

Environmental

Advocates

NY

Protecting Community Clean Energy Funds

In 2008 New York made a commitment to combating climate change through participation in the **Regional Greenhouse Gas Initiative (RGGI)**. This program has brought over **\$1.4 billion** to New York since it began by charging polluters for the emissions they produce. The funds help communities reduce air pollution, lower energy bills, and create good green jobs. However, for the past several years a portion of these community 'clean energy' funds have been redirected to the State's general fund during the budget process. Since the program began, **\$228 million** dollars have been moved into the general fund, which is roughly 15% of the total amount raised through the RGGI program. This year, the Governor's budget again proposes transferring another **\$23 million** into the general fund — 16% of the overall RGGI budget for the year. New York communities need every bit of funding possible to help address the impacts of climate change.

In addition, these RGGI clean energy funds have further importance now that New York's climate law establishing aggressive targets for greenhouse gas emissions is on the books. In particular, the climate law requires that at least 35% of clean energy funds be used to benefit disadvantaged

communities. These funds from the RGGI program fit the definition of clean energy funds, which means that they must be used to support disadvantaged communities in the transition away from fossil fuels. Sweeping \$23 million of RGGI funds means that disadvantaged communities will be deprived of millions of dollars that are supposed to be used to reduce emissions and lower energy bills. Disadvantaged communities cannot afford to lose millions more this year. RGGI funds should finally and fully be used as intended, to reduce pollution for communities that are suffering the most.

If rejecting the transfer of \$23 million from the RGGI proceeds into the general fund means that adjustments will need to be made in the budget, this can easily be resolved by ending the tax expenditures that are currently allocated to subsidizing fossil fuels. Each year New York pays **\$1.5 billion** in tax breaks, refunds and credits to support the fossil fuel industry, hiding the true cost of using fossil fuels and allowing pollution to continue to burden our communities. By rejecting the transfer of RGGI funds and ending tax expenditures for fossil fuels, New York's frontline communities will see the critical investments needed to transition away from fossil fuels.

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RGGI Background

RGGI is a multistate program that reduces emissions by limiting allowable pollution from power plants and charging polluters a fee for each ton of emissions they produce. RGGI states have been able to significantly lower carbon emissions while stimulating economic growth by using the funds to support the development of renewable energy and energy efficiency programs. The RGGI program is regulated by the Department of Environmental Conservation which sets emissions limits, and the New York State Energy Research and Development Authority administers the fee and determines how the funds are spent.

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