

Teach-In on New York's Cap-and-Invest (NYCI) program, New Yorkers for Clean Power

by

Sameer Ranade,
Senior Advisor for Climate
Justice, Energy Climate & Equity
Team, NYSERDA

Benefits of NYCI:

- *Healthy communities & clean environment*
- *More green jobs/good jobs*
- *Access to modern clean energy technology and infrastructure*
- *Bill savings*

*Sameer can be reached at sameer.ranade@nyserda.ny.gov

*Visit www.capandinvest.ny.gov for the NYCI preproposal

*Visit climate.ny.gov and go to 'Resources' tab for the Disadvantaged Communities (DAC)

criteria and development process

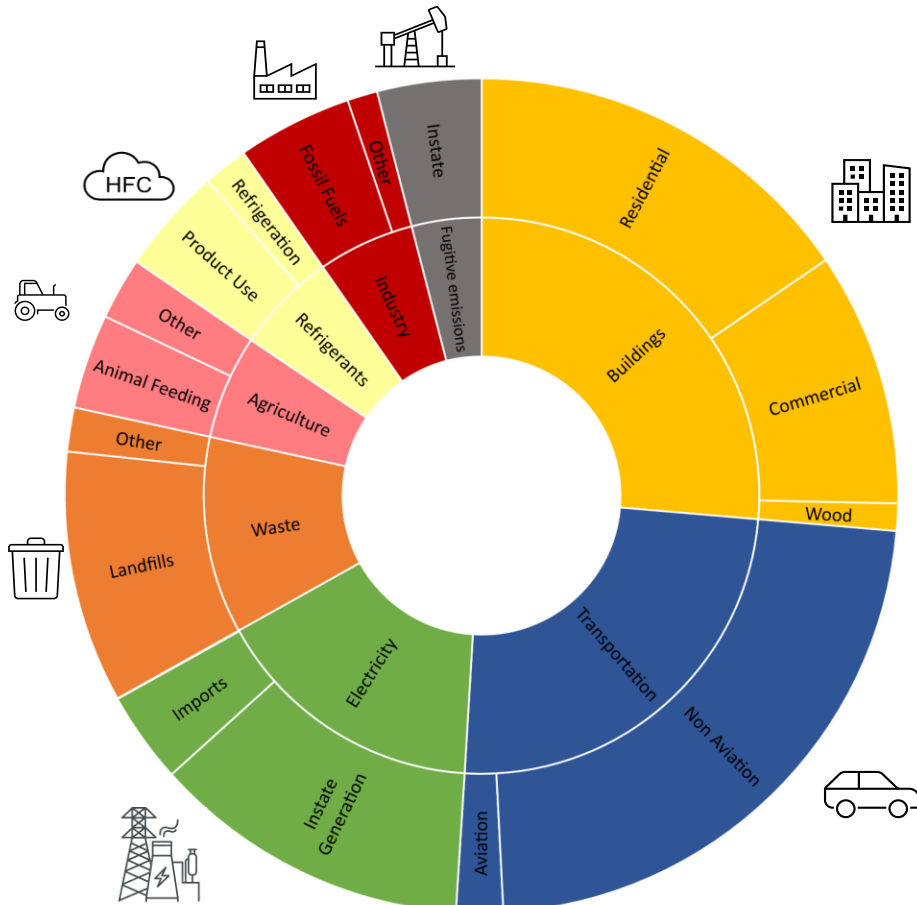


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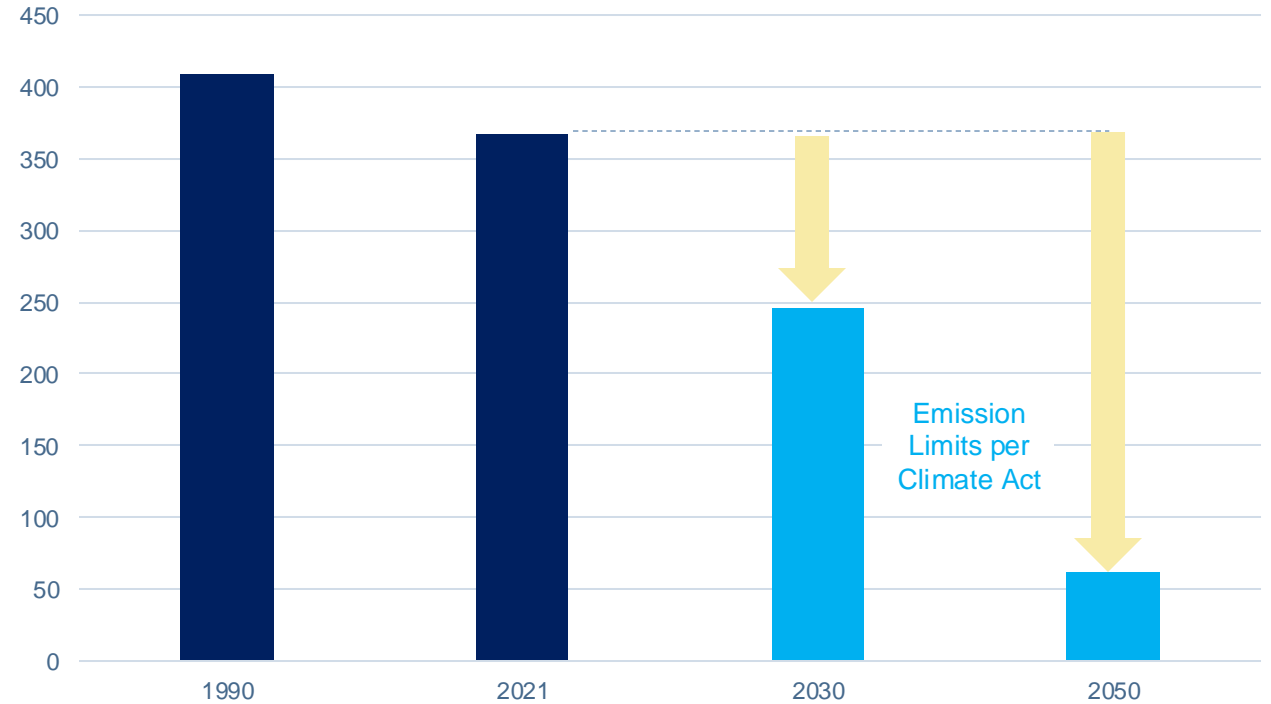
Department of
Environmental
Conservation

Climate Leadership and Community Protection Act Greenhouse Gas Emission Reduction Requirements

Current Estimated Greenhouse Gas Emissions by Sector



New York State Greenhouse Gas Emissions (MMtCO₂e)



Sources: New York State Greenhouse Gas Inventory; § 496.4 Statewide Greenhouse Gas Emission Limits

2021 Calendar Year Emissions: Based on 2023 Statewide Greenhouse Gas Emissions Report.

New York's Cap-and-Invest Program – How it Works

Cap-and-Invest sets an annual limit on the amount of greenhouse gas emissions emitted in New York. Every year, the cap will be set lower to reduce greenhouse gas emissions.



Large-scale greenhouse gas emissions sources and distributors of heating and transportation fuels will be required to purchase or obtain allowances for emissions associated with their activities.



The Program will prioritize frontline disadvantaged communities that have suffered from pollution as a result of environmental injustice and will ensure emissions reductions.



Proceeds will minimize potential consumer costs while supporting critical investments in focus areas such as climate mitigation, energy efficiency, and clean transportation.

Obligated entities would fall into two categories:

- 1) Stationary sources that emit at least 25,000 metric tons of greenhouse gases annually
- 2) Fuel Suppliers that sell at least 100,000 gallons of liquid fuel or 15,000,000 standard cubic feet of gaseous fuel, to an end user in New York State
 - For fuels sold to stationary sources that release emissions at the 25,000 metric ton annual threshold, the obligation to obtain an allowance would fall on the facility operator and not the fuel supplier

Cap-and-Invest Guiding Principles:

