

Alert | Environmental



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New York Budget Amends the State’s Climate Leadership and Community Protection Act

As part of New York State’s 2026 Enacted Budget, the Legislature will pass several amendments to the New York State Climate Leadership and Community Protection Act (CLCPA) to align with system composition and development trajectories as evidenced in the 2025 New York State Energy Plan and various New York Independent System Operator, Inc. studies. Key amendments include:

- Augmenting the greenhouse gas (GHG) emission reduction targets by adding an interim target of 60% below 1990 levels by 2040;
- Changing the “accounting methodology” in the CLCPA to reflect emissions levels in New York;
- Extending the timeline for the Department of Environmental Conservation (DEC) to promulgate regulations to meet targets from 2024 to 2028;
- Consideration of potential parameters for a “cap and invest” program; and
- Increasing the goal for disadvantaged communities to receive 45% of benefits with a minimum of 40%.

Background on the CLCPA

Former Gov. Andrew Cuomo signed the CLCPA into law on July 18, 2019, and at the time of its passage, it was landmark legislation designed to combat climate change. The law established what the New York State Senate called “aggressive mandates” for GHG emission reduction targets measured in units of carbon dioxide equivalents, including a mandate to reduce emissions from 1990 levels by 40% by 2030 and 85% by 2050. It also set specific clean energy mandates for the State’s electricity sector. The CLCPA handed DEC the responsibility to promulgate regulations by 2024 to achieve the law’s GHG reduction goals.

In March 2025, four environmental and climate justice groups filed a lawsuit against New York after DEC failed to issue its regulations by the Jan. 1, 2024, deadline. In October 2025, a New York Supreme Court found that Gov. Kathy Hochul’s administration had failed to meet key deadlines under the CLCPA and ordered DEC to issue enforceable regulations to comply with the law’s emissions targets. The State appealed the decision, and oral argument is set for May 28, 2026.

Gov. Hochul’s administration previously hinted that it would propose changes to the CLCPA, mainly citing affordability concerns and obstacles presented by the federal government relating to offshore wind. In February, the New York State Energy Research and Development Authority shared a memo noting that full implementation of the mandated regulations needed to meet the CLCPA’s 2030 emission reduction target would drive up costs of households utilizing upstate oil and natural gas and could see New Yorkers experiencing “cost impacts in excess of \$4,100 annually.”

In March, Gov. Hochul documented her proposed changes to the CLCPA in an [Empire Report op-ed](#). Rather than rolling back the law’s core commitments, she presented the changes as adjustments to the implementation timeline and compliance framework in response to rising utility costs, unforeseeable inflation and interest rate levels, and their concomitant constraints in building out clean energy infrastructure. After several weeks of negotiations with the State Legislature, the final 2026 Enacted Budget includes several changes to the CLCPA that will impact the implementation of the State’s climate change programs going forward.

CLCPA Changes

The first major change adjusts the interim targets with a greater emphasis on longer-term milestones. The addition of an interim 2040 goal will give the State breathing room to meet its targets in line with program progress to date and efficiently and cost effectively develop renewable energy projects, expand transmission capacity, and implement additional programs to reduce emissions.

The second major change alters the emissions accounting methodology in three material ways. The State will now align its methodology with other jurisdictions and internationally accepted best practices for estimating GHG emissions by 1) using a 100-year global warming potential (GWP) metric instead of a 20-year standard; 2) excluding biogenic carbon dioxide; and 3) excluding out-of-state emissions from the production of fossil fuels, emissions that are already accounted for in the home State. Based on information previously produced by the State, eliminating the double-count of emissions through the last aspect of this revision will have an important impact on accurately reflecting the State’s emissions levels. Collectively, this revision will more accurately reflect progress achieved to date toward the State’s emission reduction goals. Gov. Hochul proposed a similar revision in 2023, citing cost concerns, but the State Legislature failed to enact changes given circumstances as they existed at that time.

Finally, the changes will move the deadline for issuance of regulations and will require DEC to promulgate emissions reduction regulations by 2028, thereby mooted the timing claims in the pending litigation. The law requires that DEC consider implementing a **cap-and-invest program** to limit GHG emissions and share revenue with New Yorkers to help cover utility bills, transportation costs, and decarbonization.

Practical Implications of Amending the CLCPA

ECL Section 75-0107 directs DEC to promulgate a regulation that establishes statewide GHG emission limits as specified percentages of estimated 1990 emissions, expressed in tons of carbon dioxide equivalents. DEC promulgated 6 NYCRR Part 496 on Dec. 30, 2020; this amendment will trigger an update to these regulations to reflect the changes to the goals and the accounting methodology.

The CLCPA amendments will have a ripple effect on several other DEC regulations, guidance, and policies and may impact other agency and authority programs. Namely, any reference to the CLCPA requiring emissions to be measured as GWP20 will change to GWP100, and any reliance on the emission reduction goals must be updated. For example, regulations such as Part 253, Mandatory Greenhouse Gas Reporting Program, Part 494, Hydrofluorocarbon Standards and Reporting, and Part 495, Sulfur Hexafluoride Standards and Reporting use GWP20 and rely on the previous goals. In addition to DEC regulations, several DEC policies and guidance documents such as **CP-49** and **DAR-21** that use GWP20 and refer to the previous goals for compliance will require revision. These changes may create a period of regulatory uncertainty. DEC may not have the ability to make all of these revisions simultaneously given that rulemaking efforts will take significant staff time and effort and will be subject to public comment periods before new regulations may be promulgated.

These amendments may also directly affect how the State implements Section 7(2) of the CLCPA. This section requires agencies to consider whether decisions are inconsistent with or will interfere with the attainment of statewide GHG emission limits established in the ECL when issuing permits and licenses or making other approvals and decisions. Additionally, it requires justification and identification of alternatives under circumstances where the limits cannot be met. Historically, DEC has used this provision to justify the denial of certain permits, specifically Title V air permits. The adoption of the revised accounting methodology may impact DEC action on various permit applications that were either previously denied based on a finding of inconsistency with CLCPA goals or are currently pending approval.

Conclusion

The amendments to the CLCPA represent a shift in New York's climate regulatory framework that may have far-reaching effects. The State has not abandoned its clean energy goals; the transition from GWP20 to GWP100 accounting methodology and the revision of statewide GHG emission limits will produce changes to existing DEC regulations, guidance documents, and policies that may affect the fate of permit applications for projects with GHG emissions impacts. Stakeholders with matters before the State should monitor how the agencies, particularly DEC and the State Siting Board, interpret revised limits and apply the CLCPA going forward because the amendments may alter the regulatory calculus that has more narrowly bounded the State's permitting decisions in recent years.

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