November 10, 2017

VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: 17-01821 In the Matter of Carbon Pricing in New York Wholesale Markets
NYISO/DPS Integrating Public Policy Task Force

Attached for filing with the Public Service Commission and the New York Independent System Operator are comments of the Natural Resources Defense Council, Acadia Center, American Wind Energy Association, Cypress Creek Renewables, Environmental Advocates of New York, and Pace Energy & Climate Center, on the development of a work plan to develop and implement a carbon adder in New York's wholesale electricity markets.

Please contact me if you have any questions.

Respectfully submitted,

Miles Farmer
Clean Energy Attorney
Natural Resources Defense Council
40 W. 20th St., New York, NY 10011
(212) 727-4634

COMMENTS OF NATURAL RESOURCES DEFENSE COUNCIL, ACADIA CENTER, AMERICAN WIND ENERGY ASSOCIATION, CYPRESS CREEK RENEWABLES, ENVIRONMENTAL ADVOCATES OF NEW YORK, AND PACE ENERGY & CLIMATE CENTER, ON THE DEVELOPMENT OF A WORK PLAN TO DEVELOP AND IMPLEMENT A CARBON ADDER IN NEW YORK'S WHOLESALE ELECTRICITY MARKETS

Thank you for the opportunity to provide input on a work plan to develop and implement a carbon adder for New York's wholesale electricity markets, and to more broadly work to harmonize NYISO wholesale market rules with New York's state energy policies. We commend the New York Department of Public Service (DPS) and the New York Independent System Operator (NYISO) for their leadership in initiating discussions on this important topic, and for their commitment to work together to develop a framework to harmonize NYISO markets with state policies so as to help New York achieve its energy policy goals in the most efficient manner possible.

If designed correctly, a carbon adder could provide a national model to channel state and wholesale market policies to work together harmoniously to achieve greater decarbonization of the electric sector.[1] DPS and NYISO are correctly viewing the carbon adder as one tool in the climate action toolbox, which must be implemented alongside—and not be viewed as a replacement for—other policies such as the Clean Energy Standard and the Regional Greenhouse Gas Initiative (RGGI) which have been adopted and implemented by New York State toto move to a cleaner and more efficient power sector.

Below are our preliminary thoughts on designing a work plan, which will inevitably evolve as the process unfolds. We list the key topics first and then provide some high level

[1] For an overview of NRDC's initial thoughts on the carbon adder process, see https://www.nrdc.org/experts/jackson-morris/ny-begins-exploring-pricing-carbon-its-electricity-market.

comments on the process, the additional information requested on the rationale for each suggested topic's inclusion, questions of each that need to be addressed, the time potentially needed, and feedback on sequencing.

Key Topics for Inclusion in the Work Plan

- Clarifying the roles of NYISO, the New York Public Service Commission (PSC), and other state agencies;
- Establishing the carbon price;
- Determining how emissions for different generator technologies are calculated to apply the price, and application of the price to energy and capacity market rules;
- Determining revenue allocation and revenue reinvestment;
- Accounting for and preventing leakage;
- Facilitating efficient interactions between the Clean Energy Standard and carbon adder implementation going forward, and addressing the impact of this change to existing REC contracts and tariffs;
- Examining other PSC policies to see what adjustments are necessary;
- Examining impacts on RGGI allowance prices, emissions and revenue;
- Exploring the potential for additional RGGI allowance retirement; and
- Assessing what other market adjustments to NYISO markets are necessary/appropriate

A. Provide an efficient process for consideration of implementing a carbon adder in NYISO's markets

In developing the plan to consider these topics, we encourage NYISO and DPS to provide a single forum for considering them and developing the work plan. In particular, despite the creation of the Integrating Public Policy Task Force (IPPTF), it appears that items related to the carbon adder continue to be discussed at ongoing NYISO stakeholder meetings. For example,

the "IPP Project Update & Next Steps," including the IPPTF Charter, are on the agenda for the next Business Issues Committee meeting.[2] While we appreciate NYISO's engagement on these issues, our organizations have limited staffing capabilities relative to some other NYISO stakeholders, and a diffusion of carbon adder issues among the different working groups will make it more difficult for us to fully monitor and participate in the dialogue.

