

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ENVIRONMENTAL PROTECTION

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July 28, 2010  
Start: 3:11pm  
Recess: 3:34pm

HELD AT: 250 Broadway  
Hearing Room, 16<sup>th</sup> Floor

B E F O R E:  
James F. Gennaro  
Chairperson

COUNCIL MEMBERS:  
Elizabeth S. Crowley  
G. Oliver Koppell  
Brad S. Lander  
Stephen T. Levin  
Peter F. Vallone, Jr.

CHAIRPERSON GENNARO: Okay. I think we're ready to get going. Welcome to our vote today. Good afternoon. My name is Jim Gennaro, I'm Chairman of the Committee on Environmental Protection. Today we'll vote after long long last on Intro 194a, a bill that's been more than three years in the making, a local law that will provide for the use of cleaner heating fuels in New York City. Before I get started with my brief remarks, let's just recognize who's here, we have council member Koppell. I'd like to thank council member Koppell who chaired a hearing on this bill on May 28<sup>th</sup>, when I was not able to be here. And I greatly appreciate council member Koppell making a great contribution to getting this bill done.

COUNCIL MEMBER KOPPELL: I was happy to do it, Mr. Chairman, no thanks required. It focused my attention and allowed me to learn more than I might have otherwise.

CHAIRPERSON GENNARO: Okay. We also have council member Lander, council member Vallone and we'll be joined by other members before we're done with the vote. That's my hope. From the

1  
2 staff, we have Samara Swanston and I thank her for  
3 her work, policy analyst Siobhan Watson, sadly  
4 this is her last hearing with the committee. She  
5 will be moving on with the council so in a week or  
6 so she'll be I guess a graduate of the council and  
7 many people have gone on to do some really really  
8 great things and we know that Siobhan is going to  
9 be in that category so we wish her the best. This  
10 is all on the record. People could be reading  
11 this a hundred years from now about how much we  
12 loved having you here. And Laura Popa who is not  
13 here but certainly did a lot of work on this bill.  
14 Jeff—oh hi Laura, okay. Hi Laura, thank you for  
15 being here making sure I'm okay, I'm doing the  
16 right thing here. Jeff Harriman, it's been a  
17 pleasure to work with Jeff for twenty years and  
18 happy that he's here today. Zaed Sadone, from our  
19 Finance division, did a lot of research on this  
20 bill so I thank him. And my old step member Bill  
21 Murray. Many many late nights he put in in  
22 getting this done. Speaker Quinn, of course,  
23 people from the Bloomberg administration, the  
24 Office of Long Term Planning and Sustainability  
25 were really really super. And we always work very

1  
2 closely with them but particularly so with this  
3 bill I'm very happy to have worked with them in a  
4 very cooperative way and many people who were in  
5 the business, you know New York associations,  
6 people from the bio heat industry, people who were  
7 doing other kinds of fuels. Many people believed  
8 that this area holds a very great promise and  
9 they're all right. So, back to my brief  
10 statement.

11 The U.S. uses more oil everyday than  
12 any other nation in the world, consuming more than  
13 20 million barrels of oil every day. Of those  
14 barrels, 60% or more than 12 million barrels a day  
15 come from other parts of the world with more than  
16 700 barrels per day that comes from OPEC whom  
17 Peter Vallone doesn't get along very well with,  
18 [crosstalk] and the U.S. spends more than \$200,000  
19 per minute on foreign oil and with just a 3% of  
20 the world's reserve that's what we have, we don't  
21 to have a lot of choice with regard to where we  
22 get our oil so we have to use less of it.

23 In the Northeast, more than 40% of  
24 petroleum used is for heating and the prices go up  
25 each year. High oil prices have resulted in

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2 reduced economic growth since World War II and has  
3 cost us as much as \$5 billion per year. New York  
4 like other places face the dual challenge of  
5 achieving economic growth and making sure that we  
6 have environmental sustainability and having that  
7 sustainability has been linked with the use of  
8 renewable resources such as biofuels generally and  
9 biodiesel used for residential heating. The  
10 alternative for bringing strictly oil based fuels  
11 for heating without biofuels results in the  
12 emission of more particulate matter, more oxides  
13 of sulfur and nitrogen, what we call SoX or NoX  
14 rather and other toxic pollutants and other heat  
15 trapping gases such as carbon dioxide and other  
16 pollutants that can cause an array of health  
17 problems. Since it can be made right here in the  
18 U.S., the use of biodiesel can reduce the amount  
19 of petroleum imported and burned as heating oil.  
20 The use of biodiesel can help lessen some of the  
21 environmental harms that are usually associated  
22 with the consumption of purely petroleum based  
23 fuels.

