

New York's Regional Greenhouse Gas Initiative Operating Plan Amendment for 2015 (June 2015 - Final)

Background

In New York, responsibility for implementing the State's participation in the Regional Greenhouse Gas Initiative (RGGI) is shared by three departments of State government: the Department of Environmental Conservation (DEC); the Department of Public Service, and the Energy Research and Development Authority (NYSERDA). DEC and NYSERDA program responsibilities are contained in coordinated regulations:

- DEC established New York's CO₂ Budget Trading Program and the State's share of the total regional cap through a new rule (6 NYCRR Part 242) and revisions to an existing rule (6 NYCRR Part 200, General Provisions). Part 242 establishes the cap-and-trade provisions, as well as program compliance responsibilities and other program aspects.
- NYSERDA set up the CO₂ Allowance Auction Program through regulations (21 NYCRR Part 507). Part 507 establishes administrative procedures for the auction process and provides that proceeds from the sale of the allowances will fund projects and programs for "energy efficiency, renewable or non-carbon emitting technologies, and innovative carbon emissions abatement technologies with significant carbon reduction potential, and for reasonable administrative costs incurred by the Authority."

The NYSERDA regulations include a provision to convene a group of stakeholders representing a broad array of energy and environmental interests to advise it on how best to utilize RGGI funds to achieve the goals of the program. The Operating Plan is reviewed and revised on an annual basis. NYSERDA holds an open stakeholder meeting each year, inviting input on how to achieve greater scale of implementation, expand private investments and partnerships and address barriers to program success.

The 2014 review resulted in an Operating Plan Amendment that was approved by NYSERDA's Board of Directors in June 2014. The 2014 Operating Plan was then compiled based on the NYSERDA Board approval and posted to NYSERDA's website. This document represents the proposed 2015 Operating Plan Amendment, and it provides program descriptions and funding levels for the 2015 version of the Plan. It is anticipated that a final draft of this 2015 Amendment will be considered by the Board at its June 18, 2015 meeting.

Funding Assumptions

This section provides an explanation of the funding assumptions used to prepare the 2015 Amendment. For planning purposes, it is assumed that the average 2015 allowance price will be \$5.38/allowance. This figure represents the average price during the previous four regional auctions. For planning purposes, values beyond 2015 are escalated by the real after tax weighted cost of capital (4.8%/year), which was an assumption incorporated into recent program modeling. Additionally, the planning horizon for the 2015 Operating Plan is one year because it is difficult to reliably estimate proceeds levels three years into the future due to market volatility, the uncertain impact of potential market speculation related to Federal carbon regulations, and because of the anticipated future leveraging of RGGI proceeds with proposed Clean Energy Fund (CEF) activities is still under development.

The level of proceeds for Fiscal Year 2015-2016 (FY15-16) is estimated in Table 1. This estimate is arrived at by applying the allowance price assumption to the net number of New York allowances that are to be made available for

sale in each respective auction during the planning horizon. This approach results in estimated proceeds of \$127.4 million for FY15-16.

Table 1. Estimated Proceeds for Planning Horizon

	Fiscal Year 2015-2016				
	Jun-15	Sep-15	Dec-15	Mar-16	Total
Net NY Allowances Available for Sale (millions)*	5.90	5.90	5.91	5.69	23.4
Allowance Price for Budget Purposes	\$5.38	\$5.38	\$5.38	\$5.64	--
Proceeds Estimate for Budget Purposes (\$ millions)	\$31.8	\$31.8	\$31.8	\$ 32.1	\$127.4

* Values provided by New York State Department of Environmental Conservation.

Review of Programs and Budgets for the 2015 Operating Plan

New York State invests RGGI proceeds to support comprehensive strategies that best achieve the RGGI greenhouse gas emission reduction goals, through energy efficiency, renewable energy, and carbon abatement technology, pursuant to 21 NYCRR Part 507. The programs described below represent a portfolio of initiatives that support the pursuit of the State's carbon reduction goals by:

- Reducing New York's greenhouse gas emissions (GHG) through energy efficiency and renewable energy projects
- Building the State's capacity for long-term carbon reduction
- Empowering New York communities to reduce carbon pollution, and transition to cleaner energy
- Stimulating entrepreneurship and growth of clean energy and carbon abatement companies in New York
- Creating innovative financing to increase adoption of clean energy and carbon abatement in the State.

