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The Impact of RGGI on Energy Efficiency in New York

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Background on NYSERDA

- **Public Benefit Corporation created in 1975 by Article 8, Title 9 of the NYS Public Authorities Law. Statutory Responsibilities include:**
 - *Energy Research, Development and Demonstration*
 - *State Energy Planning and Forecasting*
- **Named by NYS Public Service Commission to serve as Administrator for Public Benefits Programs:**
 - *System Benefits Charge Portfolio*
 - *Renewable Portfolio Standard*
 - *Energy Efficiency Portfolio Standard*
- **Program Administrator for Regional Greenhouse Gas Initiative**
 - *6 NYCRR Part 242 CO2 Budget Trading Program*
 - *21 NYCRR Part 507 CO2 Allowance Auction Program*

RGGI Operating Plan - Background

NYSERDA's rule (Part 507.4(d)) states that proceeds from the sale of allowances will be used to:

“... promote and implement programs for energy efficiency, renewable or non-carbon emitting technologies, and innovative carbon emissions abatement technologies with significant carbon reduction potential.”

NY's Operating Plan for Auction Proceeds

- **Multiple agency missions driving the process**

NYS Agency Partners: Departments of Environmental Conservation, Public Service, Transportation and Agriculture & Markets, NYSERDA

Interdisciplinary approach required for success of NYS goals

- **Informed by Advisory Group of Stakeholders**

*Represented interests include Industry, NGO, Energy R&D, environmental justice
NAESCO serves on Advisory Group*

- **Expectations Management: \$300 million over a 3-year period**

Limited revenues to deliver broad scale change

Programs to focus on capability for self-sustaining/institutional change

- **Informed by the NY Greenhouse Gas Emissions Inventory**

New metric for program progress: Carbon emissions reduction

Other non-emissions benefits

NY's RGGI Operating Plan – Overview

Used Broad Criteria for Program Selection

- **Cost Effectiveness: carbon equivalents reduced per dollar invested**
- **Long-Range Potential for the investment to reduce GHG emissions in New York**
- **Potential to Reduce the Cost of achieving CO₂ Budget Trading Program goals**
- **Other Benefits to New York (*e.g.*, create jobs; leverage capital investment in New York to promote economic development, health and environmental benefits)**
- **Reduce the Cost Burden and Environmental Impacts on low-income families and environmental justice communities**
- **Need for these funds based upon availability of other funding sources**

NY's RGGI Operating Plan – Best Practices

All Fuels, All Sectors

- **Selected programs that allow the State to take a holistic approach that targets all consumer energy use**

Near-term/Long-term Balance

- **Struck a balance between cost-effective near-term emissions reductions (72% of program funds) and longer-term programs with substantial GHG reduction opportunities (28%)**

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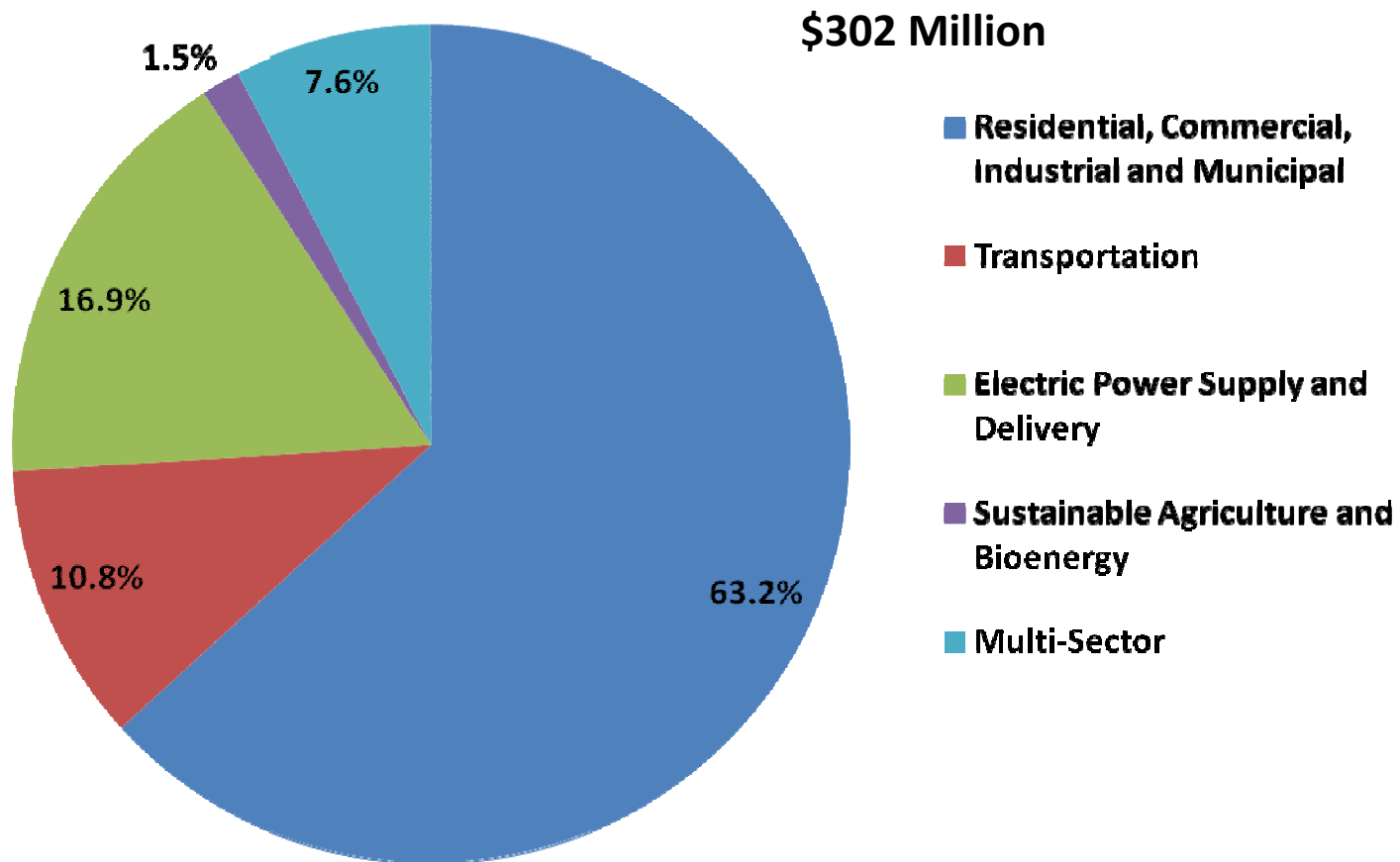
- **Selected initiatives that fill existing program funding gaps**