24 Biofuels in general and biodiesel in  
25 particular may help to some degree our dependence

1  
2 on foreign oil and reduce particulate matter,  
3 nitrogen oxides, carbon dioxides and sulfur  
4 oxides.

5 The bill heard being voted on today  
6 will permit the use renewable fuels and reduce  
7 sulfur in number four heating oil that's normally  
8 used in larger buildings. Sulfur dioxide, SO<sub>2</sub>  
9 which converts into the atmosphere into sulfur  
10 particles results in a number of negative health  
11 problems and we can go on and on talking about all  
12 the problems that people have with breathing and  
13 so it's very important that we do this.

14 While biofuels themselves are no  
15 silver bullet to cure the energy shortage or  
16 foreign oil dependence, today's hearing or today's  
17 vote on proposed Intro 194 will examine specific  
18 legislative measures proposed today to reduce air  
19 pollution by use of the 2% biodiesel mandate which  
20 is in this bill and also to reduce sulfur in  
21 number four heating oil. And these measures are  
22 certainly going to help our environment. And when  
23 we think about the billion gallons of oil. There  
24 was something I said at a press conference and I  
25 ran some numbers.

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2                   So we burn about a billion gallons  
3 of heating oil in New York City and by the 2%  
4 mandate that would mean that at least 2% or 20  
5 million gallons is going to be displaced by  
6 burning biodiesel and so to get a sense of what 20  
7 million gallons of oil that is not going to be  
8 burned looks like, everyone knows City Hall Park.  
9 It's right across the street. There's Chambers  
10 Street on the north that has the tip of City Hall  
11 Park on the south and there's Park Row on the east  
12 and Broadway on the west. That park has 9 acres,  
13 if that were a tank. That tank, if it were to  
14 hold 20 million gallons of heating oil would be  
15 about 7 feet deep. That's like a lot of oil  
16 that's not going to be burned as a result of this  
17 bill and we look at how much cleaner number four  
18 oil is going to get by going from 3 thousand parts  
19 per billion of sulfur down to 1,500. This is  
20 really going to be a great day that I'm very  
21 grateful that we had the support of the Bloomberg  
22 administration and the federal government because  
23 we were working with them a long time to get them  
24 to do sustainability standards for biofuels  
25 because as well all in the past couple of years,

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2 that has been an issue that the federal government  
3 has come to terms with. And we're happy that they  
4 have and all of the sustainability line which has  
5 been in the bill so no need to worry a bit about  
6 any kind of those concerns.

7           And I'd be happy to entertain any  
8 other statements that any other council members  
9 may have at this time. If no one wishes to make a  
10 statement then we can proceed to a vote. First  
11 we're going to do the resolution, then we're going  
12 to do the bill itself. Would anybody have  
13 anything to see, either they could speak now or  
14 you know say something while they vote or whatever  
15 people would like to—would anyone like to make a  
16 statement now? Okay [off mic]. Oliver, if you  
17 could just speak right into mic.

18           COUNCIL MEMBER KOPPELL: Remind me  
19 again of the effect of the second part of the bill  
20 on number six and number four oil. Just so I  
21 understand it.

22           CHAIRPERSON GENNARO: Sure, sure.  
23 All grades of heating oil will have be blended  
24 with 2% biodiesel and number four will be reduced  
25 in sulfur content from 3,000 parts per million



1  
2 down to 1,500 parts per million and the bill also  
3 for number two oil codifies in city law what was  
4 done in this state in that number two oil which is  
5 currently 2,000 parts per million of sulfur will  
6 go down to 15 parts per million. That was an  
7 action taken by the state but we put it into our  
8 bill to make city law consistent with state law.

9 COUNCIL MEMBER KOPPELL: And what  
10 about number six? Is that banned all together?

11 CHAIRPERSON GENNARO: Our bill  
12 doesn't speak directly to the fate of number six  
13 oil. I was at the press conference the other day  
14 with the Mayor and with the subject of number four  
15 and number six came up. The Mayor made a  
16 statement at the time that the Bloomberg  
17 administration was going to be taking steps to do,  
18 in his words, everything that they could to  
19 ultimately transition buildings in this city away  
20 from number six and number four fuel. Have to see  
21 what the Bloomberg administration ultimately does  
22 with regard to rule making on the use of those  
23 fuels. And so but he seemed to indicate pretty  
24 clearly and it's no surprise to anyone who follows  
25 clean air issues and pollution issues that the

2 number six oil poses a real health problem for the  
3 city. This is something that the Mayor here in  
4 the Bloomberg, people recognize. I have a strong  
5 sense that they will be forthcoming action on the  
6 part of the Bloomberg administration and to deal  
7 with number six oil. That's my-

8 COUNCIL MEMBER KOPPELL: And why is  
9 it that we're not dealing with number six in this  
10 measure?

11 CHAIRPERSON GENNARO: Yeah. This is  
12 something that the administration believes it has  
13 power to do by rule and would prefer to you know  
14 work with stakeholders and do through the  
15 rulemaking process.

