



A.6321 (SWEENEY, ET AL.)
S.2764 (THOMPSON, ET AL.)

Summary

This bill would dedicate monies raised from the auction of carbon dioxide emissions allowances under the Regional Greenhouse Gas Initiative (RGGI) for energy efficiency and renewable energy development initiatives. The bill creates several new programs to provide grants and various forms of financial assistance to municipalities, nonprofit organizations and electric utility ratepayers to reduce global warming pollution and improve air quality.

Explanation

A key component of the RGGI, a 10-state effort to stabilize and reduce carbon dioxide emissions from power plants, relates to the initial distribution of emissions allowances. In New York, nearly 100 percent of the approximately 64.3 million tons of carbon dioxide emissions allowances are being auctioned annually to polluters in a competitive, transparent market. With RGGI allowance prices at \$3.51 per ton, the sale of these allowances is estimated to generate more than \$200 million in revenue per year. This bill would work in conjunction with A.7017 and would establish a state fund to receive the proceeds from the sale of allowances.

To maximize the effectiveness of the program, proceeds from the auction of carbon dioxide emissions allowances under RGGI must be invested in energy efficiency initiatives and the development of clean, renewable sources of power. Increased investment in energy efficiency will protect New Yorkers from the harmful effects of air pollution created by fossil fuel-fired power plants, such as asthma attacks and premature deaths in seniors, increased levels of mercury contamination, destruction of our forest ecosystems by acid rain, as well as wide-ranging negative effects associated with global climate change.

Energy efficiency investments also drive down the cost of implementing the regional climate effort. The RGGI State Working Group has estimated that doubling energy efficiency spending would reduce household bills by \$66 in 2015, and by \$109 in 2021. Even if electric rates rise slightly as part of the implementation of this program, electric bills will likely fall for most consumers. Increased energy efficiency investment could also reduce the need to build new sources of generation, another factor driving up electric bills. Slowing the growth of energy demand through efficiency investment has the added benefit of further reducing climate-altering carbon dioxide emissions

Environmental Advocates of New York strongly supports this bill.

Memo 16B

* This bill must pass concurrently with A.7017.