Economywide Subgroup Meeting 1 Notes

Meeting Details:
- Date: June 27th, 2:00 – 3:30pm

Council Member Participants:
- Basil Seggos, Commissioner, New York State Department of Environmental Conservation
- Gavin Donohue, President and CEO, Independent Power Producers of New York
- Justin Driscoll, Acting President and Chief Executive Officer, New York Power Authority
- Peter Iwanowicz, Executive Director, Environmental Advocates NY
- Hope Knight, Commissioner and President & CEO of Empire State Development
- Anne Reynolds, Executive Director, Alliance for Clean Energy New York
- Carolyn Ryan, Designee for Marie Therese Dominguez, Commissioner, New York State Department of Transportation

Meeting Agenda/Topics Covered:
- Overview of the subgroup charge/scope, and workplan
  - Subgroup members reviewed the subgroup charge/scope, and workplan.
  - Some members emphasized the importance of the subgroup fulfilling the charge of providing recommendations on economy-wide approaches to the Council.
- Review of Economywide Policies
  - Subgroup reviewed the framework and options for three policies outlined in the Draft Scoping Plan.
    - Policies that impose a price on the emissions of GHG emissions: cap-based policies and carbon tax/fee.
    - Policies that require a regulated fuel category to reduce its carbon footprint: clean energy supply standard.
  - Sector Coverage Under Economywide Policies
    - One subgroup member asked about examples and approaches to applying policies to emissions from hard-to-measure sectors, including waste.
    - Subgroup discussed challenges of monitoring certain emissions sources (e.g., agriculture) and examples of sector-specific legal exemptions (e.g., jet fuel) from cap-based policies.
      - Noted options for delayed phase-in approach for certain sectors and reinvesting funds to reduce emissions in these sectors.
      - Subgroup emphasized the importance of aligning other regulation and programs to target emissions reductions in these sectors.
  - Clean Energy Supply Standard
    - Some subgroup members asked about examples of jurisdictions applying a clean energy supply standard to buildings.
    - Subgroup discussed approaches and possible examples of implementation in other jurisdictions, which identified Canada’s plans to pursue clean energy standard for buildings after fully implementing the standard for the

Notes are intended to capture high-level discussion topics and do not reflect any specific recommendation or opinion.
transportation sector. The subgroup and State staff were unaware of other states that have a clean energy supply standard for buildings currently.

- Subgroup discussed the opportunity to give credits for heat pump installations in line with existing EV charging credits.
  - Noted for further discussion and consideration by the subgroup.

- Co-Pollutant Reduction in Disadvantaged Communities (DACs)
  - One subgroup member raised the importance of developing economywide approaches that prioritize the reduction of co-pollutants and greenhouse gas emissions in DACs.
  - Subgroup discussed policy options, including targeting reinvestment in DACs, focusing on sectors causing co-pollutant emissions, and incorporating co-pollutant reduction in a clean energy supply standard.
  - Subgroup emphasized the need to prioritize co-pollutant reduction with any economywide approach.

- Review of Criteria List from Draft Scoping Plan and Matrix
  - Criteria list as a whole
    - Majority of subgroup members indicated they’re generally comfortable with the current criteria list as a whole.
  - Emissions Criteria
    - Subgroup members indicated they’re largely comfortable with the current criteria list under this category.
    - One member noted that in addition to GHG emissions, co-pollutants should also be considered in the economywide strategy.
  - Economic Criteria
    - Subgroup members had mixed levels of comfortability with the current criteria list under this category.
    - Subgroup members recommended clarifying language, specifically on criteria “supporting economic development” and that low-carbon economic development could benefit from clarification.
    - Subgroup members emphasized importance of maintaining existing economic development and state competitiveness.
    - One subgroup member suggested adding emphasis on the economic benefits secured by recommendations in the Scoping Plan.
  - Equity Criteria
    - Subgroup members indicated they’re largely comfortable with the current criteria list under this category but noted some redundancy in one of the criteria.
    - Subgroup members identified “prioritizing emissions reductions and avoiding hotspots in DACs” and “affordability and avoiding regressive impacts” as priority criteria.
  - Programmatic Criteria
    - Subgroup members have mixed comfortability with the current criteria list under this category.
Subgroup members requested consideration of adding administrative complexity and/or ease of implementation as an additional criterion.

Key Takeaways:

- There was strong interest in prioritizing all criteria categories and will influence the ordering of future meeting discussion topics.
- Research other jurisdictions’ consideration of a clean energy supply standard for buildings, otherwise referred to as a clean heat standard.
- Explore policies that prioritize co-pollutant reduction in Disadvantaged Communities.
- Economic criteria: refine economic development language to emphasize affordability, competitiveness, and benefits in the Scoping Plan.
- Equity criteria: reduce redundancy and add distinction that might be missing.
- Programmatic criteria: add ease of implementation as a criterion.