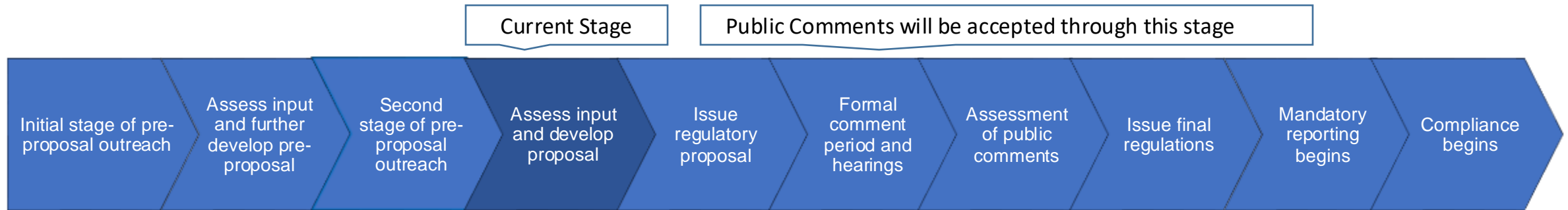
- Affordability
- Climate leadership
- Creating jobs and preserving competitiveness
- Investing in disadvantaged communities
- Funding a sustainable future



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Department of Environmental Conservation

New York Cap-and-Invest (NYCI) Regulation Development Structure



Program consists of three parts:

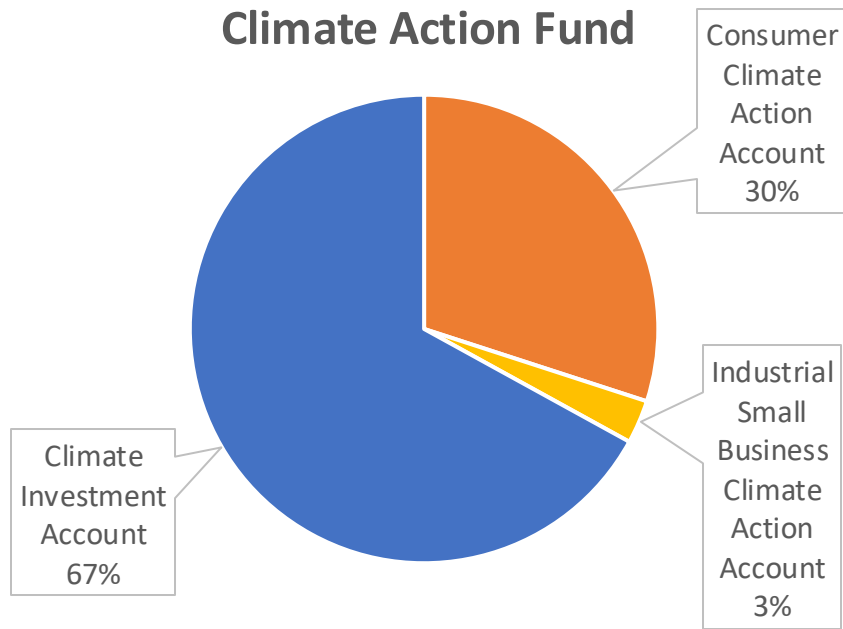
- 1) Cap-and-Invest Rule
- 2) Mandatory GHG Reporting Rule
- 3) Auction Rule



To give public comments, scan QR Code or visit www.capandinvest.ny.gov - Scroll to the bottom of the webpage to the blue '**SUBMIT COMMENTS**' button

New York Cap-and-Invest (NYCI) Timeline

Use of Proceeds Use and Planning Process



At least 35% with the goal of 40% of Cap-and-Invest Program investments must benefit Disadvantaged Communities (DACs)

Climate Action Fund subaccount:

Consumer Climate Action Account informed by the Climate Affordability Study, will deliver at least 30 percent of future NYCI proceeds to New Yorkers every year to mitigate consumer costs

Climate Investment Account that will direct two-thirds of future NYCI proceeds to support the transition to a less carbon-intensive economy

Industrial Small Business Climate Action Account that will direct up to 3 percent of future NYCI proceeds benefits to help mitigate cost

Planning process for Climate Investment Account proceeds



Modeled Price Ceiling Scenarios & Proceeds

Projected potential auction revenue for the Climate Action Fund under three price scenarios in 2025, 2030, & 2035

All scenarios presented feature a phased-in price ceiling, with an initial ceiling in 2025, 5% escalation for 2026, an increase to a higher ceiling in 2027, and escalating by 6% annually thereafter.

