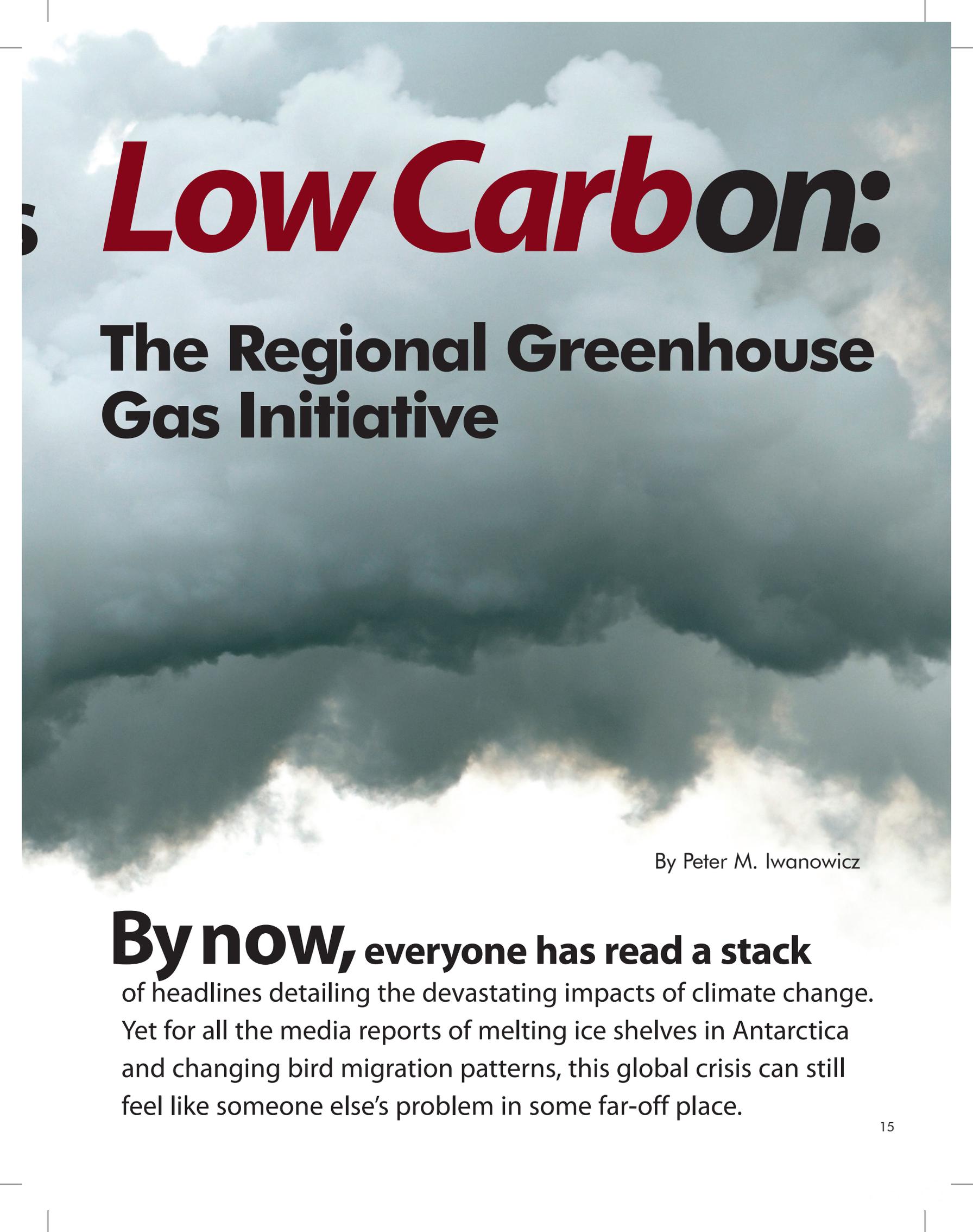


New York State goes

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Low Carbon:

The Regional Greenhouse Gas Initiative

By Peter M. Iwanowicz

By now, everyone has read a stack of headlines detailing the devastating impacts of climate change. Yet for all the media reports of melting ice shelves in Antarctica and changing bird migration patterns, this global crisis can still feel like someone else's problem in some far-off place.

The July 2007 report by the Union of Concerned Scientists (UCS) should dispel that notion. The report offers an alarming look into climate change's impact right here in New York State, projecting a future full of killer heat waves, frequent flooding and massive storms. Changing climatic

The Regional Greenhouse Gas Initiative (RGGI) is a key ingredient in this aggressive agenda. In December of 2005, New York State entered into this groundbreaking agreement with ten Northeastern and Mid-Atlantic states in an effort to reduce greenhouse gas emissions from power plants,

While most cap and trade systems give away their allowances, states participating in RGGI will auction them. In New York, we're leading the way, proposing to auction off nearly all of our allowances. By making companies pay for these allowances, we're telling energy producers they can no longer emit

The fact is, **climate change affects us all.** To ensure a healthier planet—and **protect New York's future**—we must combat it through every means at our disposal.

patterns could push much of our state's agriculture, including sugar maples and apples, for which our state is known, toward collapse. Our abundant fisheries and forest ecosystems could be devastated. Important fish species, like coldwater salmon, could disappear from warmer New York waters. The combined effects of rising sea levels and violent storms could threaten coastal sections of Long Island and New York City.