16 COUNCIL MEMBER KOPPELL: I just  
17 would say I'm going to vote for the measure today  
18 but do you want to say something Brad?

19 COUNCIL MEMBER LANDER: I think I  
20 can help with your-

21 COUNCIL MEMBER KOPPELL: Okay, fine.  
22 [off mic]

23 CHAIRPERSON GENNARO: I recognize  
24 council member Lander.

25 COUNCIL MEMBER LANDER: You know we

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2 asked the administration these questions at the  
3 hearing that you were unable to be here for and I  
4 think that it would helpful, I'd like to restate  
5 for the record what they told us although it's  
6 already on the record, because I do think that's  
7 an important part of what we're doing and why I'm  
8 enthusiastic about what we're doing today.

9           So first, the new low sulfur four, I  
10 think has been very carefully sort of figured out  
11 so that what it would require building owners when  
12 they need to convert from six to four to do, at  
13 most is replace a burner and not an entire burner.  
14 And I think this was very thoughtfully figured out  
15 so that those buildings won't have a substantial  
16 additional cost, so the costs won't be passed on  
17 to tenants through major capital improvements.  
18 And then in what the administration said in  
19 their testimony that in their boiler renewal cycle  
20 from 2012 to 2015, as people's boilers come up for  
21 renewal, they plan to promulgate rules that would  
22 require folks at that time, at the time of their  
23 normal boiler registration renewal, to shift away  
24 from six and to natural gas two or this new low  
25 sulfur four.

2 Now we might have passed that by law  
3 but I think by creating new low sulfur four  
4 category which is the one thing that had to be  
5 done by law, we are setting it up so that the 2012  
6 to 2015 three year boiler renewal cycle process  
7 will get rid of six and convert to the new low  
8 sulfur four in a way that the people can have time  
9 to plan for it, the industry can adjust to and  
10 where the costs are borne in a thoughtful-

11 CHAIRPERSON GENNARO: If I could,  
12 I'm certainly aware of what the administration has  
13 stated here on the record and some of the  
14 conversations that have with stakeholders until  
15 that actually happens these are things that are  
16 all still being talked about. When I started to  
17 do this bill my goal was to try to displace the  
18 burning of all grades of oil by doing the  
19 mandating of whatever number I could get in terms  
20 of now that I could get 2%, that was my primary  
21 thing that I wanted to do. And we worked with the  
22 administration to make for a much cleaner fuel  
23 than it currently is now and it is, I believe,  
24 part of the thought process that, as it will  
25 ultimately play out people will move from a very

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2 dirty six to a much cleaner four that we are  
3 putting in place by virtue of this bill. And so  
4 that's kind of all how it came to happen but we'll  
5 see what the administration ultimately does  
6 regarding the rulemaking that they do on six or on  
7 six and four.

8 COUNCIL MEMBER KOPPELL: Well, let  
9 me just say that I regret that we are not  
10 addressing the problem of six. I note in the memo  
11 in support of this bill. It states here that  
12 according to estimates, it says here almost 10,000  
13 buildings burn number four or number six.

14 According to estimates of the Environmental  
15 Defense Fund, these buildings represent  
16 approximately 1% of the total of New York City  
17 buildings but contribute 87% of all soot pollution  
18 due to heating systems in the city. I think it's  
19 a major omission not to deal with it. If the  
20 administration is saying that they are going to  
21 deal with it. That's fine but I think it is an  
22 omission not to deal with it in this legislation.

23 And I'm going to ask counsel to  
24 draft a bill which would phase out number six  
25 altogether within a period that I'm not willing to

1  
2 say now but I think it should happen and happen  
3 promptly. And I'm going to put that before the  
4 committee. That doesn't mean I'm not going to  
5 support what we have here.