Price Ceiling Scenarios per ton of GHGs (real 2022\$)	Auction Revenue (billions of dollars)		
	2025	2030	2035
Scenario A 2025: \$23 2027: \$54	\$5.1	\$11.9	\$12.5
Scenario B 2025: \$15 2027: \$36	\$3.3	\$8.1	\$8.7
Scenario C 2025: \$14 2027: \$25	\$3.0	\$5.6	\$6.1

Econometric and greenhouse gas emissions

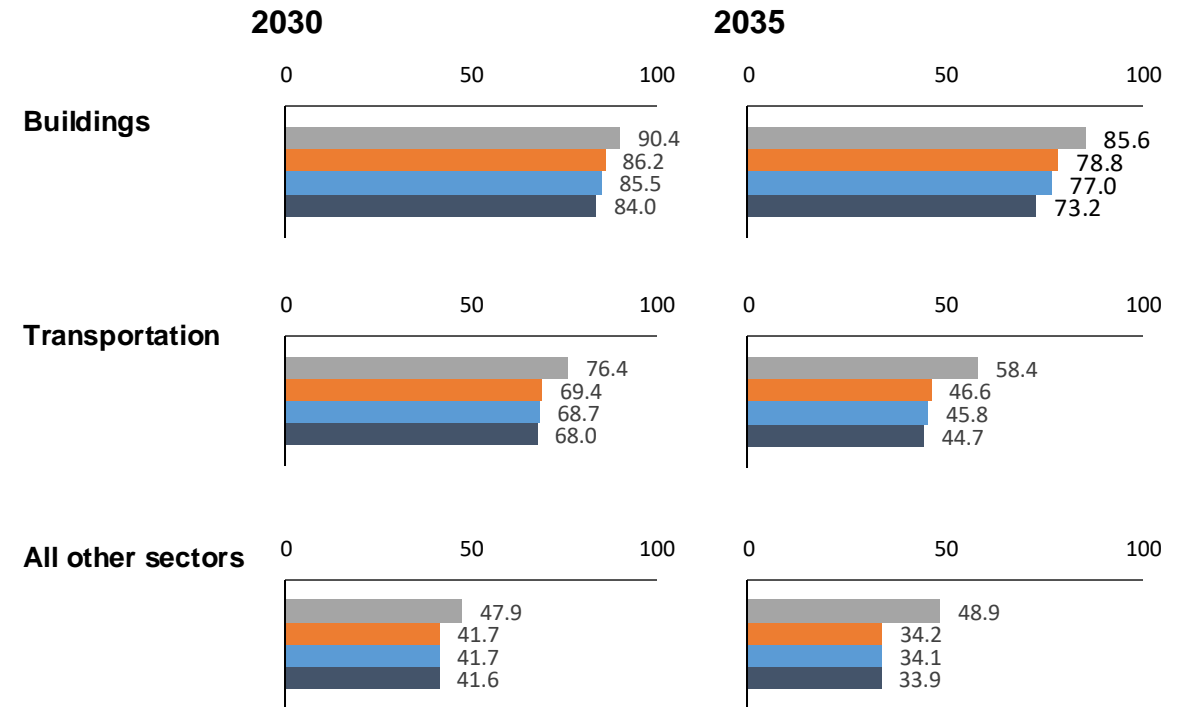
Resulting Transformation: Total GHG Emissions

At all three evaluated price ceilings, NYCI substantially accelerates emissions reductions compared to currently enacted policy.

