



194 Washington Avenue, Suite 315

Albany, NY 12210

phone: 518-436-3749

fax: 518-436-0369

www.ippny.org

Gavin J. Donohue, *President &
Chief Executive Officer*

March 9, 2015

Senator Andrea Stewart-Cousins
Democratic Conference Leader
New York State Senate
Legislative Office Building, Room 907
Albany, New York 12247

Re: RGGI Money Transfer to the State General Fund - Section 20 of Part P of S.2005 / A.3005

Dear Leader Stewart-Cousins:

The Independent Power Producers of New York, Inc. (IPPNY) and its Members appreciate the New York State Senate's commitment to environmental protection. As you begin finalizing budget negotiations on the 2015-2016 State Budget, I strongly urge you to reject the Executive Budget's proposal to transfer up to \$36 million in monies under the Regional Greenhouse Gas Initiative (RGGI) to the State General Fund (Section 20 of Part P of S.2005 / A.3005 - Article VII Budget Bill - Public Protection and General Government). Of this amount, \$13 million would be used for the Environmental Protection Fund (EPF), and \$23 million would support clean energy related tax credits.

This proposed transfer would be on top of prior diversions of RGGI funds. In 2014, \$52.9 million was provided to the New York Green Bank. In 2009, \$90 million already was deposited into the State General Fund, and \$112 million was transferred to the Green Jobs Green New York program.

At the January 28, 2015 Joint Budget Hearing on Environmental Conservation, Joseph Martens, Commissioner of the New York State Department of Environmental Conservation (DEC), testified that EPF programs, such as smart growth and water quality, are consistent with the RGGI program and that they would provide greenhouse gas emission reductions. However, it is unclear how the use of RGGI monies for the EPF would be consistent with NYSEERDA's regulations (21 NYCRR Part 507), which require that RGGI monies be used for each of these four categories: energy efficiency; renewable technologies; non-carbon dioxide emitting technologies; and innovative carbon dioxide emissions abatement technologies with significant emission reduction potential. As of yet, the DEC has not made a rigorous demonstration of

Board of Directors

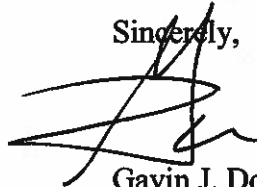
Astoria Energy, LLC ■ Brookfield Renewable Energy Group ■ Brooklyn Navy Yard Cogeneration Partners ■ Calpine Corporation
Caithness Long Island, LLC ■ Castleton Commodities International ■ Dominion ■ Dynegy, Inc. ■ Empire Generating Co., LLC
Energy Corporation ■ Exelon Corporation ■ First Wind ■ Invenergy, LLC ■ New Athens Generating Company, LLC
NextEra Energy Resources, LLC ■ NRG Energy, Inc. ■ PSEG Power New York, LLC ■ Saranac Power Partners, LLC
Selkirk Cogen Partners, LP ■ TC Ravenswood, LLC ■ Upstate New York Power Producers ■ US Power Generating Company

which EPF program categories could be considered as having energy and climate change related purposes and by how much the EPF programs would reduce emissions.

Also, at the Budget Hearing, major environmental groups opposed the transfer of RGGI monies to the EPF; instead, they noted funds from the Real Estate Transfer Tax, of which they indicated an increased amount exists, should continue to be used for the EPF.

Thank you for your consideration. If you have any questions or need additional information, please feel free to contact me.

Sincerely,



Gavin J. Donohue
President & CEO

Cc: Senator Liz Krueger, Ranking Democratic Member of the Senate Finance Committee
Senator Kevin S. Parker, Ranking Democratic Member of the Senate Committee on Energy and Telecommunications
Senator Brad Hoylman, Ranking Democratic Member of the Senate Committee on Environmental Conservation