



May 1, 2017

Hon. Jeffrey Dinowitz
Chair, Assembly Committee on Corporations, Authorities, and Commissions

Hon. Amy Paulin
Chair, Assembly Committee on Energy

Hon. Brian Kavanagh
Chair, Assembly Committee on Consumer Affairs and Protection

Hon. Steve Englebright
Chair, Assembly Committee on Environmental Conservation

Dear Chairs,

New York is a national leader in transitioning to a green, sustainable energy sector, pledging to reduce greenhouse gas emissions 80% by the year 2050, creating the Clean Energy Standard to mandate that at least 50% of New York's electricity come from renewable sources by 2030, and launching the revolutionary Reforming the Energy Vision (REV) to completely restructure our energy market. Meeting these ambitious targets requires careful consideration of costs and benefits in the shift to zero-emission sources of energy.

At present, nearly one-third of all electricity in New York State is generated by nuclear power plants, which provide low-cost electricity generation while emitting no climate changing greenhouse gases into the atmosphere. These zero-emission generation plants are therefore an important component of reaching the State's emission reduction and clean power generation goals.

Three upstate nuclear facilities, the FitzPatrick, Ginna, and Nine Mile Point power plants, are at risk of closure. These plants have a generation capacity of 3,200 megawatts. Without them, more than 15 million tons of carbon dioxide would be released each year due to reliance on other forms of power generation. While New York is making great strides in increasing renewable energy and energy efficiency – and its pace will only increase as REV restructures the market to properly price and incentivize renewables and efficiency projects – it cannot achieve the goals of the Clean Energy Standard without these nuclear plants.

The twelve-year Zero-Emission Credit (ZEC) program under the Clean Energy Standard increases the rate at which electricity is purchased from these nuclear facilities in order to account for

benefits accrued to the state by generating the electricity without greenhouse gas emissions. The ZECs are therefore priced at the difference between the social cost of carbon, as calculated by the federal Interagency Working Group, and the costs of carbon currently internalized by the economy through the Regional Greenhouse Gas Initiative, with consideration to forecasted energy and capacity prices.

The ZEC program is temporary and relies on a social cost of carbon that many environmental champions in the Assembly have supported. It appropriately recognizes that nuclear power is clean but not renewable and therefore should not be counted towards the Clean Energy Standard's 50% renewable target. While it is true that all New Yorkers bear the cost of the ZEC program, it is also true that if these plants go offline and are replaced by coal- and gas-fired plants, all New Yorkers will be threatened by dirtier air and worsened climate change. Calls to abandon this program are short-sighted, forgoing the State's position as a national leader while incurring enormous costs to present and future generations of New Yorkers.

For these reasons, the New York League of Conservation Voters supports the Zero Emission Credit program.

Sincerely,

Marcia Bystryn
President, New York League of Conservation Voters