The initiatives described below represent a continuation of a program activity in the 2014 Operating Plan or an evolution of a current program that is designed to take advantage of important new opportunities. The funding level shown below with each respective program description represents the total budget for FY15-16 covered under the proposed 2015 Operating Plan. This year's Amendment also reflects the potential transition of several RGGI-funded programs to the new CEF. These programs show RGGI funding for the remainder of 2015 after which funding will continue as determined under the CEF (more CEF information is provided below).

Annual planned funding allocations for FY15-16 are shown in Table 3. The historic allocation of proceeds collected through March 2015 for all programs is also provided in the table as a reference. These future allocation values represent an estimate of when funds will be assigned to each program. These figures do not reflect when funds will be spent or when contracts will be signed.

Multi-year programs with remaining funds available for program expenditures in FY15-16 that are not receiving additional funding under this Plan are not described below. Those programs will continue on their planned spending trajectory for use of their previously allocated funding as outlined in the 2014 RGGI Operating Plan.¹

For all RGGI-funded activities, NYSERDA will provide timely progress reports utilizing best practice protocols for project tracking and evaluation.

Program Descriptions

Green Jobs-Green New York

The Green Jobs – Green New York (GJGNY) Program, created under the Green Jobs-Green New York Act of 2009, provides New Yorkers with access to energy assessments, installation services, low interest financing, and pathways to training for various green-collar careers. Since the launch of the financing program in 2010, NYSERDA has supported the completion of over 62,000 residential energy efficiency audits and over 24,000 energy efficiency projects while the clean energy market has continued to grow and mature throughout the State. In addition, solar electric has made significant gains, especially since the establishment of the NY-Sun Initiative.

While NYSERDA had announced in December 2014 an intention to transition out of certain aspects of the GJGNY financing program, the enacted 2015-16 State Budget directs NYSERDA to continue providing such financing through March 31, 2016 to all customers that were eligible for the program at the end of 2014. As of March 31, 2015, the GJGNY program (originally funded with \$112 million of RGGI funds as directed in the GJGNY Act, plus accumulated interest earnings and additional funding allocated from the March 2015 auction) had very limited uncommitted funds. Based on current loan applications and loan origination volume, NYSERDA estimates that additional funding of \$80 million will be required to continue GJGNY financing through March 31, 2016 (approximately \$32 million for residential energy efficiency loans and \$48 million for residential solar loans). NYSERDA will allocate \$80 million from the 2015 anticipated revenues to fund these loans. NYSERDA anticipates that financing a pool of energy efficiency loans during 2015 through bonds to be issued by the NYS Environmental Facilities Corporation through the Clean Water State Revolving Fund, and estimates that bond proceeds of approximately \$19 million will be available (after paying a \$30 million Short-Term Financing Note issued to EFC in 2014) to replenish the RGGI fund. NYSERDA is exploring a bond or note financing for residential solar loans and anticipates that proceeds of approximately \$34 million will be available to replenish the RGGI fund. Combined, the total reimbursements are anticipated at approximately \$53 million. This is reflected in Table 1.

The \$27 million in net funding required for the GJGNY financing program extension was not contemplated when the 2015 Operating Plan extension was first formulated. Rather than adjusting proposed funding for programs currently supported in the 2015 Operating Plan, NYSERDA proposes to fully fund the GJGNY financing extension from future program revenues. Additional information about this subject is provided below in the introductory text for Table 3.

