



Draft Scoping Plan Comments
New York State Energy Research and Developmental Authority
17 Columbia Circle
Albany, NY 12203-6399

Dear New York Climate Action Council's Economy-Wide Policies Subgroup and NYSERDA:

[Carbon Free New York](#) (CFNY)—a coalition of like-minded organizations, including generators, developers, environmental organizations, and labor unions—appreciates the opportunity to respond to the Climate Action Council's published [Draft Scoping Plan](#), outlining its initial recommendations for achieving New York's nation-leading emissions-reduction goals set forth in the Climate Leadership Community Protection Act (CLCPA).

The attendant goals of the CLCPA mandate 70 percent renewable generation by 2030; 100 percent electricity consumed from zero-emissions resources by 2050; and significant growth in offshore wind, solar energy, and additional storage capacity—all of which are mission-critical to members of CFNY and are essential to the nation as we enter a phase of significant economic recovery.

CFNY recommends to the Climate Action Council's Economy-wide Policies Subgroup that the benefits of pricing carbon in New York's electricity markets be captured in the final Scoping Plan while the subgroup looks to additional economy-wide strategies. Pricing carbon would act as a mechanism to achieve CLCPA goals faster and more cost-effectively, while also reducing emissions, and improving public health for all citizens and residents of the great state of New York.

Our most vulnerable populations are already disproportionately affected by climate-influenced health issues and face the most exposure to dirty air due to their proximity to certain power plant emissions. More recently than ever before, New York has witnessed the true social cost of carbon: the outpouring of cases of asthma and cancer in minority groups, low-income communities of color, young children, and the elderly, and two full years of COVID-19 attacking people with pre-existing health conditions the hardest. Reducing pollution and improving air quality are vital to protecting public health, especially in times of crisis. Yet it must go hand-in-hand with solutions to reboot New York's economy during and after this ongoing pandemic.

Fortunately, clean energy development can be efficiently and effectively operationalized through the implementation of the carbon pricing plan proposed by the New York Independent System Operator (NYISO). CFNY believes by incorporating NYISO's proposal in a timely and efficient manner, New York can align its wholesale electricity markets with its public policy objectives to decarbonize the electricity sector. NYISO's proposed mechanism complements New York's existing state clean energy policies and can work synergistically with future economy-wide decarbonization programs or policies.

With this program, NYS would set a social cost of carbon as a price per ton of emitted carbon dioxide based on the impact to the environment. Power plants pay for the carbon they release into the atmosphere through their offers in the state's electricity markets, and generation owners and clean energy developers receive economic incentive to invest in low-carbon or carbon-free resources, like renewable generation, new transmission and energy efficiency. All New Yorkers benefit from reduced state-funded clean energy costs and lower emissions.

To this end, CFNY is also supporting—and encouraging co-sponsor support for—pending legislation from Senator Parker and Assemblymember Paulin ([S4372/A1168](#)), which together encourage the establishment of a carbon dioxide emissions price for electric generation from carbon-based fuel, and creates a carbon dioxide emissions fund that supports environmental justice by reinvesting in low-income individuals and communities of color in New York State. This legislation will signal state support for NYISO's proposed carbon pricing mechanism and allow the NYISO to submit the proposal to the Federal Energy Regulatory Commission (FERC) for approval. Once the proposal is approved and implemented, New York can immediately harness the power of New York's electricity markets to decarbonize the electric system, spur investments in clean energy technologies, and help achieve its nation-leading climate goals more broadly, efficiently and in the most cost-effective manner possible.

In more detail, the economic and environmental benefits of NYISO's carbon pricing proposal (embodied in [S4372/A1168](#)) are vast and include:

- **Accelerated entry of renewables projects:** A price on carbon emissions will increase the opportunity for clean energy resources to enter the market through improved revenue certainty.
- **Revenue streams and economic benefits:** Carbon pricing can reduce state-funded clean energy costs while providing clear signals that reward investment in clean energy and investment flexibility to redirect COVID-constrained budgets.
- **Acceleration of fossil retirements and reduced use of natural gas:** A carbon price will encourage owners of inefficient fossil fuel units to deactivate or improve efficiency, especially downstate.
- **Public health impacts and environmental justice:** Given the location of fossil generation in downstate New York, a carbon price will reduce emissions and local air pollution in these urban communities.
- **Incentives for efficient transmission investments:** A location-based carbon price will create strong incentives for cost-effective investment in increased transfer capability between upstate and downstate.
- **Incentives for innovation:** A carbon price in the NYISO energy market will increase incentives for entrepreneurs and others to develop new supply-side and demand-side technologies, products, and services further fueling New York's green economy.
- **Compatibility with other policy instruments:** A carbon price complements other state clean energy policies by valuing low-carbon investment and operations in the electric system and aligns market-based incentives with public policy goals.
- **Incentives for energy efficiency and other customer-based actions:** A carbon price improves price signals to encourage consumers to more effectively manage their energy use with clean energy solutions.
- **State policy leadership:** A carbon price can be quickly implemented and exported to other states and regions, demonstrating New York's leadership through a market-based approach.
- **New jobs.** At a time when the state has limited resources, carbon pricing offers a consistent mechanism to incentivize carbon-free energy production and business growth, supporting investments in green jobs, and accelerating the build-out of renewable energy infrastructure, putting thousands back to work.

Enactment of NYISO's carbon pricing proposal would reduce the cost and time to achieve the state's clean energy goals, revitalize our workforce with the next generation of green economy opportunities,

and provide benefits to consumers, acting as an environmentally friendly tool to move forward in the aftermath of COVID-19.

We welcome further follow-up discussions about how NYISO's carbon pricing proposal and other policies or legislation can propel New York forward. Thank you for your consideration.

Respectfully,

Carbon Free New York

Alliance for Clean Energy New York

APEX Clean Energy

American Wind Energy Association

Citizens Climate Lobby of New York

ConnectGEN

Constellation

CS Energy

Cypress Creek Renewables

EDF Renewables

EDP Renewables

East Light Partners

EggGeo

Healthy Planet

Invenergy

Key Capture Energy

NYS Building Trades Council

NYS Pipe Trades Association

UBC Millwrights

United Brotherhood of Carpenters

U.S. Green Building Council Long Island Chapter

National Hydropower Association

Northland Power

New York League of Conservation Voters

NYS Conference of Operating Engineers

NYS Laborers, LiUNA

ReEnergy

RWE Renewables

Solar Energy Industries Association

sPower