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NEW YORK STATE OFFICE OF CANNABIS MANAGEMENT INTRODUCES NEW REPORTING TOOL TO SUPPORT STATE'S CLIMATE GOALS AND ENHANCE CANNABIS SUSTAINABILITY

New York State Leads Nation with Comprehensive Approach to Sustainably Managed Cannabis

`Tracking Resource Usage and Efficiency Annually Yield Efficient Operations and Enhance Licensee Profitability

Energy Efficiency and Waste Minimization Measures to Enhance Sustainability in Cannabis Production

NEW YORK, NY – The New York State Office of Cannabis Management (OCM) is proud to announce the implementation of a new State-specific platform, PowerScore, to allow licensees authorized to cultivate to meet energy and water reporting and resource tracking regulations. As part of its regulatory mandate under the Marihuana Regulation & Taxation Act (MRTA), OCM's resource tracking requirement is one of a series of measures aimed at reducing the environmental footprint of both medical and adult-use cannabis operations. These initiatives form an overall approach to environmental sustainability that is in alignment with the State's ambitious climate goals as outlined in the <u>Climate Leadership and Community Protection Act (CLCPA)</u>, while also advancing the State's commitment to the three pillars of equity: economic, environmental, and social.

Licensees authorized for cultivation will use the PowerScore platform, a State-specific tool that provides detailed insights into resource consumption and helps businesses understand the relationship between their operating costs and yield. Importantly, this platform, hosted by the non-profit organization Resource Innovation Institute, is available to licensees at no cost, ensuring that all participants have the tools necessary to monitor and reduce resource consumption, potentially lower operating costs, and meet State environmental standards. Licensees authorized to cultivate medical and adult-use cannabis will be required to track and report their energy and water use and waste generation annually, with the first report due Aug. 31, 2025. This proactive approach allows licensees a year to become acclimated to PowerScore. For more information on reporting best practices visit the OCM PowerScore website at cannabis.ny.gov/sustainability.

"Utilizing PowerScore for resource tracking is a pivotal step in aligning the legal cannabis industry with New York's climate goals," said Felicia A.B. Reid, Acting Executive Director of the New York State Office of Cannabis Management. "This initiative represents a major advancement in building a more sustainable and resilient cannabis industry. By streamlining processes to limit environmental impact and removing historical economic barriers, we are not only saving licensees time and money but also empowering them to focus on innovation and growth. Together, we are creating a national blueprint for a more sustainable cannabis future and a more profitable, efficient future for New York cannabis licensees."

"With the launch of Cannabis PowerScore in New York, we're providing cultivators with a powerful tool to drive both compliance and innovation. PowerScore equips growers with essential insights into their resource consumption, empowering them to optimize their operations and reduce costs while contributing to a more sustainable cannabis industry. This is a critical step towards building a greener, more efficient future for New York's cannabis sector," said Derek Smith, Executive Director, Resource Innovation Institute.

The OCM's Energy & Environmental Sustainability Initiatives Regulations focus on reducing energy consumption and greenhouse gas emissions, minimizing waste generation, and protecting vital natural resources such as air, water, and land. Licensees in New York's cannabis market are required to implement comprehensive energy use plans, which include the installation of energy meters, adherence to efficiency standards for lighting and HVAC systems, and the prohibition of fossil fuel combustion as a primary energy source. Additionally, the Office's waste minimization strategy mandates that cannabis operators adopt sustainable practices in both cultivation and consumer packaging to reduce landfill waste and promote recycling.

As part of its commitment to continuous improvement, OCM is also prioritizing research and development to explore new methods for reducing the environmental impact of cannabis production. This includes the development of sustainable packaging solutions, innovative waste management practices, and resource-efficient cultivation techniques. By fostering research and equity-focused strategies, the Office aims to build a cannabis market that not only meets the state's environmental goals but also serves as a model for sustainability and social responsibility. The Office's commitment to promoting equity is also reflected in these initiatives. The adult-use energy and environmental sustainability measures were developed with special consideration for

legacy growers and less capitalized licensees. For instance, smaller-scale cultivation licensees are held to less stringent standards and are provided two licensing periods to comply with certain energy and environmental regulations. These efforts ensure that all participants in the cannabis industry, regardless of their size or resources, have the opportunity to succeed while contributing to a more sustainable and equitable market. For more information on how the Office is prioritizing Social and Economic Equity (SEE) visit here.

On September 3 PowerScore account setup emails were sent to licensees. Licensees can follow the prompts in these emails to establish their PowerScore accounts and begin entering information about their cultivation.

The implementation of these programs and services demonstrates the OCM's continued dedication to creating a cannabis industry that is both environmentally responsible and socially equitable. By enhancing transparency, reducing costs for licensees, and promoting innovation, these initiatives ensure that New York's cannabis market remains fair, sustainable, and resilient.