Transfer to State – Clean Energy Tax Credits and Environmental Protection Fund (EPF)

The 2015 New York State Budget was enacted in April 2015, and directs a \$41 million transfer of RGGI funding to support clean energy tax credits and the Environmental Protection Fund (EPF). Of the total transfer, \$23 million are identified to support solar and other clean energy technologies (i.e. green buildings credit, alternative fuels and electric vehicle recharging property credit, clean heating fuel credit), spurring New York's clean energy economy and creating

¹ These programs include NYGB, NYS Generation Attributes Tracking System, and Industrial Innovations. For more detail see New York's Greenhouse Gas Initiative-Funded Programs Annual Report, Quarter ending December 31, 2014.

local jobs. The additional \$18 million going to the State's Environmental Protection Fund will be used to bolster programs that reduce greenhouse gases (i.e. capturing methane from waste digestion, planting trees, carbon mitigation for farms, clean transportation for communities) and invest in climate protection.

Clean Energy Fund

Reforming the Energy Vision (REV) is the State's comprehensive energy strategy aimed at building a next generation energy system that is clean, resilient and affordable for all New Yorkers. As proposed to the NYS Public Service Commission (PSC), the Clean Energy Fund (CEF) is intended to serve as one of the essential pillars of REV. To deliver on its primary missions to reduce greenhouse gas emissions and attract greater private investment in clean energy, the CEF investment portfolios will be designed to achieve scale in clean energy markets, including energy efficiency and clean distributed generation. These key CEF objectives dovetail with the RGGI investment parameters, and there exists a unique opportunity to leverage CEF and RGGI funds to help achieve overall REV objectives.

Currently RGGI funds are implemented alongside certain existing energy efficiency programs (e.g. Home Performance with Energy Star, Empower NY, and Multifamily Performance Program), to allow customers in those sectors to address energy efficiency opportunities as they exist in their homes or buildings, capturing opportunities for on-site electric, natural gas or petroleum fuel efficiency. Further, by meeting RGGI funds with ratepayer-supported programs, the energy efficiency industry has been able to develop business models and service packages that offer consumers 'whole building' services, often capturing the highest-value energy savings and greenhouse gas emission reduction opportunities. By dedicating a level of RGGI funds to continue leveraging ratepayer-supported activities, this commitment to continued RGGI support for clean energy market development is designed to support future CEF program design and implementation on a 'fuel neutral' basis.

The CEF, if approved, would begin new activity on January 1, 2016. If approved, the identified \$25 million of RGGI funding will be allocated to support the CEF activity. The financial tables in this document reflect fiscal years, therefore, \$6.25 million in Table 1 reflects funding for the first quarter of calendar year 2016.

Renewable Energy

The following activities will be supported within the renewable energy arena:

Renewable Heat NY - \$8.9 million

The program was announced by Governor Cuomo in his 2014 State of the State address as "a long-term commitment to help the high-efficiency and low-emission biomass heating industry reach scale." Through the Renewable Heat NY initiative, the State will continue to pursue a multi-pronged market development strategy to stimulate growth in a manner that will reduce greenhouse gas emissions and ultimately lead to a self-sufficient biomass heat industry. The program supports high-efficiency and low-emission biomass equipment installations, supply chain and workforce development, marketing and financing. The initial years are focusing on providing supply chain and service network development (*i.e.*, workforce development, training, and research and development), along with consumer incentives and financing. A reassessment of market conditions is anticipated in the third year of the initiative, when options will be explored to reduce incentives as supply chain support and market scale drive down hardware and installation costs, and a sustainable market takes shape.

Statewide NY-Sun - \$27.3 million

The NY-Sun Initiative will drive growth of the solar industry and make solar technology more affordable for all New Yorkers. The program provides incentives for the installation of systems and works to reduce PV balance-of-system costs through technology advancements, streamlined processes and customer aggregation models. Support from the Statewide NY-Sun initiative expands the reach of these activities by leveraging RPS funds to ensure a coordinated, well-funded statewide solar energy expansion plan, in an effort to drive growth in the PV industry and increase the affordability of PV technology.

Energy Efficiency

These programs will invest in a complementary mix of electricity related GHG reduction opportunities and technologies and strategies for reductions related to the use of petroleum and natural gas.

