

NYSERDA'S 273RD BOARD MEETING

November 17, 2025

Clean Copy of Transcript

Charles Bell:

Good morning. I called this special meeting to order. This is the 273rd meeting of the New York State Energy Research and Development Authority. Notice of the meeting was provided to the Members and press on November 12th, 2025. I directed a copy of the notice and agenda. Be annexed to the minutes of this meeting. Welcome to the meeting. This meeting is being conducted by video conference from locations in New York City and Albany. The Authority will post a video and a transcript of the meeting on the web. Confirm that we have a quorum. I would like each of the Members to please introduce themselves. I'm Chuck Bell, Acting Chair of the Authority.

Jay Koh:

Jay Koh, Member of the Board.

JoAnne Hewett:

JoAnne Hewett, Member of the Board.

Jennifer Hensley:

Jen Hensley, Member of the Board.

Justin Driscoll:

Justin Driscoll, Member of the Board.

Sherburne Abbott:

Shere Abbott, Member of the Board.

Charles Bell:

Thank you. And in Albany.

Kim Harriman:

Kim Harriman, Member of the Board.

Amanda Lefton:

Amanda Lefton, Member of the Board.

Charles Bell:

Thank you very much. There is one item on the agenda today. Consideration of the issuance of proposed revisions to the Authority's Part 507 to Chapter XI of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, concerning the administration and implementation of a CO2 Allowance Auction Program known as the Regional Greenhouse Gas Initiative called RGGI for public comments and the adoption of a determination of non-significant. As a result of this action in accordance with the State

Environmental Quality Review Act, otherwise known as SEQRA Chief Policy Officer, John Williams will present this item. John, thank you Chuck.

John Williams:

And go to the next slide please. So the Members are asked to approve a resolution that both authorizes approves and directs the publication of a Notice of Proposed Rulemaking in the State Register to revise Part 507 of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, titled CO2 Allowance Auction Program for the purpose of review and opportunity for public comment on proposed changes to the Regional Greenhouse Gas Initiative. Also, RGGI and in its capacity as co-lead agency along with the Department of Environmental Conservation to issue adopt a Negative Declaration and Determination of Non-Significance for the Action with respect to actions taken on the RGGI rulemaking, which has been determined after completion of the required Environmental Assessment form that the action will not result in any significant adverse environmental impacts. Maybe before we go to the next slide, So yeah,

Charles Bell:

I would like to take note of the fact that Dale Brick has entered the room as attending as a Board member. Would you like to introduce yourself?

Dale Bryk:

Dale Bryk, Member of the Board.

Charles Bell:

Thank you very much. Back to you John.

John Williams:

Thanks. So as the Board Members know, RGGI is a 10-state cooperative program that seeks to reduce carbon dioxide emissions from electric power plants. Since its inception, RGGI has been a successful policy instrument that has resulted in significant emissions reductions from power plants as well as support a robust portfolio of clean energy programs, which then lead to further emissions reductions. The proposal before the Members today is the result of the participating states agreement to amendments to the program, which are the result of the recently completed program review. Program review is a periodic process that the states agree to engage to assess the performance of the program and to assess potential changes to the program based on agreement among the states. As noted, the recently completed program review is the third such process that the states have engaged and was a robust multi-year assessment leading to the proposed changes to the program. Any changes agreed to in the program review are incorporated into the program model rule. That model rule serves as a basis for each state to implement program changes pursuant to each state's required governmental process and advancement of the model rule serves as a demonstration of the state's intent to continue its participation in the program in collaboration with the other participating states. Next slide.

Right. So implementation of New York is done jointly by both the DEC and NYSEERDA DEC CO2 Budget Trading Program and other regulations provide the regulatory oversight of the cap on qualifying power plant emissions as well as the associated rules and compliance

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responsibilities of facilities with program obligations. NYSERDA CO2 Allowance Auction Program provides for the administration of New York's participation in regional auctions, including the sale of allowances and for investing the proceeds from the sale of those allowances to support regulatory defined activities which are energy efficiency, renewable or non-carbon emitting technologies and innovative carbon emissions abatement technologies. Next slide.

