



May 27, 2011

NYSERDA
17 Columbia Circle
Albany, N.Y. 12203-6399

RE: Comments on the Proposed RGGI 2011 Draft Operating Plan

Northeast Energy Efficiency Partnerships (NEEP)¹ and Pace Energy and Climate Center would like to express our general support for the proposed New York Regional Greenhouse Gas Initiative (RGGI) Operation Plan for 2011. At a time when some are turning away from RGGI, it is encouraging that Governor Cuomo, DEC and NYSERDA are re-asserting New York's leadership in this important program that is effectively reducing global warming pollution and saving New Yorkers on their heat and energy bills.

The 2011 Operating Plan recognizes the strong link between energy efficiency and the reduction of greenhouse gas (GHG) emissions, and it builds on New York's successful ratepayer-funded energy efficiency programs. Energy use in buildings accounts for 40 percent of New York's emissions, the largest single source in the state.² Moreover, numerous studies demonstrate that investing in energy efficiency programs is the quickest and most cost-effective way to reduce greenhouse gas emissions.³ The Operating Plan will fill in gaps in the state's existing energy efficiency programs, including offering incentives through the Residential Space and Water Efficiency Program to the 33 percent of homes that use home heating oil.⁴ This approach represents the best of RGGI proceeds, as it will not only reduce harmful emissions but will also ease the burden of this high cost fuel on many moderate and low-income residents.

The 2011 Operating Plan also includes a number of new or modified programs, including the Cleaner, Greener Communities and the Competitive Greenhouse Gas Reduction Pilot programs. These are worthy initiatives that can increase local capacity to deliver programs and provide critical funding to important market-ready clean technologies. We caution, however, that new initiatives can be vulnerable to criticism if results from such programs are not transparent and readily available. Rigorous and timely

¹ These comments are offered by NEEP staff and do not necessarily represent the view of NEEP's Board of Directors, sponsors or underwriters.

² New York State Climate Action Plan Interim Report, Chapter 6: Residential, Commercial/Institutional, and Industrial Mitigation, November 9, 2010, p. 6-2, online at <http://www.nyclimatechange.us/ewebeditpro/items/O109F24018.pdf>.

³ RGGI, Inc., Investment of Proceeds from RGGI CO2 Allowances, February 2011, p. 5, online at http://rggi.org/docs/Press_Release_%20RGGI_Proceeds_Report.pdf. See also New York State Climate Action Plan Interim Report, p. 6-12, online at <http://www.nyclimatechange.us/ewebeditpro/items/O109F24018.pdf>.

⁴ New York State Energy Plan 2009, "Energy Efficiency Assessment," p. 8, online at http://www.nysenergyplan.com/final/Energy_Efficiency.pdf



reporting will reassure ratepayers that their money is going towards worthwhile programs. This is especially true for programs that are competitively bid to entities that may not have experience with administration or reporting of energy efficiency programs. Such entities may need significant guidance from NYSERDA to ensure their reporting of savings is complete and accurate.

Finally, we cannot stress enough, in the strongest possible terms, to Governor Cuomo, NYSERDA, DEC and members of the RGGI Advisory Group the need to demonstrate in a pronounced way the value and importance of RGGI to New York's growing clean energy economy. RGGI is too often overlooked, and its vital role in driving both energy and carbon savings is too often unclear to members of the public. Increasing public awareness of these marked benefits will be critical to galvanize public support as we work to build on the program's successes to date, and work to strengthen its effectiveness. We look forward to partnering to find ways to show that RGGI is a program with concrete benefits not only for the environment, but also for residents and businesses throughout the state.

Once again, we are greatly supportive of the work New York is doing to advance energy efficiency and clean energy through its RGGI proceeds and is grateful to have the opportunity to weigh in on this important work. Please do not hesitate to contact us to discuss our comments or any other RGGI related issues.

Sincerely,

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