Residential Efficiency Services - \$10.9 million

Activities for the Residential Efficiency Services Program will be consistent with that described in the 2014 Operating Plan for the Multifamily Performance Program (MPP), Home Performance with ENERGY STAR (HPwES), and EmPower New YorkSM (EmPower). RGGI funds will be used primarily to mitigate the high cost of heating oil, with special emphasis through targeted marketing on providing services to low and moderate income households. Households that heat with other fuels (such as propane and wood) will also be eligible to receive services through these programs. These carbon reduction opportunities are currently not eligible under programs supported by other funding sources.

LIPA Efficiency Services - \$21.5 million

These funds enhance the ability of the Long Island Power Authority (LIPA) to provide energy efficiency services to energy consumers on Long Island. RGGI funds will be coordinated with energy efficiency programs administered by PSEG-Long Island that are consistent with PSEG-Long Island's clean energy programs and Utility 2.0 plan. Funding and reporting requirements are established through a Memorandum of Understanding between NYSERDA, LIPA and PSEG-Long Island.

Innovative Greenhouse Gas Abatement Strategies

The following investments are planned to advance a variety of innovative GHG abatement strategies.

Climate Research - \$1.2 million

Since its inception, the Climate Research and Analysis program has significantly increased the understanding and awareness of the environmental impacts of energy choices and emerging energy options. It will continue to provide a scientific foundation for formulating effective, equitable, energy-related environmental policies and resource management practices that can both reduce GHG emissions and guide strategies to prepare for a changing climate. The

program will build upon the environmental research capabilities in New York State, and address critical climate change-related issues facing the State and the region, including the needs of environmental justice communities, and create opportunities for innovation. This program will support research studies, demonstrations, policy research and analyses, and outreach and education efforts related to the following questions:

- What are the most cost-effective greenhouse gas mitigation options for New York to pursue, and what strategies will facilitate their employment?
- What are the current and predicted impacts of climate change, how can risks be cost-effectively managed and minimized, and what opportunities may be capitalized upon?
- What are the key parameters that need to be monitored to establish GHG emission baselines, track GHG reductions, and assess climate change impacts in New York?

Clean Energy Business Development - \$5.7 million

The Clean Energy Business Development (CEBD) program focuses on the growth of existing clean energy innovation assets, including Clean Tech Incubators and Proof-of-Concept Centers. NYSERDA proposes to identify ways to optimize the performance and effectiveness of these existing assets to build future success. Going forward, NYSERDA will design and implement a portfolio of programs to stimulate venture investment in start-up and early stage businesses and catalyze sustainable private sector growth and participation in the development of the clean energy business technology sector.

NYSERDA will also develop programs to work with companies, as necessary, to translate their product designs into a product that can be readily manufactured and develop the manufacturing process for the technology. NYSERDA will also work to link the entrepreneurial ecosystem together, inform regional and national market players about opportunities in New York, and build business relationships across clusters. Tactics to pursue this opportunity include targeted web platforms, and partnerships with existing business/trade associations. As the market evolves, these programs may change and new initiatives may be added to the portfolio.

A new component of the CEBD program is 76West, an initiative focused on clean energy business development in the Southern Tier. As outlined in the 2015 State of the State address, this \$20 million investment in clean energy technology and business development will catalyze a clean energy business cluster that builds on the local strengths and assets of the Southern Tier.

Charge NY - \$3.0 million

Charge NY will pursue two main strategies to promote plug-in electric vehicle (PEV) adoption. First, NYSERDA will invest in a marketing and outreach campaign to build interest in PEVs among the general public. A focus on building greater public knowledge and awareness of the capabilities of PEVs is essential to spur more private investment in PEV purchases and PEV charging stations. Second, NYSERDA will also support the installation of PEV charging stations at workplaces, municipal lots, and multi-family buildings -- location types that have been seen to be effective drivers for PEV adoption based on usage data reported from previous installations. Regions of the state that have seen faster PEV adoption will be identified for additional charging station support, which ensure that investments in infrastructure support areas with the greatest potential for additional PEV drivers. Charge NY will also initiate the deployment of a network of direct current (DC) fast charge stations across the State.