The fact is, climate change affects all of us. To ensure a healthier planet—and protect New York's future—we must combat it through every means at our disposal. And rather than continuing to wait for Washington, D.C. to take the necessary steps to protect our state and this nation, New York is leading the way.

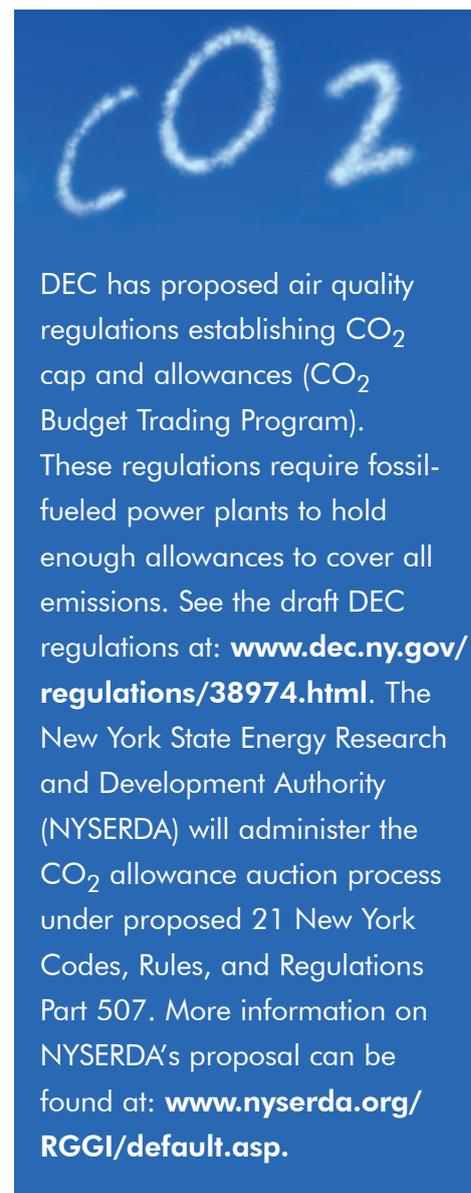
As a world leader in technology and finance and a major source of greenhouse gases, New York State can serve as a catalyst to drive national and international efforts to fight climate change. And under Governor Eliot Spitzer's direction, we are. New York State has taken bold steps to reduce emissions from power companies, cars and homes, encouraging the development of clean and renewable sources of energy like wind and solar power and clean natural gas plants and ramping up our energy efficiency and conservation efforts.

which nationwide produce a sizable percentage—40 percent—of all greenhouse gas emissions. In addition to New York, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont are participating in RGGI.

Under the agreement, the governors of these states have committed to cap and reduce carbon dioxide (CO₂) emissions from power plants in their states. Annual emissions of CO₂ from New York power plants would be capped at 64 million tons from 2009 through 2014. From 2015 to 2019, emissions would be reduced by 10 percent. Taking into account the growth that is expected to occur, total reduction due to the program will be 16 percent. Governments have used similar cap and trade systems to decrease the pollution associated with acid rain, which has proved an economic and environmental success.

In cap and trade systems, participating states set an upper limit, or cap, on CO₂ emissions. The states split this fixed amount of emissions into allowances of one ton emissions each. The states distribute these allowances to electric-generation companies, who can buy, sell or trade them like cash. Over time, the states lower the cap, resulting in fewer allowances and decreased emissions.

CO₂ for free. "We're essentially requiring them to pay to use our air," said Governor Spitzer in his announcement of the agreement.



DEC has proposed air quality regulations establishing CO₂ cap and allowances (CO₂ Budget Trading Program). These regulations require fossil-fueled power plants to hold enough allowances to cover all emissions. See the draft DEC regulations at: www.dec.ny.gov/regulations/38974.html. The New York State Energy Research and Development Authority (NYSERDA) will administer the CO₂ allowance auction process under proposed 21 New York Codes, Rules, and Regulations Part 507. More information on NYSERDA's proposal can be found at: www.nyserda.org/RGGI/default.asp.

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Under RGGI, older, less efficient power plants with higher emission levels will pay more to comply than newer, more efficient units. Dirty generators will be at a competitive disadvantage, creating a new incentive to build and run clean, efficient or renewable generation.

Residents of participating states will benefit from RGGI with little increase to their energy bills—likely less than one dollar a month. Proceeds from New York's sale of allowances will be returned to the public in the form of energy efficiency and renewable energy projects, programs that will further establish our state as a leader in environmental issues and attract “green” business investment and jobs.