In 2030, compared to 2025 without NYCI, annual emissions in obligated sectors fall substantially:

- **Scenario A:** 39 MMT annual reduction (to 194 MMT)
- **Scenario B:** 37 MMT annual reduction (to 196 MMT)
- **Scenario C:** 36 MMT annual reduction (to 197 MMT)

Annual obligated GHG emissions by sector
(MMT CO₂e)



Scenario A Scenario B Scenario C Reference Case

Health Effects

Projected Health Effects: Physical Benefits (Scenario A)

By 2035, air quality improvements can provide significant **annual** health benefits, including **avoiding** up to –

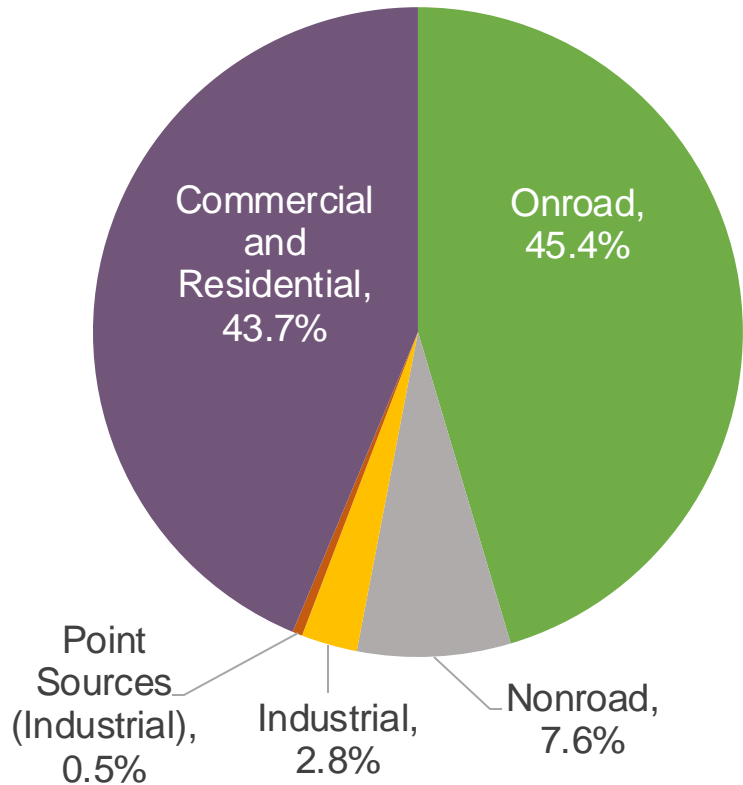
Health Effect	Avoided Cases Per Year	Fraction in Disadvantaged Communities
<i>Population of Disadvantaged Communities in New York:</i>		36%
Premature Mortality	1,500	45%
Nonfatal Heart Attacks	620	52%
Hospitalizations	440	45%
Acute Bronchitis	670	45%
Respiratory Symptoms	20,800	52%
Emergency Room Visits, Asthma	1,800	71%
Asthma Exacerbation	12,700	45%
Minor Restricted Activity Days	410,000	44%
Work Loss Days	70,500	44%

The fraction of each health benefit accrued within Disadvantaged Communities is larger than the Disadvantaged Communities share of the population