Transportation Research - \$1.1 million

The goal of the Transportation Research program is to develop and increase the availability of new technologies, products, systems and services that provide cost-effective GHG reductions in the transportation sector. The program will support the development and demonstration of emerging technologies as well as projects that improve the efficiency of the State's transportation systems. Examples of projects that have been funded include the development of electric truck and bus technologies, adaptive traffic signal control technologies, locomotive and marine idle reduction solutions, and software to improve airport runway management. The Transportation Research program will leverage additional federal, State, and private funding to build a diverse portfolio of GHG-reducing transportation technologies.

Community Clean Energy and Climate Action

These activities provide enhanced support for the development and implementation of regional sustainability plans to help ensure that the State's ongoing and substantial investments in infrastructure move communities and New York as a whole toward a more environmentally and economically sustainable future.

Climate Smart Communities - \$1.6 million

The DEC, Department of State (DOS), Department of Transportation, PSC, Department of Health, and NYSERDA jointly sponsor the Climate Smart Communities (CSC) program. A CSC is a New York State county, city, village or town whose legislative body has adopted the CSC pledge, which describes ten areas of voluntary climate mitigation and adaptation action. Through this interagency effort, NYSERDA has been running a three-year pilot program, providing to local governments outreach, education, and technical assistance services with respect to climate change mitigation and adaptation in four regions of the state. The pilot will be ending in late 2015. In mid 2015, NYSERDA will solicit regionally-based outreach and technical assistance services to support the New York State Community Partnership (NYSCP) and other community-directed climate activities. See below for more detail.

The statewide CSC capacity enhancement program will support the Governor's recently announced New York State Community Partnership by providing local governments a common platform for coaching, facilitation, technical assistance and expertise for implementing the local-level policies and planning to realize each community's desire to drive local clean energy market activity and realize GHG emissions abatement and sustainable growth. These local actions are critical components in delivering the regional sustainable growth strategies encouraged by the Cleaner, Greener Communities program (described below), consistent with the regional sustainability and economic development plans.

Cleaner, Greener Communities - \$5.4 million

The Cleaner, Greener Communities (CGC) program was announced by Governor Cuomo in his 2011 State of the State address, and the contribution for this fiscal year will bring total program support to \$106 million.

NYSERDA will continue to offer competitive grants for the implementation of market-transforming sustainability initiatives and projects in the third round of CGC Phase II solicitations. Projects will stimulate environmentally sustainable economic growth consistent with the CGC Phase I Regional Sustainability Plans and the State's Regional Economic Development Councils (REDCs) Strategic Plans. The program encourages communities to use public-private partnerships and develop regional sustainable growth strategies in areas such as energy efficiency, renewable energy, low-carbon transportation, and other carbon reductions. The program emphasizes activities associated with

smart growth, support for electric vehicles, creation of green jobs, building green infrastructure, investing in environmental justice communities, and strengthening environmental protection.

The next competitive funding round for CGC is anticipated to launch in 2015.

New York State Community Partnership (NYSCP)

In mid 2015, NYSERDA will, through the third and final round of the CGC program, solicit regionally-based outreach and technical assistance services, replacing the current contractors under both CSC and EDGE, and incorporating lessons learned from each. NYSERDA will solicit additional services in 2016 through the Clean Energy Fund to cover any regions for which awards are not made through CGC.

This statewide program will support the Governor's recently announced New York State Communities Partnership by providing resource-strapped local governments with a common platform and the coaching, facilitation, technical assistance and expertise for implementing the local-level policies and planning needed to drive future clean energy market activities and development and other climate-related activities, towards carbon abatement and sustainable growth. These local-level actions roll-up and help to deliver the regional sustainable growth strategies encouraged by the CGC program, consistent with the regional sustainability and economic development plans.

Additionally, DEC launched a formal certification program for CSC in 2014. CSC will be a critical component of the NYSCP. The certification program gives CSC a more defined structure, thus streamlining the services of NYSERDA's support contractors and making the program more transparent and useful to communities.

