



July 11, 2017

Andrew J. McKeon
Executive Director
RGGI, Inc.
90 Church Street
New York, NY 10007
info@rggi.org

Dear Mr. McKeon:

The New York City Environmental Justice Alliance (NYC-EJA), UPROSE, New York Lawyers for the Public Interest (NYLPI), Environmental Advocates of New York (EANY), and the New York Working Families Organization submit these joint comments following the Regional Greenhouse Gas Initiative (RGGI) Stakeholder Meeting on June 27, 2017. As New York based organizations, focused on State and community specific advocacy, our comments reflect our collective experience with RGGI and other policy implementation efforts in New York, while recognizing that communities throughout the broader region may share similar concerns and ultimately benefit from a stronger and more equitable RGGI.

The Regional Greenhouse Gas Initiative is an important component of New York State's efforts to mitigate climate change by helping to drive reductions in greenhouse gas pollution from the power sector statewide. Yet, cap-and-trade strategies alone will not foster equitable emission reductions and the achievement of New York's renewable energy goals. A stronger cap on climate pollution is needed to protect communities on the frontlines of climate change. 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.

Climate change will exacerbate vulnerabilities that result from historic patterns of environmental and economic injustices and their corresponding effects on social and public health issues. Climate impacts of most concern to us and the communities we serve include flooding, storm surge, and the threat of potential toxic exposure, as well as extreme heat and the Urban Heat Island. Air pollution exacerbates chronic health conditions, triggering asthma attacks and other health problems. And when a major storm hits, disadvantaged communities are often the last to see relief. Additionally, a recent analysis of RGGI public health impacts shows air quality improvement, however, research examining California's cap-and-trade program highlights that overall reductions in emissions may not result in localized reductions in environmental justice communities that are already overburdened by the siting of polluting infrastructure. While we recognize that there are significant differences between RGGI and the California program, the findings highlight the need for an equity analyses to study what, if any, impacts RGGI is having on greenhouse gas and co-pollutant emissions in New York's environmental justice communities.

We recommend the next iteration of RGGI include the following core components and principles:

- **More aggressive cap and timeline:** We urge the states to adopt an aggressively declining cap on power sector emissions, one that is consistent with New York State's economy-wide climate pollution reduction targets of 40% of 1990 levels by 2030 and 80% by 2050, and similar targets set by states throughout the region. Modeling shows that emissions from the power sector must decrease by at least 5% annually to meet our economy-wide goals. We strongly support pushing up the timeline of the new RGGI cap implementation to 2019 with a cap adjustment that reflects current emissions, and an annual declining cap that is at least as aggressive as the most stringent policy option currently under consideration. These changes should be coupled with a strong Emissions Containment Reserve that offers regulatory flexibility to achieve greater pollution reductions on a faster timeline to help ensure states achieve the annual greenhouse gas reductions necessary to meet their economy-wide goals.
- **Closing the loopholes:** We have major concerns with provisions in the CO₂ Budget Trading Program regulations that allow certain electric generating facilities, currently operating with multiple units that are individually under the 25MW threshold, to avoid compliance with the program. For example, two electric generating peaking facilities located in Sunset Park, Brooklyn are not subject to the state's programs that monitor and impose carbon pollution limits and therefore not contributing to the funding streams that should be dedicated to renewable energy and energy efficiency projects in the same community. NYC-EJA, UPROSE, NYLPI, and EANY conducted additional research on these plants and found that the total generation capacity dramatically exceeds the RGGI 25 megawatt threshold. The Gowanus Gas Turbines Generating has 32 turbines with a capacity of 640 megawatts and the Narrows Gas Turbines Generating has 16 turbines with a capacity of 352 megawatts. It is against the stated objective and purpose of RGGI to allow large power plants with significant emissions profiles to use a loophole to avoid limiting emissions and paying into the program. Power plants that use this loophole tend to be peaker plants, which are disproportionately sited in environmental justice communities. Sunset Park is overburdened by the siting of power plants. UPROSE fought the siting of peaking power plant facilities over a decade ago, and now peaker plants in the neighborhood are evading New York State GHG regulations through this loophole. Sunset Park and other communities throughout the State are being shortchanged on two fronts – GHG emissions and co-pollutants are not decreasing and investments in localized clean energy and energy efficiency are not increasing. Power plants that are not participating in RGGI do not have to limit carbon pollution and are in effect reducing the amount of funds that are allocated to renewable energy, energy efficiency, and other carbon abatement measures. This counterproductive loophole must be closed, and RGGI should consider lowering the 25 MW threshold to expand the program's reach by increasing the number power plants regulated under RGGI.
- **Directing revenue to environmental justice communities:** New York needs to refocus its climate programs to prioritize investments in frontline communities. Investments of RGGI proceeds should prioritize frontline, environmental justice, and disadvantaged communities, with at least 40% of the operating budget dedicated to projects that directly benefit these communities. Funds raised by RGGI should go toward renewable energy, energy efficiency, and