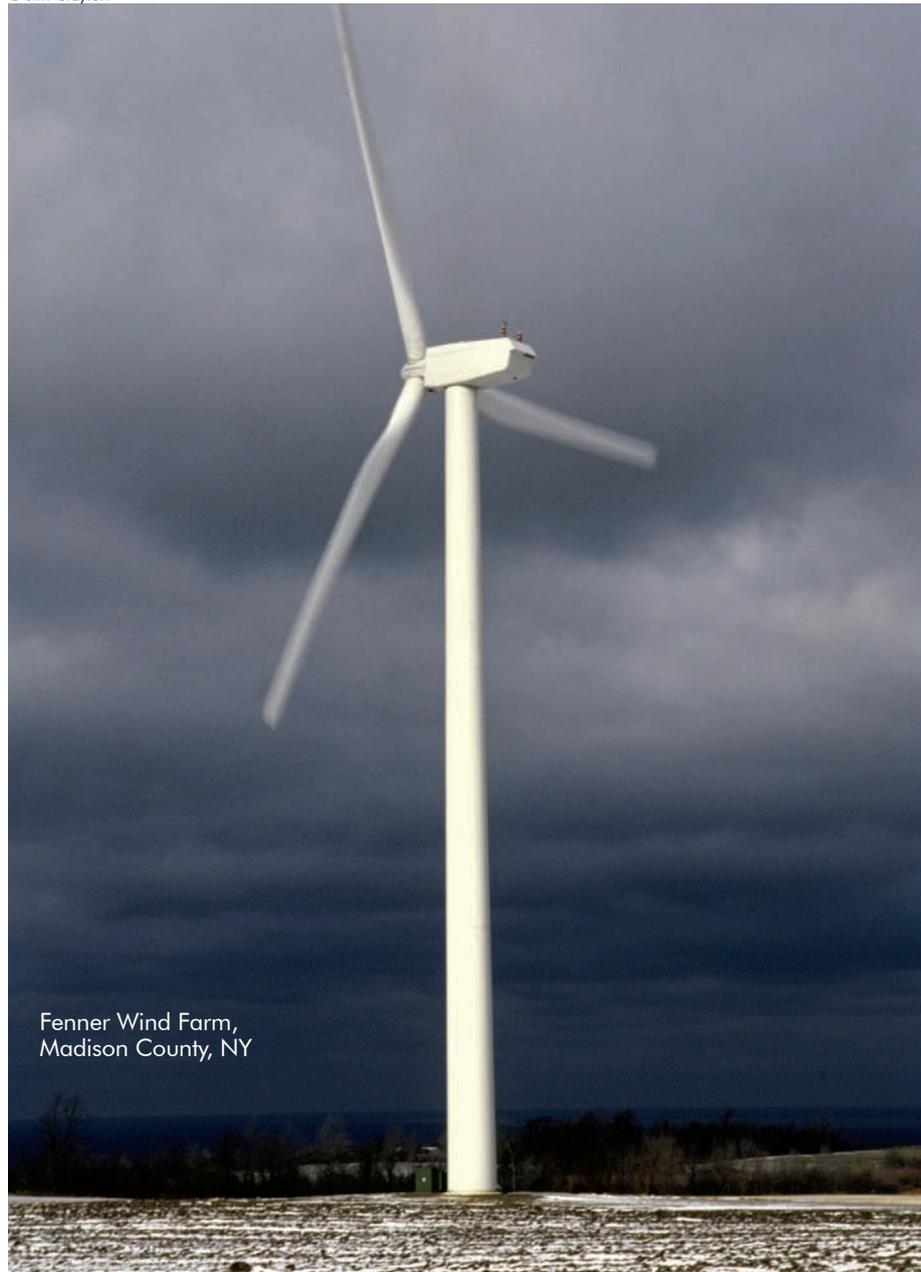
As RGGI continues to develop, it will be a model for other states that wish to develop similar market-based structures. It is already serving as an important catalyst in international efforts to reduce greenhouse gas emissions.

In October, Governor Spitzer and DEC Commissioner Pete Grannis traveled to Lisbon, Portugal with representatives from California and New Jersey to sign a declaration of cooperation with members of the European Union (EU) and other countries to establish a pathway for a future worldwide emissions trading system. In addition, last December, representatives from DEC's Office of Climate Change participated in the UN Climate Change Conference in Bali, Indonesia.

More and more, pioneering states like New York are being viewed as climate change leaders. Recently, the EU announced that the next phase (2013) of their cap and trade program will feature 100 percent auctioning for electricity sector allowances and acknowledged that the idea came from RGGI. Former U.K. Prime Minister Tony Blair

New York State Conservationist, February 2008

© Jim Clayton



Fenner Wind Farm,
Madison County, NY

New York State has taken bold steps to reduce emissions from power companies, cars and homes, encouraging the development of clean and renewable sources of energy like wind and solar power.

recently called New York and other innovative states “... an enormous source of support to those of us in Europe and elsewhere in the world who believe that the climate-change issue is a direct and pressing responsibility for us all.”

This is a decisive moment. Climate change demands the attention of every government body, every business and every citizen. The question is, can we rise to the occasion and make the hard choices

necessary to reduce our own greenhouse gas emissions and lead the global community in an effort to reduce emissions worldwide? The answer is yes, and through RGGI, New York's time is now.

To contact the Office of Climate Change call (518) 402-8448 or climatechange@gw.dec.state.ny.us For more information, see the Regional Greenhouse Gas Initiative's Web site: www.rggi.org.

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