy Group.. EG is
4 the... the largest North America advance biofuel
5 producer today. We have over 11 active bio
6 refineries producing over 430 million gallons of
7 biomass base on diesel in the United States. We
8 also market third party product which gives us a
9 reach of nearly a half a million... sorry half a
10 billion gallons of... of biofuels. I won't repeat a
11 number of things that are in my testimony and Mr.
12 Neal's testimony with respect to... to what the EPA
13 has characterized biodiesel and... and as in terms of
14 both the fuel and meeting its ASTM standards and
15 greenhouse gas reductions and emissions
16 improvements. I'm going to jump forward into my
17 written testimony... next page and... and just pick up
18 a piece that's there. Merriam Webster defines
19 visionary as having or showing clear ideas about
20 what should happen or be done in the future. And if
21 you look up that definition the second listed
22 definition is having a powerful imagination. And
23 while I believe these bills are visionary it's
24 important enough that they do stand on the
25

1 shoulders of previous legislation both within the
2 state of New York and in the city of New York.

3 Should be no surprise at the opposition today use
4 words like can't feasibly done, will raise costs,
5 no scientific evidence standards will improve the
6 environments. Because API used that testimony back
7 in 2010 to talk about the reductions in low sulfur
8 fuel in New York state. Something that I... I'm

9 pleased to hear today they agree has improved the
10 emissions profile of petroleum based diesel fuel.
11 They've used more interesting language with respect
12 to opposition of the bio heat mandate here in the
13 city back in... in 2012. And I... I... I think everyone
14 here is probably familiar with that, with that

15 language. You know yet the city's own data has
16 shown demonstrably that by both reducing sulfur in
17 the fuel and adding biodiesel to... to home heating
18 oil we improved the air quality in New York City.

19 Best air quality in 50 years is what the data
20 shows. And there's references in my testimony to
21 the studies that... that... that point to that. Clear
22 reduction in the number of cases of asthma in
23 vulnerable populations and over 800 reduced deaths,
24 over 800 reduced deaths. Data compiled pointed to
25

1
2 clear lives being saved. I think that's important
3 to point out. I'm going to move forward and... and...
4 and conclude this way. You know both bills are good
5 bills. There is a variety of data out there that
6 shows biodiesel has a better environmental profile
7 than petroleum based diesel. You can point to a
8 myriad of studies rather than maybe just cherry-
9 pick one or two data points that might be out
10 there. It's a better emissions profile. It's a
11 better fuel. I'd also point out the Wall Street
12 Journal today... today has a story that... that
13 highlights oil imports are on the rise. So I guess
14 the... the... the shale revolution is maybe on pause.
15 It's a cleaner fuel. It's a renewable fuel. It's
16 made here in the US. Yes, we can import it from
17 abroad as well. But it's the right thing to do.
18 There's great data that's out there that shows why
19 it's the right thing to do. But I'm happy to take
20 any questions regarding some of the data claims
21 that were made earlier that... that I will kindly
22 assume we're... we're maybe just misinformed
23 mischaracterizations. Thank you again for the
24 opportunity today.

2 CHAIRPERSON CONSTANTINIDES: Thank you

3 both. Happy to... I'll just say... I'll just say... I'll
4 just say a very you know quick story myself. I mean
5 the reason I'm here, the reason I'm passionate... one
6 of the reasons I'm passionate is that my son is six
7 years old. He's... he's an asthmatic. And when I go
8 to the doctor I see a line of nebulizers sitting
9 there. And in the winter time the children are all
10 lined up to wait for the nebulizers in order to get
11 their medication. We're talking about real lives.
12 We're talking about real children. We're talking
13 about real people. So I appreciate my colleague's
14 work on... on implementing school bus... B5 and school
15 busses. We have to do better. We are on the right
16 path. The mayor has been a good partner. The... the
17 Mayor's Office of Sustainability and Built to Last
18 and One NYC. We're moving in the right direction.
19 That's away from where the American Petroleum
20 Institute is talking about or trying to find ways
21 to reduce emissions. And we're going to use every
22 arrow in our quiver. And we can't... my information
23 and I'll... I'll start going into questions and I'll...
24 I'll... I'll stop speaking. The data I show on
25 average has been... it's been... biodiesel has been

1 less expensive over the past few years and on
2 average than petroleum heating oil. So biodiesel is
3 already blended into many petroleum project...
4 products. Is that correct. On cost? That was the
5 big argument was cost?
6