Further, we encourage NYISO and DPS to frame the IPPTF Charter in a manner that allows for the future exploration of additional mechanisms to harmonize wholesale market rules with state and local energy policies, after a carbon adder is considered. For example, this initial carbon adder process should leave open the possibility for exploring additional adders to reflect the costs of criteria pollutants. Such openness for future modifications *should not* preclude consideration of such topics in other PSC proceedings, just as the consideration of a carbon adder has not (and should not) preclude other ongoing PSC processes to consider the value of carbon emissions avoidance even as this process unfolds.

B. Clarify the roles of NYISO, the New York Public Service Commission (PSC), and other state agencies

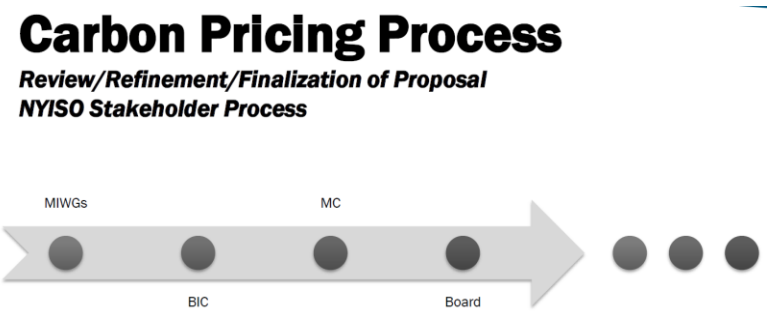
Perhaps the most critical topic, and certainly the one that must be addressed first, is to clearly articulate the roles that NYISO and the PSC must play in adopting and implementing a carbon adder. Other state entities, including the New York State Energy Research & Development Authority (NYSERDA) and New York Department of Environmental Conservation (DEC) will also have a role, which can be clarified as the details of the carbon adder are fleshed out. Critically, under the Federal Power Act, it is the state's role to *set* public

[2] *See* Business Issues Committee Agenda for Nov. 15, 2017 Business Issues Committee meeting, available at http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic.

policy (as expressed through a PSC order and other actions by state agencies), and NYISO's role to *implement* that policy.

The roles of NYISO and the PSC should be clearly established at the outset of this process for at least two reasons: First, understanding the role that each entity takes in the carbon adder will determine how each topic is addressed. For example, once the state is clearly established as the policy-setting entity, then NYISO's stakeholder process should be used to inform, but not establish, the carbon price. Other topics, such as preventing leakage, will have a role for both the state and NYISO. Understanding the division of authority over these topics will shape the directive from each entity in addressing them. The second reason that the roles of the PSC and NYISO should be addressed now is that each entity's role will inform the schedule by which the work plan should proceed, as well as the order in which the topics should be handled.

The carbon pricing process slides shared at the initial task force meeting envisioned a NYISO process to develop the work plan:[3]



Such a process is appropriate for the portions of carbon adder implementation to be handled by NYISO. At the same time, however, it should be clearly recognized and

[3] NYISO/DPS Integrating Public Policy Task Force, "Carbon Pricing Process," (Oct. 27, 2017), available at http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg_ipptf&directory=2017-10-27&_cldee=bWZhcm1lckBucmRjLm9yZw%3d%3d&recipientid=contact-51f2ed517018e611940d005056815c52-9d241ffd16f94a629a3c1ef8707656b6&esid=a22b874b-b9b8-e711-9439-005056815c52.

acknowledged that the role of state agencies in setting a carbon adder is not for NYISO stakeholders to determine. Thus, this NYISO process must take the state approach to public policy (e.g. setting the carbon price itself, etc.) as an *input*, rather than something to be debated and approved by the NYISO board.

Further, the approach taken by DPS and the PSC will ultimately help shape the NYISO process, so NYISO stakeholders must be cognizant of and informed about DPS's planned approach. In particular, as we explain below, NYISO should account for the fact that it will be necessary for the PSC to clearly articulate state policy through a Commission order prior to NYISO finalizing its implementation of a carbon adder and submitting tariff language to FERC (if such a FERC submission proves to be necessary or desirable).