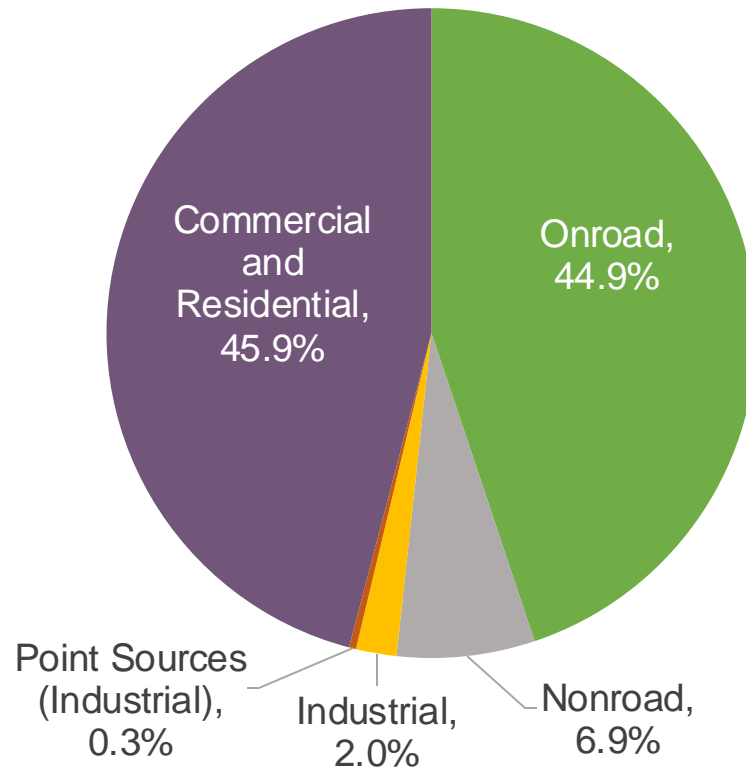
Health Effects

Projected Health Effects: By Sector

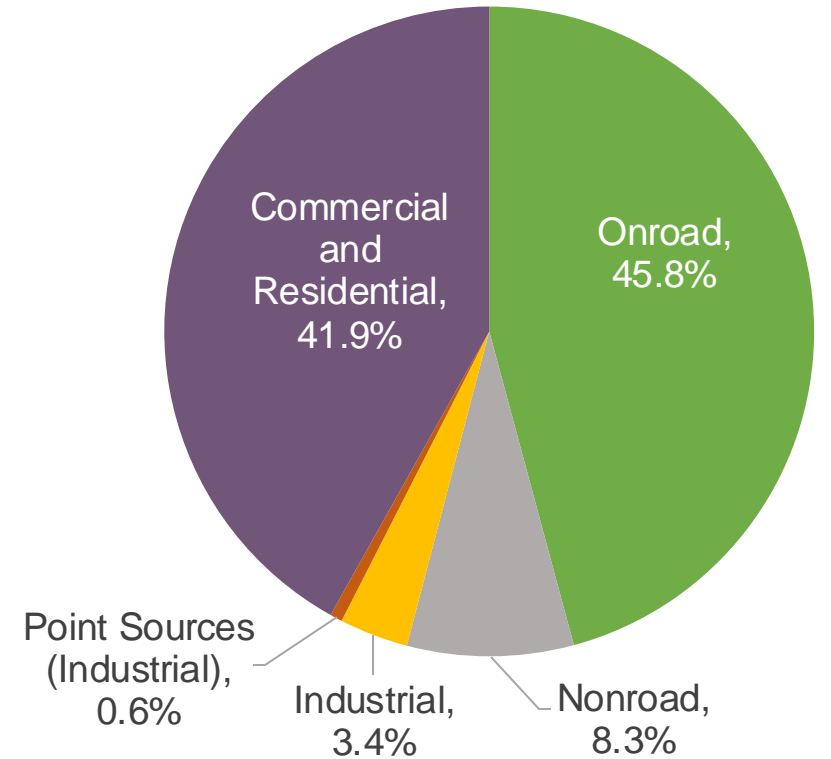
Health Benefits by Sector (Statewide)



Health Benefits by Sector (DAC)

