



**ENVIRONMENTAL  
ADVOCATES OF NEW YORK**

YOUR GOVERNMENT WATCHDOG

May 10, 2012

**Via Email: [rggiprograms@nyserda.ny.gov](mailto:rggiprograms@nyserda.ny.gov)**

Mr. David Coup  
RGGI Programs  
New York State Energy Research & Development Authority  
17 Columbia Circle  
Albany, New York 12203

**Re: Draft Amendments to the Operating Plan for Investments in New York under the CO<sub>2</sub> Budget Trading Program**

Dear Mr. Coup:

Environmental Advocates of New York appreciates the opportunity to comment on the draft amendments to the operating plan. The Regional Greenhouse Gas Initiative (RGGI) is the linchpin of New York's efforts to reduce greenhouse gas emissions. This successful program has not only helped reduce greenhouse gases in New York, but has also unleashed energy savings for New Yorkers, created jobs and helped make the state a clean energy leader.

Environmental Advocates' mission is to protect our air, land, water and wildlife and the health of all New Yorkers. Based in Albany, New York, we monitor state government, evaluate proposed laws, and champion policies and practices that will ensure the responsible stewardship of our shared environment. We work to support and strengthen the efforts of New York's environmental community and to make our state a national leader. Environmental Advocates is a member of the RGGI Advisory Committee in New York and has been an actively involved stakeholder in the design and implementation of RGGI.

We commend the Department of Environmental Conservation and the New York State Energy Research and Development Authority for their leadership on tackling climate change and taking actions such as retiring unsold RGGI allowances. This action is an important precursor to making the adjustments needed to ensure that RGGI continues to provide environmental benefits.

### **Environmental Advocates Supports the Operating Plan Amendments**

Environmental Advocates generally supports the proposals in the operating plan amendment and understands the need to make adjustments to the plan based upon shortfalls in auction revenues. We offer the following general comments.

### **Proceeds to Support Reduction of CO<sub>2</sub> Emissions**

We have consistently stated in earlier comments on the plan that RGGI proceeds should reduce carbon dioxide (CO<sub>2</sub>) emissions. We also reiterate that cost effectiveness should be a key consideration in making budget decisions. Proceeds should also be spent to reduce consumers' costs of compliance with the RGGI, namely on energy efficiency initiatives.

Investments in energy efficiency and renewable energy provide substantial reduction in CO<sub>2</sub> emissions, as well as provide public health and economic benefits for New Yorkers. Each dollar invested in energy efficiency or renewable energy returns more money and creates more jobs than similar investment in fossil fuels.<sup>1</sup> RGGI funds invested by New York through December 31, 2011, will save New Yorker's \$60 million on their utility bills in a 10 year period.<sup>2</sup>

We continue to recommend that at least 70 percent of overall RGGI operating plan be dedicated to the Residential, Commercial and Industrial Program.

### **Consistency in Fiscal Reporting**

Environmental Advocates recommends that NYSERDA use a consistent format for presenting budget and spending information.

Fiscal reporting should present the plan's three-year operating budget by program, life-to-date commitments against that three-year budget, and life-to-date spending on the budget. The same information should also be provided on a year-by-year basis.

Further, amendments to the operating plan should clearly show how the plan has changed. Tables should show the changes against the three-year plan and on a year-by-year basis. Once programs are placed under a category they should be listed in the same place on future budgets.

Consistent reporting would clear up the kinds of misunderstandings that arose during the May 3<sup>rd</sup> Advisory Board meeting.

### **Codify the Procedure for Reconvening the Advisory Group**

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<sup>1</sup> See Apollo Alliance, "New Energy for America: The Apollo Jobs Report: For Good Jobs & Energy Independence," 2004; See also Friedrich, Katherine, et al. 2009, Saving Energy Cost-Effectively: A National Review of the Cost of Energy Saved through Utility-Sector Energy Efficiency Programs, American Council for Energy-Efficient Economy.

<sup>2</sup> NYSERDA provides that the annual energy bills savings to participating customers is 6,000,000. See *New York's RGGI-Funded Program Status Report: Quarter Ending Dec. 31, 2011* at <http://www.nysERDA.ny.gov/en/Page-Sections/Energy-and-Environmental-Markets/Regional-Greenhouse-Gas-Initiative/~media/Files/Publications/Energy-Analysis/RGGI-Q4-2011-r.ashx> (last visited May 10, 2012)

Mr. David Coup  
May 10, 2012  
Page 3 of 3

It has been standard practice to convene the Advisory Group once a year. But the Advisory Group's should have the opportunity to comment on plan amendments, especially when there are significant shortfalls or windfalls in auction revenues.

NYSERDA must develop a proposal that codifies a procedure recovering the group to provide input on plan changes. Environmental Advocates suggests that NYSERDA reconvenes the Advisory groups if it is determined that there will be a 10 percent budget shortfall or windfall.

Further, future operating plans must make clear the criteria being used or applied to determine the allocation for each program. We suggest NYSERDA provide the Advisory Group with an explanation of criteria that were used or will be used in the future for determining budget reductions or increases in response to the revenues raised in the auctions.

### **Eliminate the Clean Technology Industrial Development Program**

Environmental Advocates opposes funding for all the long-term initiatives proposed in this section. New energy research institutes at universities are not a wise investment given the short-term challenges from a changing climate. In addition, NYSERDA's research and development programs are already funded through section 18-a of the Public Service Law.

If those funds are inadequate, statutory authorizations should be revisited.

At the meeting, it was mentioned that the Multi-Family Performance Program was oversubscribed, as such we would recommend providing the \$15 million to the MFPP program to meet the overflow, instead of zeroing out the program as currently budgeted.

Environmental Advocates remains unclear about the use of funds for the Cleaner, Greener Communities Program.

### **Conclusion**

RGGI is an extremely important tool for New York to reduce climate pollution and we strongly support the use of the RGGI proceeds in energy efficiency and renewable energy which are already unlocking \$60 million dollars in ten year utility bill savings for New Yorkers. We thank you for the opportunity to comment and are available to discuss our comments or any other RGGI related issues.

Respectfully submitted,

David Gahl  
Deputy Director  
Environmental Advocates of New York