

January 6, 2021

VIA ELECTRONIC MAIL

New York State Energy Research and Development Authority
rggiprograms@nysERDA.ny.gov

Re: Comments from Environmental Advocates NY to the New York State Research and Development Authority (NYSERDA) Regarding the Regional Greenhouse Gas Initiative (RGGI) Operating Plan

Thank you for the opportunity to provide comments on New York's Regional Greenhouse Gas Initiative (RGGI) Operating Plan Amendment for 2021. The Climate Leadership and Community Protection Act (CLCPA) requires RGGI proceeds be invested in ways that prioritize frontline, environmental justice, and disadvantaged communities. This and future RGGI spending plans should further the CLCPA's requirement, as reflected in the recently adopted CO2 Allowance Auction Program regulations, that NYSERDA invest or direct resources in a manner so that disadvantaged communities receive a minimum of 40% of the overall benefits of spending on clean energy and energy efficiency programs, projects, or investments. To fully effectuate the CLCPA's mandate, NYSERDA should: a) direct a minimum of 40% of its RGGI operating budget to disadvantaged communities, and b) ensure that spending directly benefits these communities. While the proposed amendment takes important steps toward dedicating proceeds to programs designed to serve disadvantaged communities, there remains room for improvement.

Committing to direct a set percentage of RGGI proceeds to disadvantaged communities, rather than attempting to measure the percentage of "overall benefits" from all RGGI proceed investments, will make it easier for NYSERDA to track compliance with CLCPA's investment mandate. Estimating the percentage of overall benefits to disadvantaged communities on a three-year timeline makes it difficult to measure near term compliance with the investment mandate. The spending plan should be amended to provide estimated benefits to disadvantaged communities on an annual basis.

As NYSERDA considers modifications to this and future RGGI spending plans it should do so with input from stakeholders in disadvantaged communities to assist in the development of a set of criteria for ensuring its programmatic spending and grants provide direct benefits to people in those communities.

It is encouraging to see the advancement of new initiatives and modifications to existing programs aimed at serving schools and buildings in disadvantaged communities, community energy engagement, priority population workforce development, and residential energy efficiency financing for communities with a majority of households with low and moderate incomes. NYSERDA should continue to expand and develop programs and grant opportunities that adequately support community energy planning and community ownership in the transitions to renewable and resilient energy systems. Funding should also be made available for the development of community driven Just Transition plans to identify the needs – and the resources necessary to address those needs – of communities impacted by the shift away from a fossil-fuel based economy. Finally, RGGI proceeds should contribute to development that prevents, rather than enables, gentrification and displacement from disadvantaged communities.

Other examples of direct benefits may include:

- Reduction in localized pollution from stationary and mobile sources and related health benefits;
- Health benefits related to reduction in thermal vulnerability and exposure to extreme heat and cold, as well as improved indoor environmental quality resulting from the mitigation and abatement of legacy environmental hazards (e.g., lead, asbestos);
- Economic benefits, including but not limited to job creation, energy efficiency savings, utility bill assistance, energy resilience, and community ownership of renewable distributed energy resources;
- Job training, apprenticeship programs, entrepreneurship opportunities and small business support for residents and youth, both now and as public and publicly leveraged investment expands employment in emerging clean energy sectors including community-based models for inclusive job creation, such as UPROSE's Green Resilient Industrial District (GRID) proposal for Sunset Park, Brooklyn;
- Funding, education, and resources for existing businesses to adopt climate adaptive and mitigative practices, designs, and operations;
- Workforce and business funding and technical support programs to prevent clean energy transition-related worker displacement;
- Quality of life benefits, such as housing security and protection from neighborhood displacement, as well as increased access to mass transit/active mobility, green infrastructure, recreational green spaces, and public amenities; and
- Benefits related to democratic participation, such as access to community-determined climate and clean energy planning and decision-making processes and accountability frameworks.

NYSERDA programs funded with RGGI dollars must be designed to maximize reductions of both greenhouse gases and co-pollutants in disadvantaged communities. The CLCPA requires that the state prioritize projects that both reduce GHG emissions and eliminate criteria pollutants in historically disadvantaged communities when the state acts to meet its GHG reduction goals. In addition, NYSERDA should track whether GHG emissions reductions attributable to the RGGI program also reduce co-pollutants on a localized basis, with a particular focus on disadvantaged and environmental justice communities.

It is critical that RGGI funds, especially those dedicated to disadvantaged communities, be protected from diversions for purposes other than clean energy and carbon and pollution abatement. Since 2015, over \$200 million in RGGI proceeds have been transferred to the State Budget to supplant state spending on tax credits and other programs that are inconsistent with the equitable spending requirements included in the CLCPA. NYSERDA should amend the proposed plan to eliminate the transfer of \$23 million to the state's General Fund. The Authority should also reconsider the proposed transfer of funds to the Environmental Protection Fund and the Long Island Power Authority. These transfers only serve to supplant environmental and clean energy funding and could be otherwise used to supplement programs and initiatives benefiting disadvantaged communities.

The process for the development of RGGI spending plans should be formalized to facilitate a meaningful stakeholder engagement process. We urge NYSERDA to consider revising its process to establish a stakeholder advisory council that includes equitable representation from communities that bear the burdens of negative public health effects, environmental pollution and impacts of climate change. NYSERDA should coordinate the development of its annual RGGI operating plan with the Climate Justice Working Group established by the CLCPA.

The CLCPA directs the state to address climate in a manner that prioritizes climate and environmental justice. NYSERDA should coordinate with DEC to assess how RGGI is impacting environmental justice communities across the state, including an equity analysis of the distribution of RGGI funds and other climate investments regarding the specific needs of frontline, environmental justice, and disadvantaged communities. The analysis should be accompanied by a regularly updated tracking mechanism that will allow the public to monitor RGGI spending and benefits on a community-by-community basis.

Thank you for your consideration. If you would like to discuss the comments outlined in this letter please contact Conor Bambrick at cbambrick@eany.org