

## OBSTACLE

## SOLUTION

## RESULTS



### AEG NEW YORK 21Q3 SELECTED OBSTACLE

REGARDING GRID MODERNIZATION, TO ACHIEVE NEW YORK'S CARBON & EQUITY GOALS, THE MOST CRITICAL OBSTACLE TO OVERCOME IS ...

Aligning city and state goals with markets, industry & all stakeholders to expedite critical grid upgrades to enable beneficial electrification projects, such as Hunts Point.



”  
- DAVID SANDBANK  
VICE PRESIDENT - DISTRIBUTED  
ENERGY RESOURCES



### AEG NEW YORK 21Q3 SELECTED 12 MONTH SOLUTION

Deliver a report that quantifies how the Hunts Point energy usage profile impacts the health and environment of local community and why with a final set of recommendations for next steps.

- GROUP #1

#### PARTICIPATING TASK FORCE MEMBERS FROM:



# NEW YORK STATE OF THE STATE

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#### Transform Hunts Point into a Clean Distribution Hub

The Hunts Point Food Market in the Bronx is the largest food distribution center in the U.S., but it is also heavily polluted, with more than 15,000 diesel trucks<sup>136</sup> entering the facility every day. Governor Hochul will direct an inter-agency team led by NYISERDA and NYPA to develop solutions to transform Hunts Point Food Market into a Clean Distribution Hub that is quieter, cleaner, and healthier for the entire community.

This targeted initiative will address transportation, electrical infrastructure, and facility needs and upgrades; identify the biggest emitters of pollution; and work with key public and private industry stakeholders on strategies to expedite critical grid upgrades and operational improvements.

New York's communities should not have to choose between economic activity and clean air. The Hunts Point Clean Distribution Hub will provide an example showing how to have both.



A NEW ERA FOR NEW YORK





# Hunts Point Food Market



NEW YORK  
STATE OF  
OPPORTUNITY.

