

NYSERDA

Job Impact Statement

21 NYCRR Part 507, CO₂ Allowance Auction Program

1. Nature of Impact: On December 20, 2005, New York State entered into a historic regional agreement to reduce greenhouse gas (GHG) emissions from power plants, an important step to protect our environment and meet the significant challenge of climate change. Under the agreement, the governors of ten Northeast and Mid-Atlantic States have committed to propose the Regional Greenhouse Gas Initiative (RGGI), a program to cap and reduce carbon dioxide (CO₂) emissions from power plants in the region by 10 percent by 2019, for adoption in their respective states.¹ In order to carry out the State's commitment, the Department of Environmental Conservation (the Department) has proposed to establish the CO₂ Budget Trading Program by promulgating 6 NYCRR Part 242.

The CO₂ Budget Trading Program is designed to allocate CO₂ emissions allowances ("Allowances") to an Energy Efficiency and Clean Energy Technology Account ("Account"), which will be established and administered by the New York State Energy Research and Development Authority ("Authority") under this Part 507. The proposed CO₂ Allowance Auction Program as set forth at Part 507 is designed to complement the provisions of the CO₂ Budget Trading Program and to effectuate the purposes thereof.

Under the CO₂ Allowance Auction Program, the Authority will conduct Auctions, through the process provided in Part 507, through which the Allowances will be made available for sale. The proceeds of the Auction(s) will be used to fund programs that will promote and reward investments in energy efficiency, renewable or non-carbon emitting technologies, and/or innovative carbon emissions abatement technologies with significant carbon reduction potential.

¹ In addition to New York, the other states participating in RGGI are: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont.

It is expected that the implementation of energy efficiency and other programs will have a significant positive impact on jobs and employment opportunities throughout the State.

2. Categories and Numbers Affected: The Authority currently administers, through the New York Energy Smart Program, energy efficiency and clean energy technology programs that are very similar to those that will be funded with Auction proceeds under the CO₂ Allowance Auction Program. A 2006 Macroeconomic Impact Analysis of the New York Energy Smart Program concluded that expenditures under that program created and sustained approximately 4.8 new jobs per \$1 million of program funds spent. The following illustrates the breakdown of jobs created per sector:

Economic Sector	% of Total Added Jobs Through 2006
Agriculture, Forestry, Mining	0.60
Construction	10.52
Products Manufacturing	5.07
Equipment and Instrument Manufacturing	6.46
Transportation, Communication, and other Public Service	3.30
Wholesale and Retail Trade	30.86
Personal and Business Services	52.81
Electric Utilities	-9.63
Total	100

The results of the Macroeconomic Impact Analysis were published in the March 2007 New York Energy Smart Evaluation Report, which is available on the Authority's website at http://www.nyserda.org/Energy_Information/evaluation.asp.

3. Regions of adverse impact: No adverse impact on jobs or employment opportunities is expected in any region. It is expected that the positive impact on jobs and employment opportunities will be statewide.

4. Minimizing Adverse Impact: No adverse impact on jobs or employment opportunities is expected.

5. Self-Employment Opportunities: While precise predictions are not possible, the positive impact on jobs and the employment opportunities that are expected as a result of implementation of the CO₂ Allowance Auction Program are expected to include opportunities for self employment.