



**ENVIRONMENTAL  
ADVOCATES OF NEW YORK**

YOUR GOVERNMENT WATCHDOG

May 27, 2011

**Via E-mail**

RGGI Programs

NYSERDA

17 Columbia Circle

Albany, NY 12203

**Re: Environmental Advocates of New York's Comments on RGGI Draft Operating Plan**

RGGI Program Staff:

I am submitting these comments on behalf of Environmental Advocates of New York as its representative at the May 20, 2011 RGGI Advisory Group meeting.

For nearly a decade, New York has played a leading role in the nation's first enforceable effort to reduce the pollution that is changing our climate, the Regional Greenhouse Gas Initiative (RGGI). Environmental Advocates of New York encourages the Cuomo administration to continue New York's tradition of leadership in the fight to reduce the pollution that is changing our climate by strengthening RGGI. To that end, Environmental Advocates submits the following comments on the draft operating plan presented by the New York State Energy Research & Development Authority (NYSERDA) to the RGGI Advisory Group. As most of the initiatives are a continuation of existing programs, we are limiting our comments to the Cleaner Greener Communities initiative.

Environmental Advocates has consistently advocated that RGGI allowance proceeds should not be used to plug holes in the state budget. As such, we thank Governor Cuomo for ensuring that RGGI funds are spent on their intended purpose: promoting or rewarding investments in energy efficiency, renewable energy and projects that result in greenhouse gas emission reductions.

Environmental Advocates' mission is to protect our air, land, water, and wildlife and the health of all New Yorkers. Based in Albany, we monitor state government, evaluate proposed laws, and champion policies and practices that will ensure the responsible stewardship of our shared environment. We work to support and strengthen the efforts of New York's environmental community and to make our state a national leader.

## **General Comments**

- **Prepare a more robust description for the New York RGGI Advisory Group.** As Environmental Advocates stated at the May 20th meeting, the draft operating plan is vague and lacks necessary detail about the type and scope of the initiatives to allow for a judgment on whether the funds will be put to good use. As such, it is unclear how proceeds will be invested. Prior to the NYSERDA board meeting in June, we recommend that NYSERDA circulate to the RGGI Advisory Group a more detailed plan for consideration.
- **Make emissions reduction RGGI's top priority.** RGGI was developed as a carbon dioxide (CO<sup>2</sup>) emission reduction program. All decisions relating to the investment of auction proceeds should be performed with this as the overarching principle. Additionally, emission reductions should be given substantial weight in decision-making.
- **Invest 90 percent of funds in near-term initiatives.** The draft operating plan lacks detail on how funds will be allocated to measures that will provide near-term emissions reductions. The climate crisis is underway, and we are already experiencing the impacts of climate change. Therefore, we must act immediately. Over the last 20 to 30 years we have amassed significant data on initiatives to obtain substantial emission reductions. The investments should focus on these initiatives. New York needs to be implementing as many greenhouse gas reduction projects as soon as possible to avoid the worst effects of climate change
- **Build on RGGI's guiding principles.** At the meeting, NYSERDA presented four guiding principles for investments:
  - Reduce CO<sub>2</sub> emissions
  - Empower communities
  - Stimulate economic growth
  - Reduce the use of petroleum fuels

Environmental Advocates would re-order these principles as follows, adding a new principle to reduce consumer energy costs. Our guiding principles would be ordered as follows:

- Reduce CO<sub>2</sub> emissions
- Reduce the use of petroleum fuels
- Reduce consumer costs
- Empower communities
- Stimulate economic growth

These principles should not be weighted equally. As mentioned above, all other principles are secondary to reducing CO<sub>2</sub> emissions.

While we agree that it is important to stimulate economic growth, RGGI is not an economic development program. It is a carbon emissions reduction program with the power to stimulate the economy. Therefore, the focus of the program must remain on reducing emissions, the use of dirty fossil fuels, and energy costs.

- **Regional Economic Councils.** The plan states that the Regional Economic Councils will “provide an advisory role to assist in coordination of the municipalities.” NYSERDA and Department of Environmental Conservation (DEC) currently have experience with the climate smart communities and they should work with the Regional Economic Councils to perform these roles as advisors
- **Better define the Cleaner/Greener Communities program.** In general, more specificity is needed to describe the initiatives that will be funded under Cleaner/Greener Communities.
- **Make efficient use of existing plans.** The written draft fails to provide the breakdown of the allocation of proceeds between development and implementation of the sustainability plans. During the meeting, it was stated that 10 percent of proceeds would be allocated to development, and 90 percent to implementation. Environmental Advocates believes that 90 percent is the minimum amount that should be dedicated to implementation. We suggest analyzing if plan development could be performed using less than 10 percent of the Cleaner/Greener Communities allocation. The program should strive to utilize existing plans.
- **Need to define ‘sustainable.’** The Cleaner/Greener Communities program describes developing sustainability plans. However the draft does not define sustainable. There definition of sustainable can differ based on context and focus. The most widely used definition of sustainable is to ‘meet present needs without compromising the ability of future generations to meet their needs’ (WECD, 1987). Our carbon-intensive economy more than adequately meets our present needs but is significantly compromising the ability of future generations to meet their needs. The focus of sustainability plans must be to reduce CO<sup>2</sup> emissions.
- **The competitive bidding process must be described.** Environmental Advocates suggests that the draft include a detailed description of the criteria that will be used in the competitive bidding process and how the criteria will be weighted.
- **Identify parties eligible for grants.** It is unclear from the draft operating plan what entities are eligible to enter the competitive bidding process. During the meeting it was stated that companies and not-for-profit organizations are eligible. We suggest that it not be limited. The parties eligible for grants should be more explicitly described in the draft plan presented to the Board

## Conclusions

RGGI is the United States only operating carbon market. During its first two years, CO<sup>2</sup> emissions decreased by one third. Fuel switching, deployment of renewables, and energy efficiency measures accounted for nearly half of this decrease. The wise use of RGGI allowance proceeds through the operating plan drives emissions reduction, and reduces energy costs and electricity demand.

We commend Governor Cuomo for taking ownership of this program and endeavoring to invest RGGI proceeds in regional demands and community structure. However, we caution that reducing CO<sub>2</sub> emissions must remain the overarching principle for decision-making

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Thank you for this opportunity to comment. We look forward to continuing to work with you as New York and the other RGGI states build on this successful program.

Sincerely,

A handwritten signature in black ink that reads "Ross Gould". The signature is written in a cursive style with a large, prominent "R" and "G".

Ross Gould

Air & Energy Program Director