Some stakeholders have suggested that NYISO could implement a carbon adder without a PSC order first clearly establishing the state policy to be implemented. This approach overstates the current clarity in PSC policy and, more significantly, could weaken the case for approval at FERC and undermine the state's core environmental policymaking authority. FERC's authority under the Federal Power Act to determine that wholesale rates are just and reasonable is exercised against a backdrop of state policy inputs. Its duty is to provide for efficient markets and processes after taking those choices into account.[4] For this reason, should the PSC formally adopt a price on carbon for this particular context, NYISO could make tariff changes to reflect that price in its wholesale markets, similar to the manner in which it currently carries out a process under Order 1000 to channel its transmission planning process to facilitate

[4] *See Fed. Power Comm'n v. Conway Corp.*, 426 U.S. 271, 280 (1976) (explaining that it is "necessary" for FERC to account for state retail rate regulation choices when regulating wholesale rates).

projects to meet the state's public policy requirements.[5] But just as the Order 1000 process in NYISO requires the state to first clearly establishing its public policy through a commission order, it is also essential for the PSC to clearly articulate its policies with respect to carbon emissions prior to NYISO implementing those policies in its markets. NYISO must not create the public policy inputs under a carbon adder just as it does not create the public policy inputs and drivers for transmission needs under Order 1000.

The need for doing so is underscored by the fact that no existing state order sets forth a single updated and fully vetted price on carbon to be applied for the foreseeable future in a technology neutral manner. Some have suggested that NYISO could use the Social Cost of Carbon used by the state in the Clean Energy Standard Order for purposes of calculating Zero Emissions Credits as the input for implementing a carbon adder in its markets. But in addition to that policy (which applies only to nuclear generators), the state also has expressed its views on the value of environmental pollutants through other policies. For example, the Clean Energy Standard also places a value on the avoidance of pollution through Renewable Energy Credits (RECs) from new renewable generators. That value, which is derived through a competitive solicitation process administered by NYSERDA, was used in Phase 1 of the Value of Distributed Energy Resources (VDER) proceeding as a proxy for the environmental value of distributed solar projects. The Benefit Cost Analysis Framework Order issued by the Commission in January 21, 2016,[6] drew upon both policies. And while the BCA Order drew from the Societal

[5] *See Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities,* 136 FERC ¶ 61,051, at PP 2, 82 (2011) (mandating mandated transmission owners to "explicitly provide for consideration of transmission needs driven by Public Policy Requirements," defined as encompassing "state or federal laws or regulations")
[6] *Order Establishing the Benefit Cost Analysis Framework,* Case 14-M-0101, at 18-19 (Jan. 21, 2016).

Cost of Carbon calculated by a U.S. Interagency Working Group (USIWG) in 2015, that USIWG analysis projected a value of carbon emissions that escalated over time. In addition, the Societal Cost of Carbon approach has continued to develop since New York's first BCA process in 2015, so if that approach is used those updates should be reviewed and potentially incorporated. The only way to achieve clarity about the state policy regarding a carbon adder is to consolidate and update all of the above in a rigorous and transparent way and then for a PSC Order to clearly and explicitly articulate it.

Further, as explained below, beyond the price itself and how it varies over time, many other policy specifics must be worked out, such as the state's policy to account for and prevent leakage, the disposition of revenues gained by generators as a result of implementing a carbon adder in the wholesale market, and others. Were it to divine a carbon price from the many PSC orders that have tangentially addressed the topic but not explicitly defined an updated technology-neutral approach to be applied across the board, NYISO would risk dictating rather than implementing a state policy toward carbon emissions. A general guide for NYISO in implementing the carbon adder should be that the PSC order leaves no room for differing reasonable interpretations of what the *policy* is towards carbon emissions, even as NYISO must necessarily sort out the manner in which wholesale market rules should be designed to efficiently deliver electricity to customers in light of those policies. For example, with regard