7 SCOTT HENDRICK: You know I... I think the
8 answer is this. With respect to availability it's...
9 it's widely available with respect to cost it's
10 cost competitive. Are we always lower than... than
11 petroleum based diesel fuel? No. Are we... are we a...
12 a more inexpensive product the majority of time,
13 yes. And I think the data bears that out. And I
14 think the data that the city supplied in their
15 testimony augments the data that you'll see from
16 the national biodiesel board that... that bears that
17 out. It's got a cleaner profile. You know the API
18 gentleman pointed to one data point in a carb set
19 of study that looked at NOx emissions. I'm not
20 saying that data point's not invalid but it was one
21 study out of over a dozen that they looked at that
22 was above the line in terms of emissions. I'd like
23 to point out that there's a heck of a lot more that
24 comes out of the tailpipe of a car besides NOx.
25 The... the important thing is with respect to 642

1 we're not talking about... about diesel engines.
2 We're talking about... about home heating oil
3 burners. And in that case the data's very very
4 different. And Brookhaven Lab has done a great job
5 in showing that... that in terms of an admission
6 profile it's as clean if not cleaner than
7 comparable fuels out there whether it's B0 meaning
8 it's just regular ULSD home heating oil or natural
9 gas. And... and I'll point out since I mention
10 natural gas the... the EPA is revising its numbers
11 with respect to life cycle analysis on natural gas.
12 Well natural gas is a terrific fuel. And it burns
13 100 percent clean. Its removal from the ground is
14 not 100 percent close loop. There are significant
15 emissions that come out. When you take those
16 admissions into account you look at B20 blends in
17 home heating oil. It's... it's a cleaner burn than
18 the natural gas life cycle emission. And the data
19 bears that out with... with due respect to the
20 previous folks who testify. You know the... the real
21 question is well look if it's... if it's widely
22 available, if it's price competitive today why does
23 the government need to step in? And... and I think
24 actually if you listen to the testimony that
25

1 preceded us that... that's the explanation as to why.
2
3 There are still today considerable soft market
4 barriers to product introduction. We're... I think in
5 a lot of respects a better fuel than... than
6 petroleum based diesel. But we still have great
7 difficulty getting into the marketplace. If you
8 look at the amount of fuel and product that's
9 available in the... in the harbor today compared to
10 six years ago think you can draw a direct analogy
11 to the city stepping up in... in creating the... the B2
12 requirement back then is to creating the supplies
13 that you see. This is I think when you look at 642,
14 another good step to ensure that... that those soft
15 market barriers continue to erode and that we do
16 reach a place where our product is as ubiquitous as
17 petroleum based diesel fuel.

18 CHAIRPERSON CONSTANTINIDES: Alright.

19 Turn it back over to Council Member Rosenthal and
20 I'll come back for a final two questions.

21 COUNCIL MEMBER ROSENTHAL: Great. Thank
22 you so much. It's very helpful to read your
23 testimony. And what I would appreciate you're doing
24 is helping me answer some of the issues that were
25 raised in the API testimony. If I miss anything,

1
2 please feel free to... to help me understand them. I
3 mean there are a couple of statements that sound
4 scary according to the New York Times editorial
5 board... editorial board palm oil's advantages as a
6 cleaner fuel are clearly outweighed by the
7 deforestation it causes. I mean I guess in one
8 question I have is if we were switching New York
9 City school bus oil over to B5 would we be getting
10 the bio part from Indonesia or the palm oil
11 wherever palm oil is produced or could we source
12 the bio portion from restaurant cooking oil waste.
13 I mean realistically I'm wondering should we be
14 concerned about the assertion that we're ultimately
15 causing deforestation.

16 SCOTT HENDRICK: Well it would be
17 interesting to see where those... those figures came
18 from. So first of all I think if you're asking if
19 you're getting palm biodiesel it's very unlikely
20 under the federal renewable fuel standard program
21 there is obligated parties that are required to
22 blend a certain amount of biodiesel, renewable
23 diesel. With that are what are called RIN values,
24 renewable identification numbers. So this is sort
25 of the compliance number that comes along with each

1 gallon. They have to buy a certain number of those.
2 Well those have a value typically ranging from 75
3 cents to over a dollar. So Palm does not qualify
4 for that particular program. So for... for palm to
5 come it would have to compete without that
6 essentially dollar that... that is a federal program.
7 So it would... for that reason we see very little
8 palm. There is... there has been some but it's less
9 than one percent of the... the entire biodiesel pool.
10 So I... I would like to see where those values came
11 from. I'm not aware of an information source that
12 specifically tracks that to that level but that
13 would be interesting to me to see.

14
15 COUNCIL MEMBER ROSENTHAL: Okay that's
16 helpful... Oh...

