

David Coup
Manager, RGGI Programs
NYS Energy Research and Development Authority
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Albany, New York 12203

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Dear Dave,

We commend the Advisory Group and NYSERDA staff on the “Operating Plan for Investments in New York under the CO2 Budget Trading Program and the CO2 Allowance Auction Program”. It is clear a tremendous amount of work went into your plan and much care was given to including programs that would further many goals across many sectors.

The proceeds from these auctions will be far from sufficient to make all of the adaptations necessary to achieve the carbon emissions goals in New York. The only way New York will achieve these goals is if energy users (homeowners, renters, drivers) make wholesale changes in the amount of energy they use along with exercising control in how that energy is generated. Manufacturers of durable goods and devices that run on energy must also change what they make and how they make their products. And existing energy companies will have to transition to different fuels and/or newer technologies along with accompanying transmission and distribution systems. While these changes are being made a new crop of energy firms based on new technologies will introduce new products and services.

Education and research are two forces that will enable New York State businesses and residents to make this progress to ultimately change the scope of energy demand and supply. Without disseminating the best information and without technological innovation we will be unable to break down the barriers that exist between the ways we generate, supply, and use energy today and the new energy economy we need.

Education

Without educating homeowners, landlords, tenants, motorists, business owners, employees, policymakers, shareholders, and consumers these programs will not have their desired effect. That is to say, if the programs in this Operating Plan are not implemented by many more individuals and institutions than are contracted with using these funds, there is not a chance that future CO2 emissions in New York will be significantly altered from levels currently projected.

College and universities are prime targets for the Advanced Building Program. These buildings, of all possible designs and uses, situated in close proximity with long operating hours, present the best opportunity to reduce GHG, save money, and educate the next generation in advanced buildings. Many of our campuses are investing in energy

conservation and efficiency in existing buildings and LEED certification in new ones, but an assistance program of matching money tied to GHG emissions would result in tremendous environmental benefits. Using auction proceeds for energy audits of buildings is an excellent first step, but the economic climate is hampering the ability of many institutions to invest in these improvements. Public and independent sector campuses are not only prime targets for energy conservation and efficiency, but golden opportunities to enlighten and excite the engineers, architects, and entrepreneurs of tomorrow in these technologies and practices that limit and mitigate climate change. The workforce influences would be dramatic, the environmental effects would be very significant, and the economic benefits would accrue to the taxpayer and to not-for-profit institutions. RGGI funding would compensate for the current tax structure that does not entitle public and not-for-profits.

Higher education institutions train the workforce of tomorrow and the classroom they study in and labs they use has a tremendous influence on their futures. Student team competitions in the energy and renewable energy fields are one of the most powerful tools to generate interest and offer experience to this cohort. New York State has some of the strongest institutions in the areas needed (engineering, architecture, business, etc) for these competitions (American Solar Car Challenge, Electric Car X Prize, DOE Solar Decathlon, for example) but the cost of competing is beyond the reach of almost every schools. We are pleased the Operating Plan (Municipal and Institutional Climate Change Program) would support a new competition in New York directed at the causes and effects of climate change. We urge you to also provide assistance to existing competitions that have proven to be highly successful in steering graduates into this field and in educating the general public to adopt and adapt new technologies.

Research

The federal government has begun increasing competitive research funding in energy and climate change fields and this is expected to continue. New York's higher education institutions have historically done well, competing for these federal funds, but our out-of-state competitors are benefiting from direct financial assistance from their state governments. We urge you to dedicate a relatively small portion of these auction proceeds to create a source of leveraging funds for NYS institutions to capture a larger portion of an increasing federal investment in energy and climate change R&D.

We appreciate the Clean Energy Advanced Research Centers (CLEAR Centers) program in the Clean Technology Industrial Development section of the Operating Plan that would establish one or two university based centers devoted to carbon mitigation. Given the amounts of funding we believe it is, as you recommend, desirable to limit the scope of these centers to well-defined technological designed for rapid economic return in New York. There are and will be very substantial federal research funds available that we should work hard to capture and use for the benefit of New York, as well.

Federal research and development funds are not only the driving force for the innovation we need in order to handle climate change and its effects. The economic value of these federal funds is far in excess of a 20% commitment of RGGI auction proceeds. If all competitive federal R&D awards received a 20% commitment of RGGI funds (with these funds flowing only if awarded the federal funds) New York State's success rate would increase markedly and our institutions and our state would benefit from more faculty, students, and researchers working these important areas of research and education. The annual cost in RGGI proceeds would almost certainly be less than \$6 million in the initial years but would ensure that New York is a leader in these areas of research and development and higher education. This is an opportunity that we should seize and a leveraging program of RGGI auction proceeds is the most logical way to accomplish this.

Thank you for the opportunity to comment on the Operating Plan for the Allocation of Proceeds from the New York Carbon Cap and Trade Program and, on behalf of our institutions, we respectfully submit these comments for your consideration. We look forward to working with you on this important set of issues and program in the months and years to come.

Sincerely,

Commission on Independent Colleges and Universities

Stony Brook University (SUNY)

Syracuse University

Columbia University

Cornell University