New York participates in the **Regional Greenhouse Gas Initiative (RGGI)**, a program that limits and lowers power plant carbon pollution. The ten participating states charge polluters a fee for every ton of emissions they release into the air. Most of the fee revenue supports clean energy projects. In the last 12 years, polluters have paid New York more than $1.3 billion for the carbon they have emitted.

Since its inception, all RGGI states have achieved significant carbon emissions reductions and economic growth. By using polluter fees to support clean energy and energy efficiency programs, RGGI can drive down power sector emissions even faster than the smokestack limits.

New York has been a RGGI participant since its 2008 launch. The New York State Department of Environmental Conservation (DEC) regulates the amount of emissions that powerplants are allowed to emit and New York State Energy Research and Development Authority (NYSERDA) administers the pollution fee and determines how the funds are spent.

Earlier this year, NYSERDA and DEC began the process of updating the regulations that govern RGGI in order to align them with the emissions reduction goals and funding requirements of New York’s climate law, the Climate Leadership and Community Protection Act (CLCPA). Both agencies took comments on proposed rules earlier this summer, and now the focus is on Governor Cuomo to make sure that the final rules go further to fully align with the CLCPA.

New York’s CLCPA mandates 100% zero-emissions electricity by 2040 and charts a path to decarbonize by industry sector. RGGI proceeds are going to be critical to fund programs to achieve the emissions reduction goals of the CLCPA.
One of the key provisions of the law is a mandate that no less than 35% of the state’s clean energy funds be dedicated to initiatives that benefit disadvantaged communities - the revenues from RGGI are covered by this requirement. While RGGI money and clean energy funds are directed to specific programs, continuing to advocate for funding in these areas is critical to program success because these funds have a history of being re-appropriated during the annual budget process to fill budget shortfalls in other areas.

Over the course of the program, $228 million of RGGI funds have been transferred by NYSERDA to the state General Fund, depriving New Yorkers of funding that could have lowered energy bills and created good jobs.

The administration of RGGI in New York State must meet the requirements outlined in the CLCPA. Updating the program regulations will allow New York to strengthen and modernize the RGGI program as well as demonstrate to regional counterparts the importance of investing clean energy funds in programs that benefit disadvantaged communities.