

Economywide Subgroup Meeting 3 Notes

Meeting Details:

- Date: July 20th, 9:00 – 11:00 am

Council Member Participants:

- Basil Seggos, Commissioner, New York State Department of Environmental Conservation
- 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
- Marie Therese Dominguez, Commissioner, New York State Department of Transportation
- Carolyn Ryan, Designee for Marie Therese Dominguez, Commissioner, New York State Department of Transportation

Meeting Agenda/Topics Covered:

- Subgroup Discussion on Rationale for Economywide Policy for the final Scoping Plan
 - Subgroup members identified ensuring compliance with statewide emissions limits as a key rationale, noting its potential to fill any gaps in the Scoping Plan recommendations.
 - Some subgroup members emphasized the need for a revenue generating mechanism to achieve New York State's climate goals, in addition to other programs that would provide funding.
 - Subgroup members emphasized that an economywide policy or program should be designed to help LMI households take advantage of emission reduction programs.
 - Subgroup members mentioned the value of an economic signal to reduce emissions.
 - Some subgroup members identified that an economywide policies would increase the likelihood of the Scoping Plan's success; it should supplement not supplant other programs
- Review of Revised Criteria List
 - The subgroup agreed with and finalized the changes to the criteria.
- Application of Emissions Criteria: Certainty of emission reductions to comply with state limits
 - Subgroup members discussed considerations, including certainty, emissions hot spots, and market signaling, for an economywide approach to ensure compliance with statewide emissions limits.
 - Based on this discussion, the subgroup felt that a cap and invest policy would best meet this criterion. One member noted a preference for a carbon pricing program if an investment plan was included in a carbon pricing program.
- Application of Emissions Criteria: Potential for minimizing carbon price and/or maximizing abatement/\$
 - The subgroup felt that a cap and invest policy will best meet this criterion.
 - One member mentioned that both cap-and-invest and clean energy supply standards would automatically find the efficient outcome while a carbon tax would benefit from a price adjustment mechanism.

Notes are intended to capture high-level discussion topics and do not reflect any specific recommendation or opinion.

- Application of Emissions Criteria: Application economy wide or to specific sectors
 - Subgroup members discussed whether electricity should be included and consensus was that it should.
 - One subgroup member noted that energy efficiency goals are similarly important as electrification goals, and that a price signal in the electricity sector is key to achieving efficiency.
 - One subgroup member emphasized that integrating carbon in the price formation of electricity is an important consideration as electricity cost estimates are expected to decrease as New York continues deploying more renewables.
 - Subgroup members identified the need for an economywide strategy across all sectors, which would be most efficient, while noting that policies and mechanisms can differ between sectors.
 - One subgroup member noted that some policies may be more appropriate for certain sectors than others, and that adjustments can be made following implementation.
 - Existing sector-specific policies (e.g., RGGI) should be considered when creating economywide approaches.
- Application of Emissions Criteria: Reduction of co-pollutant emissions
 - One subgroup member noted that carbon pricing, cap and invest, and clean energy supply standards would all reduce co-pollutants alongside greenhouse gas emissions, but where the reductions occur will depend on reinvestment.
 - Across strategies, subgroup members emphasized that having a spending plan that focuses proceeds on Disadvantaged Communities is critical.

Key Takeaways:

- Based on the discussions in this meeting, the consensus of the subgroup seems to be that overall, a cap and invest policy would support meeting the Act's economywide emission limits most efficiently.
- The coordination team will provide a draft statement on the rationale for recommending an economywide strategy to the Subgroup by the August 8th meeting for edits and/or approval.