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On the ground – and at the table

January 5th 2018

VIA ELECTRONIC MAIL

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

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

The New York City Environmental Justice Alliance (NYC-EJA) is a non-profit citywide membership network linking grassroots organizations from low-income neighborhoods and communities of color in their struggle for environmental justice. For the past three years, NYC-EJA has been steering the activities of the Brooklyn Alliance for Sustainable Energy (BASE), a coalition of community-based organizations from Central Brooklyn working for cleaner sources of energy and more efficient and resilient energy infrastructure. BASE came together out of concern for the many climate-related vulnerabilities facing Central Brooklyn, and has been increasingly engaged in the renewable and resilient energy space. Since the inception of the Regional Greenhouse Gas Initiative (RGGI), NYC-EJA has also advocated for more aggressive reductions in greenhouse gas emissions and co-pollutants that are needed to protect communities on the frontlines of climate change.

NYC-EJA recognizes the limitations of RGGI as a significant component of New York State's efforts to mitigate climate change. NYC-EJA has submitted joint comments to RGGI Inc. on July 11, 2017 and October 6, 2017 that reflect our broader vision for increasing equity of program impact. NYC-EJA and allies have previously recommended changes to RGGI including directing 40% of revenue to environmental justice communities, conducting equity and cumulative burdens analyses, eliminating loopholes, eliminating offsets, providing accessible materials and meetings, and rejecting false solutions.

While the NYC-EJA believes that a cap-and-trade scheme alone will not foster equitable emission reductions and the achievement of New York's renewable energy goals, the funds generated from RGGI can help create programs that benefit New Yorkers who have thus far been excluded from

the clean energy economy. Such programs should target low-income communities, communities of color, and renters who have historically faced both the disproportionate health impacts of fossil fuel-based infrastructure, and stand to benefit most from strategic investment in energy efficiency and clean energy.

Low-income people and people of color in Central Brooklyn are among the most heat vulnerable communities in New York City, due in part to the Urban Heat Island Effect (UHI), lack of access to green space, and the prevalence of older, energy inefficient buildings. As climate change advances, the number of days above 90°F is expected to double, and even triple, by the end of the century. Low-income people also face a disproportionate energy burden, paying a much higher proportion of their income on energy costs. On hot days, when everyone is running their air conditioning, heat vulnerable communities are highly susceptible to blackouts and brownouts and at risk of further heat exposure. And finally, renters, low-income customers, people of color, and energy customers with poor credit are often unable to participate in most debt-based energy efficiency and clean energy financing programs, such as Green Jobs Green New York (GJGNY).

We are encouraged that NYSERDA has committed to serve low-income and overburdened New Yorkers through the RGGI Operating Plan. However, this largely comes in the form of retaining support for existing programs such as GJGNY, which has significant barriers to low-income participation. NYSERDA must leverage resources for opportunities that go beyond existing programs and their persistent shortcomings. We strongly believe a portion of RGGI funds should be devoted to piloting of an innovative finance model that has been identified by diverse stakeholders – including local community groups, social and racial justice organizations, clean energy experts, and New York State’s Clean Energy Advisory Council – as a strong approach to expand access to clean energy benefits and to address the shortcomings of existing programs.

The Pay-As-You-Save model (PAYS) is a form of inclusive financing that can help low-income and climate vulnerable communities access energy efficiency upgrades that help reduce energy burdens and mitigate the impacts of extreme weather events exacerbated by climate change. Furthermore, PAYS integrates third3rd party capital to facilitate energy upgrades, thereby galvanizing local clean energy economies and workforce development opportunities. Thus far, PAYS has been implemented by several utilities across the country, and the feedback from low-and-moderate-income (LMI) areas has been largely positive, with reports of reliable cost recovery for upgrades, local clean energy market expansion, positive cash flow to customers in the form of upfront bill savings, and reduced shut offs from bill non-payments. PAYS has proven effective to combat the energy burden for vulnerable communities because the upgrades are financed directly through the meter, and do not rely on credit scores for eligibility. In a recent report, the NAACP advocates for inclusive financing, particularly PAYS, as a mechanism to alleviate energy burden for low-income communities of color. In fact, in early 2017, the New York State Clean Energy Advisory Council’s (CEAC) LMI Working Group submitted a final report that recommended introducing an inclusive finance model in a way that “overcomes credit barriers faced by lower income and low FICO consumers” and “is more sustainable than the current GJGNY revolving

loan fund.” This report formally recognized GJGNY’s programmatic limitations, with barriers to wider participation and long-term sustainability, and recommended inclusive financing as a viable alternative to directly address these barriers. Rather than merely retaining commitments to programs with unresolved limitations, the RGGI Operating Plan should incorporate commitments to pursue innovative finance opportunities, already identified by the State, that directly address persisting barriers in New York’s clean energy landscape.

We recommend that NYSERDA direct a portion of RGGI funds currently allocated to innovative financing for clean energy and carbon abatement, to developing a PAYS pilot program, working with grassroots advocates such as the Brooklyn Alliance for Sustainable Energy, as well as utility companies, to develop a business model that would be fully inclusive of LMI customers in environmental justice communities. Not only would this commitment help stimulate entrepreneurship, employment, and growth in the local clean energy market, but also fulfill the CEAC LMI Working Group’s recommendation to introduce a more sustainable model of clean energy financing that transcends the limitations of GJGNY.

While climate change affects everyone, it is having a devastating impact on New York’s low-income residents, communities of color, immigrants, and other vulnerable communities. We look forward to working with NYSERDA to make New York State’s climate policies and programs stronger and more equitable. If you have any questions or follow-up please contact Priya Mulgaonkar (priya@nyc-eja.org) and Kartik Amarnath (kartik@nyc-eja.org).

Sincerely,

A handwritten signature in black ink that reads "Eddie Bautista". The signature is written in a cursive, flowing style.

Eddie Bautista

Executive Director

New York City Environmental Justice Alliance