

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

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- 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.

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- 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.