17 SCOTT HENDRICK: If I could just
18 interject. So... so you'll understand Halloween's
19 around the corner. And... and it's fun to point to
20 boogeymen everywhere. But... but the reality is this.
21 Indonesia is over here. New York City is over here.
22 So while we do see some imports of Malaysian and
23 Indonesian biodiesel. It's on the west coast.
24 Another thing that... that is important to... to
25 understand is that the... the cold flow properties of

1 biodiesel that comes from palm oil are... are
2 different than the cold flow properties of any of
3 the biodiesel that would be produced in the United
4 States. And you have a... a... a fuel that works
5 wonderful in tropical climates and less so in
6 temperate climates due to early gelling. So when
7 you look at New York City and you look at... at you
8 know we run the... the... the gambit from what mid-90s,
9 upper-90s for a month or so in the summer time down
10 to the 20s or 30s it's not an appropriate fuel
11 either for on road use or really home heating oil
12 applications. And I think if you were to talk to
13 the home heating oil and petroleum marketer
14 associations within the city and the... the tristate
15 area they would tell you that if not all, nearly
16 all of their members expect biodiesel that has
17 different requirements that... that palm based would
18 not meet and therefore not be something they would
19 contract for. So the... the practical...

21 COUNCIL MEMBER ROSENTHAL: Okay.

22 SCOTT HENDRICK: ...the practical reality
23 of that fuel making it here is statistically zero.

24 COUNCIL MEMBER ROSENTHAL: So helpful.

25 And that speaks to the second... one of the other

1 points they brought up which is that given our
2 weather that they had said biodiesel storage tanks
3 need to be heated or insulated particularly in
4 colder climates. And so are you saying that the
5 biodiesel that we're using does not contain those
6 properties?
7

8 SCOTT HENDRICK: So... so the interesting
9 fact there is that diesel fuel often times in
10 colder climates is in heated tanks as well. So...

11 COUNCIL MEMBER ROSENTHAL: Well...

12 SCOTT HENDRICK: ...diesel fuel... petroleum
13 based diesel fuel, untreated petroleum diesel fuel
14 has the same capability to gel at freezing as does
15 biodiesel. What I was saying previously is that
16 palm based biodiesel would begin to gel at... at
17 about 50 degrees. So that's... that's very different
18 than the biodiesel that would be available today in
19 the United States which would begin to gel anywhere
20 from eight degrees, 10 degrees above Celsius down
21 to minus two degrees Celsius.

22 COUNCIL MEMBER ROSENTHAL: Okay. Okay.

23 SCOTT HENDRICK: So in terms of
24 comparables you know the... the fuel that you get
25 today is very comparable to... that the bodies you

1
2 can say is very comparable to... that the... you can
3 say is very comparable to the... the diesel fuel
4 that's out there today. The other thing we're
5 talking about is... is blended fuel again. We're
6 talking about a five percent blend in the diesel
7 fuel that five percent biodiesel is not going to
8 cause that diet... that... that diesel fuel to gel
9 prematurely. And if... if anyone says... I don't know
10 I'll... I'll point you to the state of Minnesota
11 which... which has a colder climate than the city of
12 New York that's had a biodiesel mandate in place
13 for a number of years and has run B5 summer through
14 winter in every drop of fuel that sold in the
15 state... so fuel that goes in the busses, fuel that
16 goes into municipal vehicles, fuel that goes into
17 private diesel vehicles traversing the interstates.
18 And they have a... a... a cold weather hotline. And
19 you'll see that the calls that have come in the
20 last three to five years have been anything but on...
21 on complaints with respect to cold gelling. It's
22 been a... fuel problem. They've done the
23 investigation. There is microbial contamination in
24 the tank, something which by the way EPA's own
25 studies have shown comes from the reduction of

sulfur and predates the introduction of biodiesel...

[cross-talk]

COUNCIL MEMBER ROSENTHAL: ...interesting.

SCOTT HENDRICK: So it... it shouldn't be an issue.

COUNCIL MEMBER ROSENTHAL: And then...

Okay and then similarly... this is the last question the... the testimony states significant increases in soybean oil for biodiesel puts pressure on available land for other food and feed production etcetera.

HEDRICK: So as a Midwesterner I'll use a Midwestern term to respond. That's crap.

COUNCIL MEMBER ROSENTHAL: So I too am from the Midwest and I think the appropriate count... the appropriate comment is horse hockey.

HEDRICK: Horse hockey. But the... there was a concern six or seven years ago that increasing biodiesel would cause a shift in... in land use change is something called indirect land use that we would see more rain forests torn up in Brazil. We would see more ground in the US put to fuel use versus food. The data has not born that out, not born that out. The... the other thing is

1 that the... the... that comment is... is a remarkable... it
2 shows a remarkable lack of understanding of what
3 biodiesel is, where it comes from and... and the feed
4 stocks used to produce it. We don't eat soybean oil
5 as a food source. Now we... we use it as a... as a
6 cooking source but we don't ingest it primarily.
7 In... in fact we grow soybeans in the United States
8 for livestock feed right. We crush... we grow the
9 bean and we crush the bean. That... that's... in fact
10 that's... it's that business model that my company
11 REG came from. We came... we grew out of a... a... a
12 farmer's cooperative in Western Iowa that had their
13 own soybean crushing plant that was losing money.
14 They were making terrific money on the soybean meal
15 going into livestock losing money on the oil. We
16 are drowning in soybean oil in this country. When
17 you go to the grocery store and you buy vegetable
18 oil on the shelf it's about one percent of the
19 global stock of oil that's available. To claim
20 that... that growing soybeans is... is causing us to
21 somehow not meet the needs of our most vulnerable
22 population and their nutrition and dietary needs
23 is... is ludicrous. And it... it... it's a complete lack
24 of understanding of... food is... is grown,
25