6 CHAIRPERSON GENNARO: Right.

7 COUNCIL MEMBER KOPPELL: I think  
8 it's a step forward but I think we've got to go  
9 further.

10 CHAIRPERSON GENNARO: That is  
11 certainly duly noted. I will also state for the  
12 record that people who have been working on this  
13 the hardest, in the environmental community, and  
14 it was a lapse for me not to mention, The  
15 Environmental Defense Fund, Natural Resources  
16 Defense Council, and part of what I'm saying here  
17 is not to steal their thunder from the Bloomberg  
18 administration who I am quite confident and I'm  
19 just going to wrap up one minute because Peter  
20 Vallone has to go.

21 And so in deference to council  
22 member Vallone we are going to hold the vote now  
23 so that Peter can leave and I'm just going to  
24 finish my statement because Peter has an  
25 appointment that he has to make. He was on time,

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2 as a matter of fact, he was early. So I will  
3 finish my statement after the vote so I would, we  
4 are joined by council member Crowley and joined by  
5 council member Levin. So what I'll do is, do we  
6 have to hold the vote separately or do can we  
7 couple them? Okay, the first vote is on the  
8 environmental resolution and here we go. So we  
9 have a pre-considered resolution with regard to  
10 the determination on the environmental assessment  
11 that was made that finds that Intro 194a does not  
12 have any adverse environmental impacts and so we  
13 will vote on that first. And the Chair recommends  
14 a yes vote. So Billy if you can call the roll on  
15 the pre-considered resolution.

16 WILLIAM MARTIN: William Martin,  
17 committee clerk. Roll call on the pre-considered  
18 resolution. Council member Gennaro.

19 CHAIRPERSON GENNARO: Yes.

20 WILLIAM MARTIN: Koppell.

21 COUNCIL MEMBER KOPPELL: Yes.

22 WILLIAM MARTIN: Vallone.

23 COUNCIL MEMBER VALLONE: Yes.

24 WILLIAM MARTIN: Crowley.

25 COUNCIL MEMBER CROWLEY: Aye.

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WILLIAM MARTIN: Lander.

COUNCIL MEMBER LANDER: Yes.

WILLIAM MARTIN: Levin.

COUNCIL MEMBER LANDER: Yes.

WILLIAM MARTIN: By a vote of 6 in the affirmative, none in the negative and no abstentions, the pre-considered resolution is now adopted.

CHAIRPERSON GENNARO: Okay, thank you, Billy. And now we'll hold the vote on proposed Intro 194a. Once again, the Chair recommends a yes vote.

WILLIAM MARTIN: Gennaro.

CHAIRPERSON GENNARO: Yes.

WILLIAM MARTIN: Koppell.

COUNCIL MEMBER KOPPELL: Yes.

WILLIAM MARTIN: Vallone.

COUNCIL MEMBER VALLONE: Yes.

WILLIAM MARTIN: Crowley.

COUNCIL MEMBER CROWLEY: Aye.

WILLIAM MARTIN: Lander.

COUNCIL MEMBER LANDER: Yes, and I look forward to holding the administration to the timetable of rulemaking that they discussed with



us in the hearing.

WILLIAM MARTIN: Levin.

COUNCIL MEMBER LEVIN: Yes.

WILLIAM MARTIN: By a vote of 6 in the affirmative, zero in the negative and no abstentions. The proposed Intro 194-a is adopted. Members please sign the committee reports. Thank you.

CHAIRPERSON GENNARO: Okay and if I can keep some order as people are signing the committee reports. I just want to finish my statement. Council member Koppell, you should know that the staff of the council is working very closely with the administration as are the people from EDF and NRDC and you know we're all very confident of the Bloomberg administration's total commitment to doing what needs to be done with regard to number six fuel and it's sort of with that confidence that we're going forward and we certainly believe that they're going to take the appropriate action but you know and you're certainly right to be concerned about it. I believe it's a metaphysical certainty that they'll do the right thing on number six. This is my

1  
2 hunch and so I thank the Mayor for his great  
3 posture on six. It's not an easy thing to do.


4                   So there you have it. 194 has been  
5 passed out of committee. We'll see you all  
6 tomorrow and do we have all the members vote or do  
7 we have to hold the record open? [off mic] Okay  
8 with that said, this hearing is going to be  
9 adjourned in two seconds but I want to thank on  
10 the record Ms. Watson one more time for her great  
11 service to the committee. We are very much going  
12 to miss her and we wish her all success in all her  
13 endeavors. With that said, the hearing is now  
14 adjourned.

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C E R T I F I C A T E

I, Sung Bin Park-Boudreau, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

Date August 16, 2010