So this program review has resulted in four primary program changes. First, there's a reduction in the regional emissions cap. The states have agreed to a two-pronged approach with 10% emission reductions through 2033 and then 3% reductions through 2037, resulting in an 87% reduction in the regional cap for the periods 2027 through 2037. Second is an expansion of the cost containment reserve, which creates an additional tier of allowances that would be made available in high demand scenarios. If the auction price surpasses a predetermined trigger price, the program will now have two tiers of CCR. The first is basically the current CCR extended into future years and the creation of a second tier at a higher price in the event for high demand allowances and the details are on the slide there, each tier would have the ability to make approximately \$11.7 million 75 million allowances available in auctions on an annual basis.

Third is the removal of the emissions containment reserve feature, which had been designed to secure emissions reductions if prices fell below established trigger prices. This mechanism has never been triggered in the several years that it has been in place. However, to maintain program protection, the proposal is to increase the minimum reserve price to align with the prices at which the ECR would have been triggered and auction no allowances below that minimum reserve price. And finally, there was agreement in the model rule to eliminate any offset categories, which while a feature of the program since its inception, these provisions have really not proved to be a highly used or usable mechanism by any of the participating states. So agreement to eliminate those offset categories was put into place. Next slide please.

Okay. So each agency has incorporated the model rule changes that will be necessary to advance that agency's implementation obligations on behalf of New York for NYSERDA and relevant to the decision before the Members today, the CO2 Allowance Auction Program regulations are being amended to accommodate the agreed to changes in the CCR and the ECR, which are component features of the auction program, changes to the emissions cap trajectory and the offset program will be accommodated in the DEC'S rules, which also include changes to the administration of other aspects of the New York program, such as the treatment of the biomass exemption from obligation, which has not been utilized since 2023. And just noted on the slide here, that's a unique New York feature of the program for awareness. The draft regulations also incorporate other administrative changes and other changes found in the model rule but do not materially change the implementation of the program obligations of each agency.

Okay. Next slide please. I, the decision before the Board today is to authorize the publication of the Allowance Auction Program Amendments to initiate the regulatory public comment process. Accompanying this authorization is the adoption of a Negative Declaration and Determination of Non-Significant for the action which has been arrived at upon the completion of the environmental assessment form and an assessment of the impacts of the proposed program changes upon approval, DEC and NYSERDA's proposed changes will be jointly advanced and

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published in the state register for the collection of public comments and which we will implement a required 60 day comment. Upon assessment of the comments, the agencies will make any necessary changes to the proposed rule and engage in each agency's approval process for NYSERDA. That will entail a future presentation to this Board reporting on any of the comments received, any adjustments to the proposed rule based on those comments. And then a resolution for consideration of approving final changes to the allowance auction program. We'll have a better sense of the timing for that submission to the Board when we're able to assess the comment volume. It's our plan to have all decision-making completed in 2026 so that New York will be able to continue participation in the program with the other states beginning January, 2027, which I should say in 2027 when the new program changes are scheduled to be implemented.

So that actually concludes my presentation. Happy to take any questions. I'd also like to acknowledge that I'm joined by several of my colleagues at the DEC Sanjay Seth, Ona Papageorgiou, and Lois New. They're very familiar with the development of the RGGI program, particularly from the DEC side and who can answer any questions with respect to the DEC rule or process. Thanks Chair.

Charles Bell:

Thank you. Are there questions?

Jay Koh:

Maybe just to ensure that we have this on the record. So the proposed changes here have been subject to management's analysis. It's also consistent with other State power partners of the RGGI program. It's the third of these revisions that have been proposed and it's been subject to the same kind of analysis as the prior two revisions. And there are at least two steps of review that remain. One is review after the 60 day comment period and there's also a potential for a subsequent review for an additional revision in the event that we adopt these changes and they turn out not to be as optimal as we had hoped. Right. So is it fair to say that those are the premises for this recommendation to the Board to adopt this set of resolutions?

John Williams:

Yeah, I would say that's right Jay. So there has been extensive kind of analysis. We see where the program resides today, we'll see what some input on that is that could help to influence some of the final determinations as long as they do not necessarily disrupt how the other states will be advancing the program changes as well. So we'll have that process underway now. That's kind of the current one. I think all of the states are really very much understanding the dynamics and energy markets these days. And so we have agreed to take into account that we might need to accelerate a next program review process. So we are going to be agreeing to come together in 2027 just understanding how the program is looking at the time, how energy markets are looking and whether a formal kind of engaged program review is necessary at that point in time. Or if there is another way for the states to understand what kind of adjustments program need to be made then.

