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Via e-mail: rggiprograms@nyserda.org  
Mr. David Coup  
New York State Energy Research and Development Authority  
17 Columbus Circle  
Albany, New York 12203

**Re: Comments of International Brotherhood of Electrical Workers, Locals 83 & 97  
Regarding Concept Paper Operating Plan for Investments of Allowance Auction Program**

Dear Mr. Coup:

International Brotherhood of Electrical Workers, Local Unions 83 and 97 (“IBEW Local”) represents the interests of over 1,600 bargaining unit members who are employees of a variety of electric generating units in New York.<sup>1</sup> These employees are critical to providing adequate and reliable electric commodity to utility customers in the State of New York. The adequacy and reliability of the electric commodity produced in New York illustrates the quality of the work performed by these dedicated employees. In representing these employees, IBEW Local has a significant interest in the outcome of the Regional Greenhouse Gas Initiative (“RGGI”) and the components of which the RGGI is comprised. IBEW Local continues to support the RGGI program goal to “reduce CO<sub>2</sub> emissions while maintaining energy affordability and [electric system] reliability”.

The IBEW Local respectfully submits the following comments (“IBEW Local Comments”) on Concept Paper Operating Plan for Investments of Allowance Auction Program (“Auction Program Investments”).

RGGI was established as a program to begin reducing CO<sub>2</sub> emissions in the ten Northeastern States by capping CO<sub>2</sub> emissions from the power sector. Electric power generators in this region are now required to hold allowances covering their emissions of CO<sub>2</sub>. The RGGI program provides a market-based emissions auction and trading system where electric power generators can buy, sell and trade CO<sub>2</sub> emissions allowances.

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<sup>1</sup> The generating units include those owned by AES Corporation, the James A. Fitzpatrick nuclear generating plant owned by Entergy Nuclear, the Nine Mile Point nuclear plants owned by Constellation Nuclear, the electric generating facilities owned by NRG, the electric generating facilities owned by Reliant, and the Bethlehem Energy generating facility owned by PSEG.

While the electric power generators will be forced to purchase allowances to cover their CO<sub>2</sub> emissions, the Transportation Sector, which is a major emitter of CO<sub>2</sub>, is not. In the Concept Paper the Transportation Sector, as well as the Agriculture Sector, appear to be recipients of the funds derived from the allowance auction.<sup>2</sup> Sectors other than the power sector have the ability to institute their own funding mechanism for reducing CO<sub>2</sub> emissions, perhaps in a format similar to RGGI. Other sectors should not dilute the funds to be used to reduce CO<sub>2</sub> emissions in the power generation sector. Non-dilution of power generation sector fund would benefit all users and suppliers of electric power, the original source of the RGGI auction funds.

In Section 4: PROGRAM GOALS, FOCUS, AND FUNDING CRITERIA, it is stated that the majority of funds will be directed at cost-effectively reducing CO<sub>2</sub> in the near term and that at least 25 percent will address areas that may require longer investment horizons. As several commentators mentioned at the November 21, 2008 Advisory Group Meeting at the Desmond Hotel and Conference Center in Albany, this allocation should be more in the range of 25% to 75% favoring the long-range projects such as present plant improvements and efficiencies. IBEW Local recommends that the proportional split between short-term and long-term investments, at a minimum, be brought closer to equilibrium to reflect a more appropriate allocation and investment in capital infrastructure. Both near-term and long-term programs are important in reducing CO<sub>2</sub> emissions in the power generation sector.

IBEW Local appreciates the opportunity to provide the NYSERDA with comments regarding the Concept Paper pertaining to the use of Auction Program Investments in New York.

Respectfully Submitted,

*/s/ Richard J. Koda*

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KODA CONSULTING, Inc.  
Member of the New York State Coalition of Energy and Business Groups and consultant to  
International Brotherhood of Electrical Workers, Local Unions 83 and 97

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<sup>2</sup> Operation Plan for Investments in New York under the CO<sub>2</sub> Budget Trading Program and the CO<sub>2</sub> Allowance Auction Program at 10 & 12.