1 distributed, and... and used not only in the United
2 States but globally. And it's... it's disappointing
3 frankly.
4

5 SCOTT HENDRICK: Can I... can I add... may I
6 add something real briefly. We have for many years
7 had an... a surplus of... of vegetable oil worldwide.
8 And so it was really dragging the prices of
9 comrades down to the point where they couldn't
10 afford to grow soybeans for protein meal because
11 there was literally nothing to do with... with the
12 oil. So we had a... a government program called the
13 food for peace program where they would collect all
14 this excess oil... millions, hundreds of millions of
15 gallons a year. And they would send it to Africa.
16 Well when we joined the WTO they said we can't do
17 that anymore. And so there was this huge glut. I
18 mean it was literally filling up every bin in the
19 countryside. And so that was one of the reasons
20 that we started biodiesel is we needed something to
21 do with this excess oil. Because the W... wouldn't
22 allow us to give it away any... anymore. And so that...
23 that's where biodiesel came from. And it's been
24 further exacerbated because you've essentially
25 found out that soybean oil when... that goes through

1
2 a transverification process for baking is
3 unhealthy. I mean it's... it's going to be illegal
4 soon in the United States. So that's made available
5 several hundred million gallons of additional
6 product. So biodiesel program is really just using
7 product that... that can't be used for anything else
8 [cross-talk] for US law to...

9 HENDERICK: My colleague said transgen...
10 that's the process we use at bodies... manufacture...
11 talking about trans fats. And the FDA has... has
12 first required labeling a trans-fat since outlaw
13 trans-fat and... and is probably according to
14 industry sources moving the step to... to take away
15 the certification for safe... for partially
16 hydrogenated oils and that's where soybean oil was...
17 was... was... we used it for frying. We partially
18 hydrogenated it, used it for baking. And you... you
19 take that away because of the health concerns of
20 trans fat and we've got even more oil on the
21 marketplace.

22 CHAIRPERSON CONSTANTINIDES: Thank you
23 Council Member Rosenthal. Last question. So since
24 city... New York City Council implemented and Mayor
25 Bloomberg signed into law the B2 fuel standard for

1
2 New York City. We've seen a quality benefit of the
3 equivalent of taking 17,000 cars to the mayor's
4 assertion today through their B5 for city owned
5 buildings an additional 12,000. That's my reading
6 of their testimony. Have we seen... has biodiesel
7 caused a significant increase in... sort of going
8 back to the API comments. Have you caused the
9 significant increase in cost to New York City
10 consumers?

11 HEDRICK: Well no... no I mean in... in fact
12 so the city had wholesale data showing the
13 biodiesel been on average of 22 cents cheaper
14 during almost the exact precise time period of... of
15 the... the requirement, the change in the fuel
16 standard. And then if you look at retail pricing
17 from NYSERTA the heating oil in New York City
18 versus Long Island has been a half cent cheaper
19 over the time period of the requirement. So in fact
20 prices have not only gone down but they've gone
21 down in New York City relative to surrounding
22 counties.

23 SCOTT HENDRICK: I'm going to answer the
24 question a little bit differently. So I'm... I'm
25 pleased the city council was... was able to put that

1 requirement in place, that we seen supply come in
2 to be price competitive. But... but what if it
3 weren't? What if it were two cents more? What if it
4 was a nickel more? What if it was 10 cents more a
5 gallon? How do you weigh that against the lives
6 that would be lost by using a dirtier fuel? The
7 city's own data has shown reductions in asthma
8 cases and lives saved. So who... who do you go to and
9 say sorry your grandfather's going to die now
10 because... because we don't want as a society to bear
11 10 cents more per fuel for a cost. I think when we
12 talk about price competitiveness it's important. But I
13 think if we look at that as the only goal line in
14 site we are missing the force for the trees. We are
15 doing the citizens of New York City a disservice
16 and... and we are forgetting what it means to be
17 human beings and forgetting what it means to be in
18 a... in a... in a global environment whether you want
19 to measure that global environment by the five
20 boroughs, the state of New York the... the United
21 States or the globe that we sit on. And... and to me
22 I think that's the... the broader thing that we
23 should be focusing on.
24