pollution mitigation projects in the most impacted communities, those that have been the most burdened by fossil fuel intensive energy generation and stand to benefit the most from carbon and co-pollutant mitigation strategies both from an economic and public health standpoint. New York's RGGI spending cannot further disadvantage these communities. As fossil fuels become less viable, we believe that the state's resources would be well spent to help New Yorkers transition and thrive in the new energy economy

- **Equity analysis:** We recommend an equity analysis of RGGI and other climate investments regarding the specific needs of frontline, environmental justice, and disadvantaged communities, and the need to examine how RGGI is impacting environmental justice communities across the State. New York State should create a just energy policy to ensure that policy decisions not only provide environmental benefits, but are also tools to economically elevate disadvantaged communities. The State should incorporate recommendations from the proposed *New York State Climate and Community Protection Act* to achieve a just energy policy. For example, all state entities should work with stakeholders to develop a screening tool to apply to future policy decisions to ensure these goals are met, and to report on the success of meeting equity goals.
- **Advance a just transition:** New York State needs a plan for community-driven Just Transition processes to identify the needs – and the resources necessary to address those needs – of whole communities impacted by the shift away from a fossil-fuel based economy. Whole communities include workplaces, homes, schools, communities of faith, and community institutions. A Just Transition plan for workers of and communities home to fossil-fuel based industry to ensure leadership in the regenerative energy economy, which includes pathways for good-paying jobs with fair labor standards.
- **No offsets:** We urge that offsets be eliminated as a compliance option, as they have been identified as a key contributor to pollution hotspots in environmental justice communities in other cap and trade schemes. RGGI should prioritize localized and in-state emission reductions.
- **No false solutions:** Waste-to-energy and biomass is not renewable energy should not be categorized as renewable energy by RGGI, and RGGI revenue should definitively not fund these types of projects. According to the national Climate Justice Alliance's (of which UPROSE NYC-EJA are members) *Our Power Plan* report, biomass units and other waste incineration options may be more carbon intensive than coal, and produce other toxic pollutants that will likely disproportionately affect low-income communities and communities of color.

Our five organizations are part of the NY Renews coalition which has also sent a letter to Governor Cuomo providing additional comments and feedback on the current structure of the RGGI. The letter calls for investments of RGGI proceeds that prioritize frontline, environmental justice, and disadvantaged communities, with at least 40% of the operating budget dedicated to projects that directly benefit the identified communities. With climate deniers in the White House, federal funds will no longer be available to environmental justice communities to advance environmental remediation, therefore, the RGGI and New York State must step up support for these communities.

We appreciate your attention to this important matter, and if you would like discuss the comments outlined in this letter please contact Annel Hernandez at annel@NYC-EJA.org. We look forward to

working with RGGI, Inc. and New York State to make the regions and our State's climate policy strong and equitable.

Sincerely,

New York City Environmental Justice
Alliance
UPROSE

New York Lawyers for Public Interest
Environmental Advocates of New York
New York Working Families Organization