NY's RGGI Operating Plan – Best Practices

Innovative Program Design

- **Competitive Emissions Reduction Bidding:** Allows applicants to submit innovative cost-effective emissions reduction project proposals
- **Carbon Emissions Reduction in Multifamily Sector:** Program incentives based on cost of carbon reduction, rather than technology cost or other motivation
- **Green Jobs/Green New York:** Focus on innovative approaches to financing and mass market development
- **Clean Energy Business Assistance:** Forming public/private partnerships to foster innovation
- **Capacity Building:** Not focused only on mass market incentives and program delivery; build self-sustaining markets for carbon mitigation technologies/services

Breakdown of Funding by Sector



RGGI Operating Plan Portfolio

- Green Jobs/Green New York
- Residential Green Buildings
- Multifamily Performance Program
- Multifamily Carbon Emission Reduction Program
- Home Performance with Energy Star
- EmPower New York
- Solar Thermal Incentives and Outreach
- Municipal Water/Wastewater Efficiency
- Competitive GHG Reduction Pilot for the Industrial Sector
- Climate Smart Communities
- Advanced Buildings & Industrial Process Improvements
- Transportation Efficiency
- Advanced Transportation
- State-wide Photovoltaics
- Advanced Power Technology
- Climate Research and Analysis
- Clean Technology Industrial Development
- Sustainable Agriculture and Bioenergy

Many RGGI Activities Are Integrated with Existing NYSERDA Programs

New Programs

- **Green Jobs/Green New York**
 - *Targeted Sector(s):* Residential and small business
 - *Objective:* Creating green jobs and stimulating investment in weatherization and energy efficiency improvements
- **Competitive Emissions Reduction Program**
 - *Targeted Sector(s):* Industrial
 - *Objective:* Pilot scale; encouraging lowest-cost carbon emissions reductions through building/process efficiency, fuel optimization, abatement, all-fuels
- **Carbon Emissions Reduction in Multifamily Sector**
 - *Targeted Sector(s):* Large residential/mixed-use buildings; NYC focus
 - *Objective:* Encouraging adoption of low-carbon intensive fuels for on-site heating/hot water needs; blend efficiency incentives via **MPP**

Integrated Residential Programs

- **Residential Green Buildings**
 - Designed to change the building practices of the residential building industry for single-family and multifamily homes up to 12 units
 - Designed to work alongside **Energy Star Homes** program; Financial incentives are provided to contractors for new green homes and extensively renovated existing homes
- **Solar Thermal Incentives**
 - Provides incentives for the installation of solar thermal systems to replace fossil-fuel and electric domestic hot water systems; to be offered via **MPP** and **HPwES** programs
- **Multifamily Performance Program**
 - Provides comprehensive energy efficiency services for market rate and low-income multifamily buildings; Expanded to include **petroleum efficiency** opportunities
- **Home Performance with Energy Star**
 - Provides comprehensive energy efficiency services for existing market-rate and low-income single family homes ; Expanded to include **petroleum efficiency** opportunities
- **EmPower New York**
 - Provides cost-effective energy reduction services to households with incomes at or below 60 percent of the State Median Income ; Expanded to include **petroleum efficiency** opportunities

Buildings and Facilities Programs - Selected

- **Flex Tech (Technical Assistance)**
 - Provides technical analysis of energy efficiency improvements, energy and carbon planning, energy-related process improvements, waste minimization opportunities, and productivity improvements.
 - Industrial and commercial facilities, state and local governments, not-for-profit and private institutions, public and private K-12 schools, colleges and universities, and health care facilities are eligible
- **Existing Facilities Program**
 - Offers incentives for a variety of energy projects
 - Facilities that are eligible for FlexTech are eligible for EFP
- **New Construction Program**
 - Provides assistance to incorporate energy-efficiency measures into the design, construction, and operation of new and substantially renovated buildings.
 - Facilities that are eligible for FlexTech are eligible for NCP

NYSERDA Programs

www.nyserda.org

RGGI Program Portfolio

www.nyserda.org/RGGI/proceeds.asp