Economic Development Growth Extension (EDGE) - \$1.8 million

The Economic Development Growth Extension (EDGE) Program provides regionally-based outreach, education, and promotion of NYSERDA program opportunities, in an effort to stimulate interest and spur action in projects that promote sustainable economic development. As an outreach provider for the CGC, EDGE works with partner networks and end users to encourage activities which support energy efficiency, renewable energy, carbon reduction and environmental stewardship. The program includes support for the New York State Community Partnership. Aligning geographically with the State's REDCs EDGE Regional Outreach partners will work to further the efforts identified in each of the ten REDC *Strategic Plans* and *Cleaner, Greener Communities Sustainability Plans*, enabling a greater level of education and adoption of energy-efficiency and renewable energy practices to projects that have the potential to drive jobs and investment in the communities in which they reside. In mid 2015, NYSERDA will solicit regionally-based outreach and technical assistance services to support the NYSCP. See above for more detail.

Current Actual and Anticipated Future Funding Allocations

The Current Actual and Anticipated Future Funding allocations are presented below. Additionally, the table presents program administration and evaluation costs, ongoing RGGI, Inc. costs, State Cost Recovery Fees, and other factors. Unallocated proceeds through March 31, 2015 were applied to FY15-16 to offset a portion of the \$41 million Transfer to State – Env. Tax Credits/Env. Protection Fund. As noted above, the extension of GJGNY financing results in the need to allocate a net amount of \$27 million from the FY15-16 program allocation plan. After such accounting, allocations exceed revenues.

As discussed above, NYSERDA projects that there will be sufficient cash balances to cover projected RGGI program expenditures for FY15-16. As of March 31, 2015, cumulative RGGI Net Proceeds were \$505.9 million, of which \$204.4 million were expended, resulting in \$295 million of cash and investments. The net deficit at the end of FY15-16 totaling \$20.6 million represents a manageable commitment level compared to FY 15-16 projected revenues, and will be considered in presenting the FY16-17 and future RGGI Operating Plans.

Table 2: Actual and Estimated Revenues

	Actual Cum. Allocation Mar-15	Planned FY15-16	Total Through FY15-16
RGGI Auction Proceeds	\$ 760,186,641	\$ 127,421,612	\$ 887,608,253
Interest Earnings	\$ 5,900,174	\$ -	\$ 5,900,174
Total Revenues	\$ 766,086,815	\$ 127,421,612	\$ 893,508,427