Jay Koh:

Great. So just one other clarification. So substantively, if this action is taken, there'll be a 60 day comment period where considerations like if there's a change in demand forecast driven by new energy requirements like AI data centers or other kinds of demand requirements or considerations regarding affordability, which has been a major question for electricity consumers broadly, that can be taken into account and will have a subsequent ability at the Board level to review the comments that come out of that process.

John Williams:

Yeah, I would say that there is certainly the current proposal is taking some of that into account now, Jay. So the modeling that was done was looking at several different scenarios, accounting for that demand growth that we can project as well as getting an understanding at least of the dynamics of the impact of RGGI on electricity prices broadly. Those impacts really are seen to be quite moderate. The RGGI market at this point in time, I think is anticipating the nature of changes that we're proposing and has factored into some of the determinations about where the next phase of the program will go into the current market pricing. So I think we do think that because there has been a lot of engagement with stakeholders during the entire program review process, that's not to say that things will be changing again in a very dynamic situation. So we will all be taking a look at all.

Charles Bell:

Great, thank you. Are there additional questions or comments from the Board?

Kim Harriman:

Yes, just a question and then one comment and a question might be for Carl as well as John in the room, to what extent, if any, did the work or the ongoing work of the State Energy Planning Board have in the modeling and assessments that have been performed for this round of update to RGGI?

Carl Mas:

Yeah, happy to take that John if you'd like.

John Williams:

Thanks Carl. Yes, please.

Carl Mas:

Hey folks, I'm Carl Maas, our Senior Vice President of Policy Analysis Research. I'm happy to speak to the ties to the Energy Plan. So we have been working very, our energy planning analytic teams, working very closely with the RGGI team, both NYSERDA and DEC. We've baked in some of those modeling forecasts that RGGI Inc did with IPM modeling into the energy plant electricity system modeling. So we have those latest RGGI forecast baked into Energy Plan.

Kim Harriman:

Okay, good. And then the only other comment that I'd like to make is just an observation and a commemoration for Jared Snyder who was such a father of RGGI, and I think it's timely with his

passing and unfortunateness of that to recognize as we go into the third round, we're here doing a lot of work because of the foundation that he built. So thanks.

John Williams:

Absolutely, Kim. Thanks for noting that. We were talking about that before the meeting. I spent an awful lot of time with Jared on the RGGI program. I'll also say Lois and Ona in the DEC as well. We were close collaborators for a very long time and he is definitely missed in the process.

Amanda Lefton:

Thanks all. And Amanda Lefton here. Just a final comment for me. And so thanks for the great tip to just express appreciation to the teams, both NYSERDA and especially at team DEC for the incredibly hard work to advance this regulatory program and continue to ensure that New York remains a leader in advancing important programs like RGGI. And it was a very large undertaking to not only engage for the past several years in the context of this program review, but also to expeditiously draft these regulations to be released for public comment. So just huge appreciation to Ona and Lois, to Sanjay as well as the nice team. In addition, of course to the great thanks for Jared and others that came before us. So thank you everyone for your

Charles Bell:

Thank you, Amanda. Are there any other questions or comments from the Board? Okay, hearing none may please have a motion for resolution number 1786 authorizing the Authority to publish a Notice of Proposed Rulemaking in the State Register to revise Part 507 of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, titled CO2 Allowance Auction Program, and to approve the issuance of a Negative Declaration under the State Environmental Quality Review Act for New Part 510 of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York.

Jay Koh:

So moved.

Sherburne Abbott:

Second.

Charles Bell:

All in favor, please say Aye.

Members of the Board:

Aye. Aye.

Charles Bell:

Any opposed? Any abstentions? Thank you. The resolution has been adopted. Thank you very much John. And thank you very much to our partners at DEC and all the NYSERDA staff and leadership that worked to develop the proposed regulation. That concludes our formal agenda. Are there any other matters the Members would like to discuss? Hearing none, may I please have a motion to adjourn the meeting?

Jay Koh:
So move

Justin Driscoll:
Second.

Charles Bell:
All in favor?

Members of the Board:
Aye.

Charles Bell:
Any opposed? The meeting is adjourned.