2 CHAIRPERSON CONSTANTINIDES: No believe
3 me it's something that this committee is... is
4 focused on. And I'll... I'll go back to that line of
5 nebulizers that are waiting for the children this
6 winter in doctors' offices, not only my son's
7 doctors' office but every doctors' office
8 throughout New York City. Those... those nebulizers
9 are waiting for those children... asthma
10 significantly... cases are going down but we... it's
11 still not where we need to be yet. Still number one
12 reason a child is hospitalized below 14 was asthma.
13 And those... those are real numbers. Those are
14 sobering numbers. And those kids... school... my
15 district I think it's 10 to 30 days a year. So how
16 can they learn if they're behind. Last question I
17 have is... is... are your boutique fuels... have you had
18 trouble delivering... has anyone... have we not been
19 able to meet the by... the... the B2 fuel standard
20 because of a lack of supply here in New York City?

21 HENDERICK: I... I'm not aware of any
22 issues. I'm sure the New York Oil Heating
23 Association would... would have some answers but... but
24 I know and I... and Keith Kerman mentioned the cities
25

1
2 have no issues either in... at requiring fuel or
3 operationally.

4 CHAIRPERSON CONSTANTINIDES: So do you
5 believe that the... if there was a... as the bills lays
6 out if... and we were able to do B5 in those school
7 busses that contract with the city of New York and
8 B5 for home heating oil, an increase by five
9 percent every year to 2030 that there would be a
10 sufficient... with the right standards in place if
11 we... if did certain waiver requirements as maybe the
12 administration has talked about. Maybe we don't do
13 that. But would you be able to deliver on that?

14 HEDRICK: Oh... oh of course. I mean
15 you're talking about at most what 40 50 million
16 gallons and there's 1.8 billion gallons produced in
17 the United States. And there's a... a plant going in
18 across you know in the... in Brooklyn that's 50
19 million gallons on its own. So the one plant here
20 in the metro area could supply the whole thing.

21 CHAIRPERSON CONSTANTINIDES: Alright I
22 appreciate your testimony. Thank you very much. Dan
23 Gianfalla from United Metro Energy Corp, Brent
24 Baker Tristate Biodiesel, and Rocko Lasatossa
25 [sp?]?... as name like Constantinides I need to... I

1 wanted to get peoples' names right... from the New
2 York Oil Heating Association. Samara please swear
3 the witnesses in.
4

5 COMMITTEE COUNSEL SWANSON: Hi, can you
6 please raise your right hands. Do you swear affirm
7 to tell the truth, the whole truth, and nothing but
8 the truth today?

9 CHAIRPERSON CONSTANTINIDES: Right Mr.
10 Lasatossa would you like to begin?

11 [off mic comments]

12 LASATOSSA: ...as proven to be among our
13 city's more effective tools to reduce carbon
14 emissions, improve air quality, and reduce
15 dependence on foreign oil. NYOHA and its members
16 enthusiastically supported the B2 heating oil
17 standard put in place in 2012 and has been at the
18 industry forefront of distributing and promoting
19 bio heat. And NYOHA has supported state measures to
20 require ultralow sulfur heating oil and city
21 measures to eliminate number six heating oil as
22 well as phase out significantly reduce the sulfur
23 levels of number four heating oil. Today we are
24 proud to say that three years after the B2 fuel
25 standard was implemented bio heat has been a great

1 success. Heating oil in New York City is already by
2 far the cleanest heating oil sold anywhere in the
3 united states significantly contributing to the
4 city's 80 by 50 emissions reductions plans. In
5 addition to improving air quality and encouraging
6 energy independents bio heat is enhance green job
7 creation and support the local family owned
8 businesses and labor. Building owners have found
9 that it is not only safe and seamless but actually
10 improves fuel efficiency, helps clean and preserve
11 building equipment and reduces the need for
12 periodic heating system maintenance. In addition,
13 biodiesel is widely available and currently cost
14 the same or less than traditional heating oil
15 making it a long term cost efficient option. Our
16 experience has shown that B5 is working very well
17 in building equipment. However, we feel that it's
18 important to more thoroughly analyze the
19 implementation of higher biofuel blends. Heating
20 oil infrastructure in buildings varies by type and
21 age and we would want to ensure that compatibility
22 with higher blends could work in a seamless
23 fashion. This takes time and resources. For this
24 reason, we feel that Intro 642 would be best
25

1 amended to require a B5 fuel standard starting in
2 2016 and then study the feasibility of going as
3 high as B... B20 in the near future. Our goal is to
4 continue to increase the blends as the collective
5 group of stakeholders deemed as safe and reliable.
6 NYOHA's goal is to be a B20 biodiesel. And we wish
7 to work with the council on eventually reaching
8 that goal and... and sensible and well monitored
9 steps so as to ensure a smooth transition to this
10 powerful fuel. We at NYOHA feel that there is more
11 that we can do to make biodiesel into a standard
12 everyday part of New Yorkers likes through clean
13 transportation. And that is why we are also
14 supportive of Intro 880 which seeks to set a fuel
15 standard of B5 ultralow sulfur diesel for all city
16 owned operated or contracted school busses.
17 Currently the vast majority of school busses are
18 powered by heavy duty diesel engines and consume
19 conventional diesel fuel. Numerous school districts
20 across the country have realized the health and
21 environmental benefits of biodiesel blends and made
22 the switch. I would like to conclude by saying that
23 this is an exciting time for the heating oil and
24 biodiesel industry which like many industries is
25

2 seeing the benefits of new developments and
3 investments that will create a more sustainable
4 cleaner fuel. Thank you for your time today.