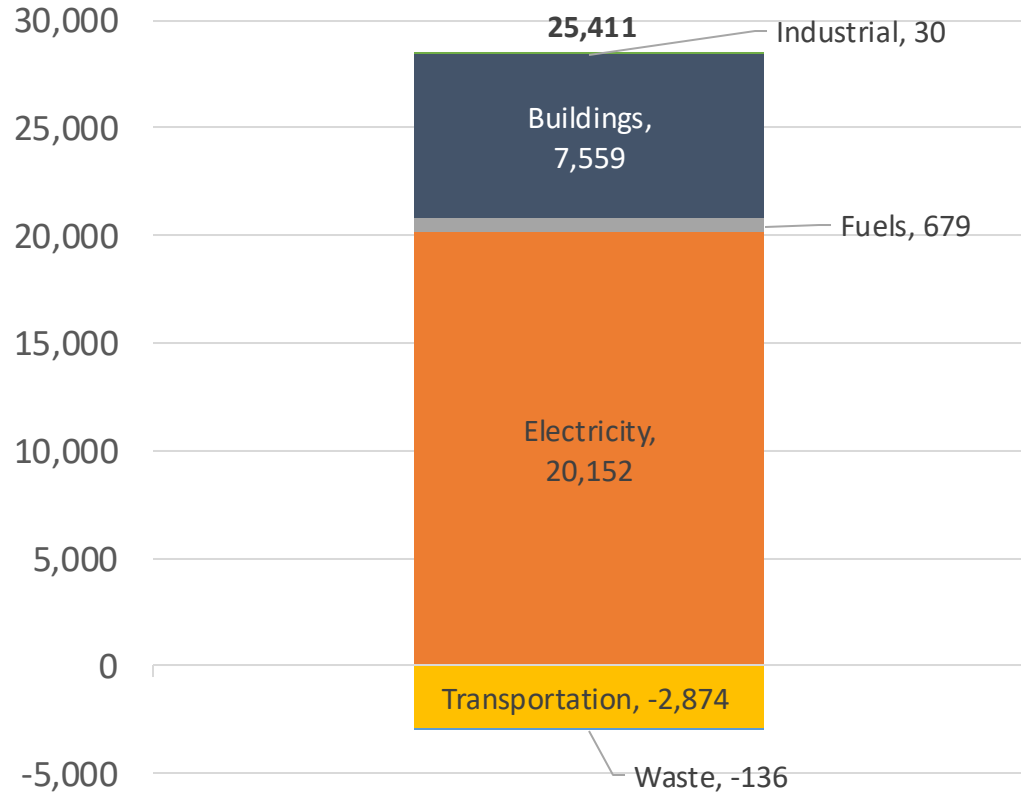


Health Benefits by Sector (Non-DAC)

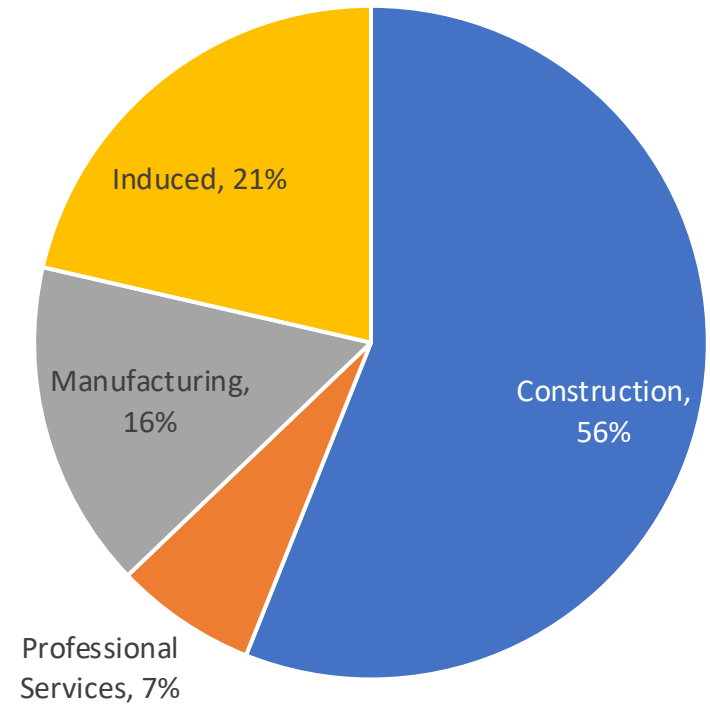


Employment Effects:

