

Economywide Subgroup Meeting 4 Notes

Meeting Details:

- Date: July 25th, 2:00 – 4:00 pm

Council Member Participants:

- Basil Seggos, Commissioner, New York State Department of Environmental Conservation
- Gavin Donohue, President and CEO, Independent Power Producers of New York
- 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
- Chris Fry, Designee for Justin Driscoll, Acting President and Chief Executive Officer, New York Power Authority

Meeting Agenda/Topics Covered:

- Climate Justice Working Group (CJWG) Feedback
 - The subgroup reviewed feedback provided by the CJWG on the economywide strategies chapter of the Scoping Plan.
 - The subgroup agreed that further engagement with the CJWG is welcomed and discussed the process for engaging.
- Application of Equity Criteria: prioritizing emissions and pollutants reduction in DACs/avoiding hotspots
 - One subgroup member clarified that for a clean energy supply standard, state grants could be targeted to have specific outcomes (e.g., anaerobic digestion).
 - The subgroup reviewed different approaches for emission reduction in DACs through each policy. One member recommended investing up to 100% of revenues in DACs.
 - One subgroup member supported an incentive-based approach for delivering investments to DACs, e.g. generating credits with investments in DACs.
 - Another subgroup member suggested that approaches for carbon pricing should differ based on different sectors; for example applying a waste generation tax to the waste sector instead of a carbon tax.
 - One subgroup member noted that EJ groups have a general distrust of carbon pricing and market mechanisms as a solution.
 - One subgroup member raised the importance of avoiding potential unintended consequences (i.e., job opportunities leaving DACs) of these policies.
 - A subgroup member raised the question of how these mechanisms would work for the building sector and asked where the burden will fall for funding electrification retrofits.
 - There was discussion among the subgroup about the importance of determining what the price of carbon needs to be to fund programs in the Scoping Plan.
 - Based on this discussion, both cap-and-invest and carbon price policies received support for best meeting this criterion.
- Application of Equity Criteria: Affordability and avoiding regressive impacts

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

- The subgroup discussed the potential regressivity of each of the policies.
- One subgroup member stated that streamlining processes for investments and incentives for customers is preferred.
- Based on the discussion, the subgroup was split between all three policies in terms of which policy best meets this criterion.
- Application of Programmatic Criteria: Certainty and sufficiency of funding and use of proceeds
 - The subgroup discussed the structure of rebates to ensure they go to the intended place.
 - California's energy rebate system was highlighted as an example of how rebates can be structured.
 - One subgroup member raised the importance of fully understanding what the funding needs are before determining a structure.
 - Based on this discussion, majority of the subgroup felt that a carbon price will best meet this criterion.
- Application of Programmatic Criteria: Consistency with other regulatory programs
 - The subgroup discussed how an economywide program would provide revenue to fund other regulatory programs.
 - The subgroup discussed how a specific policy could advance other strategies of the Scoping Plan (i.e., phasing out of internal combustion vehicles).
 - One member noted that a clean energy supply standard would have the effect of reducing the cost of electrification and supporting other emission reductions.

Key Takeaways:

- Additional input from the CJWG would help the CAC evaluate alternatives policy approaches.