5 DANIEL GIANFALLA: Good afternoon Mr.
6 Chairman and members of the Environmental
7 Protection Committee. My name is Daniel Gianfalla.
8 I am president and Chief Operating Officer of the
9 United Metro Energy Corp. UMEC... supplies and
10 delivers ultralow sulfur diesel, biodiesel, bio
11 heat, heating oil, and gasoline and natural gas
12 throughout the New York metropolitan area. From
13 terminals in Green Point Brooklyn, Riverhead Long
14 Island, and Carlton Long Island. UMEC is owned by
15 John Catsimatidis who also owns United Refining
16 Company, a major oil refiner in Pennsylvania that
17 contributes to US energy independence through
18 domestic oil production. Thank you for the
19 opportunity to testify today. UMEC has been a vocal
20 advocate for New York City's bio heat requirements.
21 And as actively supported legislation to phase out
22 numbers four and six heating oil. Over the past
23 decade UMEC is proud to have partnered with the New
24 York City Council and the mayor's office most
25 recently supporting the 80 percent reduction in

1
2 greenhouse gasses by 2050. Today we
3 enthusiastically support Intro 642 and 880. We
4 believe both these bills will help reduce harmful
5 carbon emissions and help to keep our city secure,
6 environmentally competitive and vibrant. Intro 642
7 builds on the record of success that New York City
8 has established with the pioneering B2 fuel
9 standard where heating oil and residential and
10 commercial buildings. Since the law went into
11 effect the city has replaced more than 80 million
12 gallons of petroleum with renewable domestic
13 biodiesel. And in that time the price of heating
14 oil in New York harbor actually decreased while the
15 air quality has improved. Buildings produce over 75
16 percent of our emissions. And intro 880 will help
17 continue to reduce those emissions. In fact,
18 increasing our biofuel use to a five percent blend
19 in home heating oil would be equivalent to taking
20 45,000 cars off the road. Consumers clearly win
21 here. Over the past three years of a B2 biodiesel
22 requirement in New York City. On average biodiesel
23 has been less expensive than traditional heating
24 oil in 30 of 37 months by almost 23 cents per
25 gallon. And the fact that bio heat requires no

1 change in equipment is also a big advantage to
2 consumers. United metro energy is a believer in
3 what biodiesel has to offer the city of New York.
4 We are in the final phases of building a biodiesel
5 processing plant right here in Brooklyn creating
6 good local jobs and promoting energy independence.
7 Designed to produce 50 million gallons per year of
8 biodiesel. UMEC's processing facility will allow
9 for the offset of 365,000 tons of carbon or 730
10 million pounds annually. Moreover, a high
11 percentage of biodiesel used for heating oil in New
12 York City comes from recycled restaurant grease
13 which would otherwise clog up our city's sewer
14 systems. The same advantages that apply to using
15 biofuels and buildings applies to vehicles. We
16 support the goals of intro 880 to require all New
17 York City school busses, roughly 95 hundred
18 vehicles to use fuel that is a minimum of five
19 percent biodiesel. This is the logical next step
20 for New York City because the city has already
21 successfully been using a variety of bio... biodiesel
22 blends in the city's fleet and most recently city
23 owned marine craft like the Staten Island ferry.
24 United Metro Energy has a great deal of experience
25

1 with its own fleet in this regard. Currently all of
2 our United Metro trucks are fueled with bio max
3 which is our enhanced custom blended biodiesel.
4 Exhaust emissions from petroleum diesel fuel and
5 hailed on a consistent basis has been linked to
6 asthma and other respiratory conditions. We have an
7 opportunity with this bill to reduce these
8 pollutants and improve the quality of life for New
9 Yorkers. We applaud the council members
10 Constantinides and Rosenthal... Rosenthal and thank
11 this committee for your efforts. And... and
12 introducing legislation that promotes clean green
13 biofuels as well as sensible clean air policies.
14 Thank you for your time today.

