

Just Transition Working Group Meeting #4
Tuesday, November 17, 2020
1:00-3:00pm

Working Group Member Attendees

Doreen Harris – Co-Chair
Roberta Reardon – Co-Chair
Commissioner RuthAnne Visnauskas
John Rhodes
Gary LaBarbera
Vincent Albanese
Omar Freilla
Henry Garrido
Patrick Jackson
Michael Padgett
Brian Raley
James Shillitto
Maritza Silva-Farrell
Ted Skerpon
Candis Tolliver
Randy Wolken

Other Attendees

Dave Quickenton
Peter Olmsted
Don Applyrs
Yvonne Martinez
Jamie Dickerson
Kara Allen
Mark Coleman

Introduction

- Commissioner Reardon began with a welcome and roll call of JTWG members.
- Commissioner Reardon spoke to Meeting #4 agenda.

- Member Updates
 - Commissioner Reardon asked Patrick Jackson of Corning to provide an update.
 - Patrick Jackson noted that through EPA's Energy Star Challenge that Corning was recognized for its efforts in energy efficiency to achieve 13.2% improvement at eight of its U.S. facilities including 2 facilities in NYS (Painted Post and Canton, NY). All five of the NYS-eligible plants have now achieved this recognition from EPA.

- Business Impacts Subgroup
 - Commissioner Reardon acknowledged the Business Impacts subgroup members from the JTWG and EITE.

- Supporting Subgroup Staff
 - Commissioner Reardon acknowledged the efforts of supporting agency staff.

- Business Impacts Work Plan
 - Objectives of the workgroup
 - Impetus was to address statutory requirements on NYS businesses and their workers
 - Kara Allen of NYSERDA summarized the proposed tasks of the Business Impacts subgroup

- Kara Allen spoke to the subgroup work plan including upcoming meetings through February
- EITE Industries Definition (Kevin Hansen)
 - Kevin Hansen spoke to the methods used by other jurisdictions to define EITE industries
- Greg Dotson, Assistant Professor, University of Oregon School of Law, Presentation on Emissions Leakage
 - GDotson presented on “What is leakage; Leakage versus competitiveness”
 - “Leakage” occurs when there is an increase in greenhouse gas emissions in one jurisdiction as a result of an emissions reduction in another jurisdiction. Leakage can have undesirable environmental, economic, and political effects.
 - Most often, leakage is discussed with international trade, as occurring between nations. It also occurs and relates from market effects of internationally traded fossil fuels. Leakage also is thought of as occurring between two states with differing regulatory approaches.
 - In 2015 the World Bank looked at these issues, and their study brought together empirical studies of European cap-and-trade and carbon tax effects but have not found leakage to have occurred on a significant scale. Other studies have shown and suggested that leakage is not well understood or modeled.
 - Randy Wolken: Curious about your thoughts on the WTO and how slow they take up these kinds of issues.
 - Greg D: before you get to a decision, states feel the pressure and are modifying rules in ways that are compliant with WTO, but often sooner than WTO rulings.
 - The evolving energy market is also changing the dynamic of leakage.
 - Patrick J: How do encourage businesses to take early action? If businesses react quicker, the issue of leakage may be less severe?
 - Greg D: With Waxman-Markey there was a small portion of allowance value that was suggested to be awarded to support companies taking early actions. We are beyond early action at this point due to the expectations of shareholders, investors, and customers.
 - Patrick J: Green hydrogen is something we’d be interested in; but we don’t yet see in NYS. This may represents a newer technology area illustrative of early action opportunities.
- Doreen Harris provided a summary of Next Steps including a request for feedback to the Just Transition Principles and an announcement of the December 3rd Just Transition Working Group Meeting.