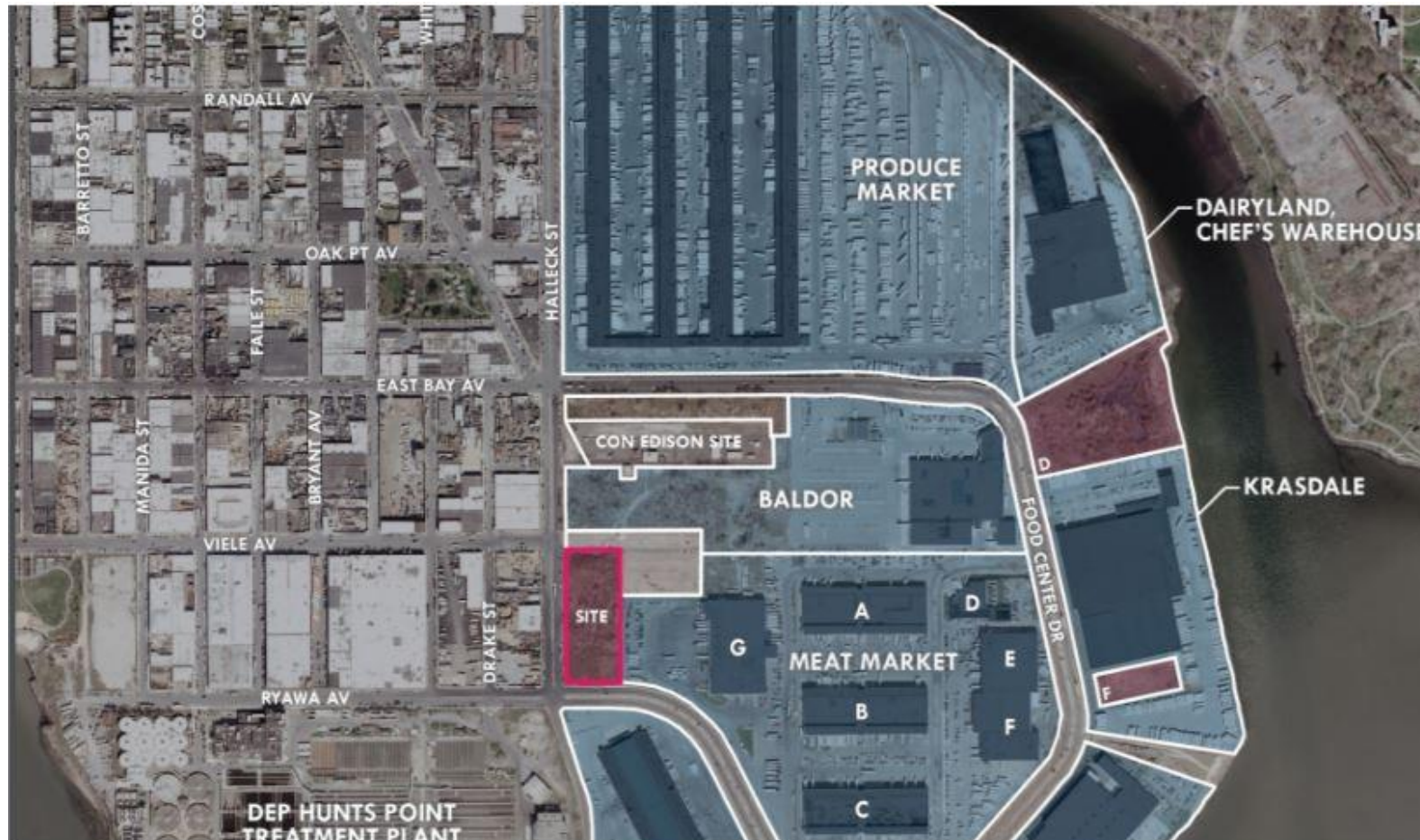
NYSERDA



# Hunts Point Food Market



**NYSERDA**



Located on 300 acres in the Hunts Point neighborhood of the Bronx, the market is the largest wholesale food distribution center of its kind in the world and is a critical component to New York City's food supply and economy.

The Hunt Point Food Market comprises three large wholesale markets

- Meat (35% market share),
- Produce (25% market share)
- Fish (45% market share)

# Hunts Point Food Market - By the Numbers

- The Hunts Point Cooperative Market provides 12% of all distributed food to 8.4 million NYC residents, over 60 million tourists and hundreds of thousands commuters.
- The Market serves New York City and the surrounding areas with **4.5 billion** pounds of food annually, houses ~150 vendors and employs **8,500 high-quality industrial jobs** with annual revenues of over \$2 billion



# Hunts Point Food Market – Complex Ownership Model

## **Complex ownership model**

- NYCEDC owns the land and leases it to Hunts Point Cooperative
- Hunts Point Cooperative owns the building structures
- Vendors own everything inside the buildings including the ConEd meters
- The Cooperative has a current lease with NYCEDC that expires May 31, 2031

Within the Hunts Point Coop there is fierce competition among vendors making it very difficult to get vendor-specific data and consensus on how to make overall improvements.



# Hunts Point Food Market – Transportation Refrigeration Units

Although the market has a total refrigerated space of approximately 700,000 square feet it is not enough to properly store the food that passes through the market.

In addition to the **15,000 diesel trucks** that come in and out of the market each day, the Produce Market utilizes **~1,600 parked onsite diesel Transportation Refrigeration Units (TRUs)** that idle 24/7. **TRU impact:**

- 20,000-30,000 gallons of diesel per day are consumed by idling TRUs (\$80-120K)
- Approximately 1.2M gallons of diesel consumed per month (\$4.8M)
- Approximately 14M gallons of diesel consumed per year (\$56.0M)

**Existing electrical infrastructure is insufficient to electrify trucks or power TRUs**

- Each TRU uses approximately 8 KW of electricity when plugged in
- Charging 1,600 TRUs simultaneously would require an additional **12-24 MW** of power

# Hunts Point Food Market –Community Health Impacts

Hunts Point has the **highest: levels of harmful air pollutant, fine particulate matter, pre-mature births, child asthma emergency visits, avoidable hospitalizations, high blood pressure & absence of health insurance**