16 CHAIRPERSON CONSTANTINIDES: Mr. Baker.

17 BRENT BAKER: Alright Costa thank you.

18 And good to see so many friendly faces as I've been
19 involved in testifying here for over ten years
20 about biodiesel issues as is thinking back to my
21 first time testifying which was talking about
22 whether biodiesel should be in the books for New
23 York City as an alternative fuel. And so I'm really
24 excited we've come a long way. And these bills have
25 gathered strength. And I think that New York City

1
2 is going in a great direction. I'm the CEO of
3 Tristate Biodiesel or New York City's first and
4 leading cooking oil recycler that markets
5 biodiesel. And we're now manufacturing biodiesel as
6 well. We've been in the business here for over ten
7 years in the city recycling cooking oil and
8 providing biodiesel fuel. We provide biodiesel fuel
9 blended to trucking fleets. We also provide blended
10 and pure biodiesel heating oil including selling
11 now B99 or pure biodiesel heating oil to over 1,000
12 multifamily buildings in the city. And we've been
13 doing this for several years. So a couple of things
14 that I wanted to add... I understand as a lifeline
15 environmentalist that biodiesel is a superior fuel
16 for health reasons, for environmental reasons and
17 for energy security. So I'm not going to go over
18 all those deals. I did want to talk a little bit
19 about the school bus bill and the availability of
20 fuel for school busses. There's a couple of things
21 that I didn't hear today that I think need to be
22 said. One is that there's often biodiesel in all
23 the on road diesel fuel in New York City and around
24 the region. Now and thanks to the work of New York
25 City Council and... and the Environmental Committee

1
2 and... and the city administrations almost all... and I
3 think all of the terminals in New York City now
4 have the ability to blend biodiesel. They all have
5 biodiesel in their tanks and they blend it into
6 heating oil every day. And many of them, especially
7 when the economics are correct to do so, will blend
8 in up to a certain percent into the diesel fuel.
9 Now the reason they do this is because biodiesel is
10 typically sold cheaper than diesel fuel. And this
11 has been consistent in the industry. I buy and sell
12 it every day so I... I can tell you that. So in terms
13 of mandating you know five percent biodiesel to the
14 school busses. You know it's available. The
15 infrastructure is there. These gas stations are
16 selling diesel fuel with diesel in it every day.
17 They just need to order it. I mean it... it's really
18 that simple. The gas stations need to order it. And
19 if I was in the city council I would just tell the
20 gas stations it's five percent and then just solve
21 the problem and you'll get the added bonus of all
22 your other deliver trucks and all your other diesel
23 trucks in the city to do five percent they won't
24 have to change any infrastructure because the
25 diesel spec now approves a five percent blend. So

1
2 why not just go five percent citywide? The same way
3 we did with the bio heat. And we see that that
4 hasn't caused any problems. So we're... we're serving
5 100 percent biodiesel. So I don't see that as a
6 problem. And the other thing is you know if
7 operators have city contracts they covet those
8 contracts. You tell them they need five percent
9 they will find it. You know we... we have ample
10 supply. We... yeah we're... we're making millions of
11 gallons of biodiesel every year from used cooking
12 oil that we collect here in the city. And we are
13 just as we speak putting the finishing touches on
14 the 13 million gallon per year biodiesel facility
15 just 40 miles outside of the city that will re..
16 that will make all recycle... cooking oil biodiesel.
17 So we'll have 13 million gallons or so of recycled
18 cooking oil biodiesel available very close and
19 ready to serve to all these terminals that already
20 have blending capabilities. So I don't think we
21 should be scared or shy to push this forward. And
22 in fact I hope that five percent will just be a
23 baby step towards much bigger mandates in the
24 future.

2 CHAIRPERSON CONSTANTINIDES: Thank you.

3 So just a few quick questions. How much local waste
4 grease goes into producing biodiesel? And how much
5 biodiesel produced from using this local grease
6 waste?

7 BRENT BAKER: Well in my experience in
8 terms of waste cooking oil I believe that they're
9 somewhere in the neighborhood of 20 million gallons
10 in New York City metro area of used cooking oil.
11 We're not collecting all of it but we're only one
12 of about... there... there's 30 different recycled
13 cooking oil companies now which I'm proud of
14 because there was only one when I started. But I
15 believe there's about 20 million gallons of waste
16 cooking oil that can be put into biodiesel right
17 here in the metro and a lot more around the
18 surrounding regions. And I believe that most or all
19 of it is going to biodiesel production now. The
20 biodiesel producers you know my experience being in
21 the market every day, selling cooking oil every day
22 is that the biodiesel producers are the best buyers
23 in this area. We don't have big feed operations in
24 this area. So if you've got local cooking oil

1
2 you're going to sell it to the biodiesel producers
3 and you're going to make it... biodiesel.

4 CHAIRPERSON CONSTANTINIDES: And what...
5 what factors do you think are going to affect
6 biodiesel price in the next couple of years. Gotta
7 use the mic, I'm sorry.