Table 3: Current Actual and Anticipated Future Funding Allocations

Funding Allocations				
Category	Program	Actual Cum. Allocation Mar-15	Planned FY15-16	Total Through FY15-16
RENEWABLE ENERGY	Renewable Heat NY	\$ 3,961,095	\$ 8,955,830	\$ 12,916,925
	NY SUN	\$ 56,472,431	\$ 27,287,568	\$ 83,759,999
	Community Solar/K-solar	\$ 9,500,000	\$ -	\$ 9,500,000
	NYPA Customer Incentives	\$ 10,000,001	Part of NY-SUN -	Part of NY-SUN -
	Long Island incentives	\$ 36,972,431	Part of NY-SUN -	Part of NY-SUN -
	NYSERDA PV	\$ 5,319,821	\$ -	\$ 5,319,821
	NYS Generation Attributes Tacking System	\$ 1,509,357	\$ -	\$ 1,509,357
	Advanced Renewable Energy	\$ 2,893,674	\$ -	\$ 2,893,674
ENERGY EFFICIENCY	LIPA Efficiency and RE	\$ 67,883,181	\$ 21,535,569	\$ 89,418,750
	Residential Energy Services	\$ 70,912,461	\$ 10,922,285	\$ 81,834,746
	Multifamily Performance Program	\$ 19,374,590	Part of RES -	Part of RES -
	EmPower NY	\$ 18,548,667	Part of RES -	Part of RES -
	Home Performance with Energy Star	\$ 18,430,427	Part of RES -	Part of RES -
	Multifamily Carbon Emissions Reduction	\$ 6,330,988	\$ -	\$ 6,330,988
	Solar Thermal	\$ 4,634,197	\$ -	\$ 4,634,197
	Green Residential Bldg.	\$ 2,749,726	\$ -	\$ 2,749,726
	Energy Star Homes	\$ 843,866	\$ -	\$ 843,866
	Municipal Water/Wastewater	\$ 1,245,242	\$ -	\$ 1,245,242
INNOVATIVE GHG ABATEMENT STRATEGIES	Industrial Innovations	\$ 13,831,117	\$ -	\$ 13,831,117
	Climate Research	\$ 10,424,873	\$ 1,198,914	\$ 11,623,787
	Clean Energy Business Development	\$ 24,601,065	\$ 5,745,005	\$ 30,346,070
	Charge NY	\$ 4,000,000	\$ 3,000,000	\$ 7,000,000
	Transportation Research	\$ 4,250,000	\$ 1,125,000	\$ 5,375,000
	Carbon Sequestration	\$ 1,000,000	\$ -	\$ 1,000,000
	Competitive GHG Reduction Pilot	\$ 14,500,000	\$ -	\$ 14,500,000
	Advanced Buildings	\$ 4,638,574	\$ -	\$ 4,638,574
COMMUNITY CLEAN ENERGY	Climate Smart Communities	\$ 6,034,999	\$ 1,640,000	\$ 7,674,999
	Economic Development Growth Extension	\$ 7,015,517	\$ 1,800,000	\$ 8,815,517
	Cleaner Greener Communities	\$ 100,634,091	\$ 5,433,025	\$ 106,067,116
	Incentives	\$ 84,566,976	\$ 5,433,025	\$ 90,000,001
	Implementation Contractor and Marketing	\$ 6,708,629	\$ -	\$ 6,708,629
	Planning	\$ 9,358,486	\$ -	\$ 9,358,486
	Regional Economic Development and GHG Reduction	\$ 10,400,000	\$ -	\$ 10,400,000
CLEAN ENERGY FUND	Clean Energy Fund	\$ -	\$ 6,250,000	\$ 6,250,000
	NY Green Bank	\$ 52,926,434	\$ -	\$ 52,926,434
DIRECTED	Transfer to Green Jobs/Green NY	\$ 117,226,707	\$ 80,000,000	\$ 197,226,707
	Reimbursement from Green Jobs/Green NY	\$ -	\$ (53,000,000)	\$ (53,000,000)
	General Fund Budget Transfer	\$ 90,000,000	\$ -	\$ 90,000,000
	Transfer to State - Env. Tax Credits/Env. Protection Fund		\$ 41,000,000	\$ 41,000,000
ADMINISTRATION & EVALUATION	Program Administration	\$ 20,905,975	\$ 2,126,864	\$ 23,032,839
	Program Evaluation	\$ 11,250,471	\$ 2,658,580	\$ 13,909,051
	Litigation settlement	\$ 19,462,374	\$ 1,499,934	\$ 20,962,308
	RGGI Inc pro-rata costs	\$ 6,066,944	\$ 1,021,005	\$ 7,087,948
	State Cost Recovery	\$ 11,612,859	\$ 1,329,290	\$ 12,942,149
	RGGI Inc Startup Costs	\$ 1,598,204	\$ -	\$ 1,598,204
	Total Funding Allocation	\$ 742,577,467	\$ 171,528,868	\$ 914,106,335
	Annual Allocation Surplus (Deficit)	\$ 23,509,348	\$ (44,107,256)	\$ (20,597,908)
	Cumulative Allocation Surplus (Deficit)	\$ 23,509,348	\$ (20,597,908)	

Notes: Totals may not sum exactly due to rounding.

Fiscal years begin on April 1st and end on March 31st.

* On December 4, 2009, New York State enacted numerous deficit reduction measures that included the transfer of \$90 million in RGGI auction proceeds to the General Fund as a deficit reduction measure following the global financial crisis.

*** The litigation settlement values represent \$17,995,798 paid through April 1, 2015 and estimated obligations through FY15-16.

Program Expansion Plan

As noted above, this Operating Plan is based on a reasonable estimate of allowance proceeds that could be made available for program support. Allowance auction proceeds over the next year may exceed the estimates being used to develop this proposal for the updated Operating Plan. Absent unforeseen circumstances, if additional revenue should become available, proceeds could be used to reduce the FY 15-16 deficit or expand funding for the existing portfolio of RGGI programs to the extent consistent with Part 242.

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