- Approximately **12,000 residents** share zip code 10474 with the Hunts Point Produce Market. Most residents are people of color and **48% of them live below federal poverty level**. The Congressional District also has the **highest poverty rate in the United States**. the Hunt's Point neighborhood experiences **elevated annual average PM2.5 and NO2 levels** compared to the Bronx overall and NYC average
- Rates of air pollution related **asthma** ER visits and respiratory hospitalizations are **2-3x higher than the citywide average**

## TRU Impact

Based on 1,600 TRUs NYCDOH estimates that 86 tons per year of PM2.5 emissions at the Produce Market cause between 4-8 premature deaths per year due to conditions exacerbated by air pollution, 2 hospitalizations for respiratory illness, 2 nonfatal heart attacks and 12 emergency room visits for asthma.

The annual value of these health events range from \$38 to \$88 million dollars based on EPA's value of statistical life and cost of service.

# Hunts Point Food Market – Addressing the Issue

## Issue Statement

The Produce Market's needs have long outgrown the existing outdated building and electrical infrastructure. Not only **is it noncompliant with FDA standards**, but there is insufficient refrigeration space and electrical capacity to enable a cleaner, more efficient and cost-effective produce market.

## Where are we now?

NYCEDC issued a RFEI for a long-term ground lease opportunity to develop a brand-new market adjacent to the current one with the intention of demolishing the existing structure . The new development would provide the refrigeration needed and eliminate the need for TRUs. They awarded Lightstone the project but have yet to secure all the funding needed for a signed LOI in order to begin the process.

- To get a signed LOI, NYCEDC has requested funding commitments from NYC, State and Federal totaling \$375M (total project cost is \$650M)
- Project timeline once LOI is signed is ~5 years to complete phase 1 of 2 (half of produce market to move in) and 7-8 years for phase two.



# Hunts Point Food Market – Future Proofing

Currently, Lightstone has not issued a load letter to ConEdison and has stated it only needs 6MW of additional power, well short of the estimated power needed for Local Law 97 requirements and electrification of transportation and heating.

It is unclear to what extent the preliminary developments plans will integrate actions to help meet ambitious local and state climate and energy goals.

# What are the Benefits & Consequences of Action/Inaction?

## Benefits

- Improved air quality and health impacts for the local community
- Fleet operators can save on fuel and maintenance costs by improving fleet efficiency
- Solving this challenge at Hunts Point could serve as a model for electrifying other fleets and facilities in the rest of NYC and beyond
- Helps address State and City climate and equity goals

## Consequences

We need to have the ability and tools to address NYC health disparity: **“The ability to live a long and healthy life is not equally available to all New Yorkers”** - *New York City Department of Health and Mental Hygiene*

- Hunts Point has the **highest: levels of harmful air pollutant, fine particulate matter, pre-mature births, child asthma emergency visits, avoidable hospitalizations, high blood pressure & absence of health insurance**
- Medium household income is 60% less than citywide

# SOTS Goal – Transform Hunts Point into a Clean Distribution Hub

Governor Hochul shall direct an inter-agency team led by NYSERDA and NYPA to develop solutions to transform Hunts Point Food Market into a Clean Distribution Hub that is quieter, cleaner, and healthier for the entire community.

This targeted initiative will work with key public and private industry stakeholders on strategies to expedite critical grid upgrades and operational improvements.



# TASK FORCE UPDATE - 21Q3

## 12-MONTH SOLUTION:

Deliver a report that quantifies how the Hunts Point energy usage profile impacts the health and environment of local community and why with a final set of recommendations for next steps.

## CURRENT MILESTONE:

**M2: Engage community and stakeholders.**

## NEXT MILESTONE:

**M3: Conduct the assessment.**

## UPDATES:

- **Con Edison site assessment**
- **Application to be submitted by NYCEDC for federal MEGA funding to help pay for the new HP produce food market development.**
- **Task Force member organizations to sign letter of support to accompany application**
- **With the support letter we are helping NYCEDC accelerate the new produce development facility construction which will ultimately eliminate the TRUs**
- **Your health stats will be included in NYCEDC's application to get federal funding for the new development.**
- **We are seeking to put together a meeting of the minds (city, state, federal) so we can explain the health impacts and discuss solutions.**