8 DANIEL GIANFALLA: I think availability
9 of supply I think is... it's one thing obviously that
10 would affect prices.

11 CHAIRPERSON CONSTANTINIDES: Okay. But
12 do you think we're going to be able to do as... as
13 we've laid out here at least do our B5 as both
14 these bills speak to.

15 DANIEL GIANFALLA: I have no doubt that
16 will be... [cross-talk]

17 CHAIRPERSON CONSTANTINIDES: No doubt
18 but this... [cross-talk] is not a boutique fuel. This
19 is not...

20 DANIEL GIANFALLA: No.

21 CHAIRPERSON CONSTANTINIDES: This is
22 something that somehow we're mandating to... we're
23 going to drive cost through the roof and our... our
24 New Yorkers who rely on home heating oil won't be
25

1
2 able to get their home heating oil because it'll be
3 too expensive. That... that's not going to happen...

4 DANIEL GIANFALLA: It'll be cheaper.

5 CHAIRPERSON CONSTANTINIDES: Right. You
6 know as we... [cross-talk] as we complete our
7 biodiesel plan in Brooklyn which I mention we're
8 going to be producing 50 million gallons of
9 biodiesel. So that's going to stabilize prices if
10 not bring the price down. So... and that'll be a... you
11 know... to phasing in additional bio plans up to B20.
12 You know we sell B20 now at our facility to a
13 number of customers throughout the year. So we've
14 seen it. It's successful and you know as I said
15 the... the supply will be there. Absolutely. And how
16 many jobs is that going to create. The... the plant
17 that...

18 DANIEL GIANFALLA: We're looking at
19 least the... you know a dozen to... dozen high paying
20 technical jobs. We're adding folks right now as we
21 complete the plan. So you know right in the city
22 here.

23 CHAIRPERSON CONSTANTINIDES: Does the
24 use of biodiesel in New York City create or sustain
25 any local jobs?

2 BRENT BAKER: Yes, absolutely. [cross-
3 talk] yeah.

4 DANIEL GIANFALLA: We've... we've... we have
5 35 people now working for us. We're going to add
6 another 15 or so when we finish this plant shortly.
7 And you know these are all... these are all jobs that
8 pay well but you know you don't really need a high
9 level degree for... So I... it's really kind of the
10 industrial jobs that I think you know the middle
11 class New Yorker misses out on right now in the
12 high tech world. It's not like the high tech are
13 serviced. And so these middle sort of industrial
14 jobs I think are really important. And it's like...
15 it's... it's an important part of the biodiesel story
16 actually here and nationally that were keeping
17 these sort of middle industrial jobs.

18 CHAIRPERSON CONSTANTINIDES: Great. And
19 I appreciate your testimony. Thank you very much.

20 BRENT BAKER: Thank you.

21 CHAIRPERSON CONSTANTINIDES: Thank you
22 for your time.

23 DANIEL GIANFALLA: Your welcome.

24 CHAIRPERSON CONSTANTINIDES: I want to
25 close this hearing. You know this... we... so that... we

1
2 have comments and support by Michael Risner [sp?]
3 and Emily Fennel [sp?] and Doctor Lisa DiCaprio
4 [sp?] from NYU as well I want to make sure we thank
5 all that testified today. I want to thank the
6 committee staff who did an amazing job; Samara
7 Swanson, Bill Murray, John Aswell from... who's part
8 of our committee but also part of finance. I want
9 to thank my own legislative director Nick Widzowski
10 for his work. And this is something that I look... I
11 want to thank the mayor's office as well. But you
12 know they... their commitment to green this city and
13 making sure that we are meeting that mandate of
14 reducing our emissions by 80 percent by 2050 is
15 something we take seriously. I'm looking forward to
16 continuing to partner with them to get both these
17 bills done because the... as their testimony puts
18 out... not my numbers, their numbers. 17,700... [cross-
19 talk] it's the equivalent of taking 17,700 cars so
20 far. To be five its additional equivalent of taking
21 another 12,000 cars off the road. That's just where
22 we are now. We can double that by doing these two
23 bills. We can go even further... we go to... to B... B10
24 and B20. We are not going to miss... I've said this
25 already today but we are not going to miss an

1
2 opportunity to not use an arrow in our quiver
3 whether it's biodiesel, that's geothermal, solar,
4 wind... We're going to continue to strive to find
5 every opportunity to reduce emissions in the city
6 of New York. And no junk science and no nonsense is
7 going to stand in the way of making sure that our
8 streets are... our air is more breathable, our air
9 is... is... is cleaner. And our children and our most
10 vulnerable, our seniors will be able to breathe
11 cleaner air than they are today. So that is the
12 work that we will continue to do. And I'm proud to
13 be doing that with this committee and this staff
14 and this mayor's office. Thank you very much. This
15 committee hearing is now closed.

16 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date October 30, 2015