Analysis Results: Change in Employment by Sector and Industry, 2030



Employment Change By Generating Sector



Job Creation By Employment Industry

Econometric and greenhouse gas emissions

Household Impacts: middle-income household journey

Pricing Scenario A



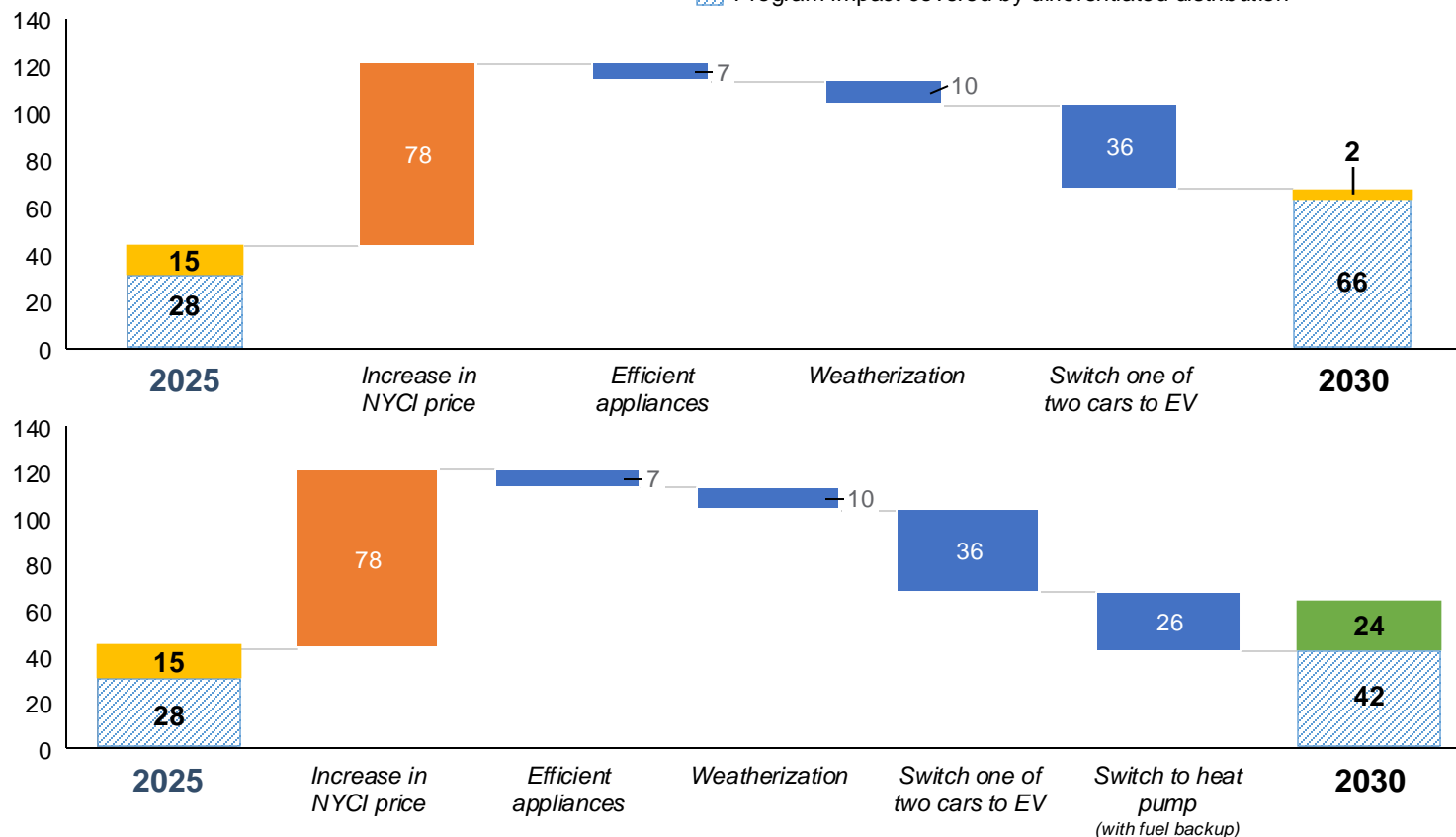
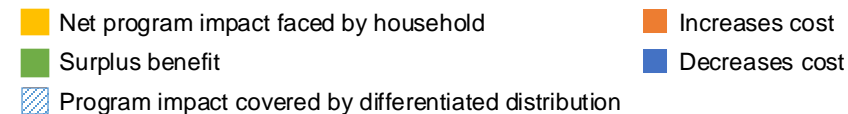
Middle income household¹ in Upstate New York

- Start with two ICE cars
- Home is not weatherized and uses gas heating

Moderate decarbonization

Increased decarbonization

Program impact per month (Real 2022 USD)



1. Middle income is defined as the income band that contains the median annual household income in NYS, i.e., \$5075,000 for the purpose of this analysis.