C. Establish the carbon price

As discussed above, there should be a rigorous and thorough process to consolidate and update the work on the cost of carbon emissions done to date, and then a state order must establish both the price of carbon emissions and the manner in which it shall change or remain constant over time. In addition, the pricing policy should account for the fact that most units 25

MW and above that participate in the NYISO market already internalize a portion of the cost of carbon emissions through RGGI. Units below 25 MW and located outside the RGGI region, however, do not. In determining how the carbon price varies over time and considering whether and how it might be adjusted, DPS and NYISO must take into account the need to achieve New York's ambitious state energy policy goals,[7] as well as the benefits of regulatory certainty for investors and generation owners.

D. Determine how emissions for different generator technologies are calculated to apply the price, and application of the price to energy and capacity market rules

This aspect of the work plan should also consider how to measure carbon emissions from all types of units, including units covered under Title V of the Clean Air Act (both within and outside of RGGI), as well as units under 25 MW. Units 25 MW and above already monitor and report carbon emissions to DEC via Continuing Emissions Monitoring systems, so this process and RGGI's software to compile that information can be leveraged. RGGI's process should be reviewed as one possible approach but other approaches may also be explored. For units less than 25 MW, the work plan should examine whether Clean Air Act and RGGI processes can be leveraged.[8] In addition, with the application of the above price to this measurement of emissions determined, the work plan should also review how these will be applied to energy and capacity market rules.

[7] The New York State Energy Plan establishes a number of clean energy and emissions targets, including a 40% (near) economywide reduction in GHGS by 2030 from 1990 levels. https://energyplan.ny.gov/.

[8] Beyond carbon emissions caused directly by power production, this process should also consider how life-cycle carbon emissions and other greenhouse gas emissions could be measured and factored in.

E. Determine revenue allocation and reinvestment

As the Brattle analysis suggests, the ultimate impact of a carbon adder on New York's customers and communities will be highly dependent on how revenues from the carbon adder are allocated, and whether and how a portion of those revenues are reinvested in communities and clean energy programs. These two topics (allocation and reinvestment) are inter-related but distinct. By "revenue allocation," we refer to the manner in which revenues are distributed among customers and programs. By "revenue reinvestment," we refer to the potential for the PSC and/or other agencies to supervise the use of some portion of revenues once they are allocated and returned.

1. Revenue allocation

The allocation of carbon adder revenues has very important implications both for the impact of implementing a carbon adder on customer bills, and for the ability of a carbon adder to drive emissions reductions. It is very important to our coalition that the carbon adder be implemented in a manner that facilitates outcomes that are equitable and that cut emissions. Brattle's analysis examined two potential allocation scenarios, one in which carbon charges "are allocated equally to all load zones on a per-MWh basis," and another "in which carbon charge allocation is targeted to minimize variation in net customer costs across all zones."[9] Revenue allocation may also vary across other axes. For example, revenues could be allocated to electric distribution companies, or to load serving entities more broadly. The work plan should allow for consideration of additional revenue allocation possibilities, as well as additional analysis of customer impacts and emissions impacts of each scenario.

[9] Newell et al., Pricing Carbon into NYISO's Wholesale Energy Market to Support New York's Decarbonization Goals (April 10, 2017) [hereinafter "Brattle Report"].

While the impact of revenue allocation on customer bills is obvious, its impact on emissions is less so. As suggested by Brattle's analysis, a carbon adder holds the potential to incent energy efficiency, but only if revenues are allocated in a manner decoupled from energy use. As Brattle states, the incentive a carbon adder would create to carry out energy efficiency investments would be blunted if revenues were "distributed on a per-KWh basis."[10] Brattle suggests that efficiency incentives could be preserved if revenues were returned "non-volumetrically through a per-customer refund."[11] Brattle also suggests in a footnote that the outcome may depend significantly on whether revenues are allocated to electric distribution companies, or to load serving entities.[12] The work plan should provide time to consider these and other revenue allocation possibilities, considering how best to achieve the state's goals of equity, emissions reductions, and protecting customers. Both the PSC and NYISO will have a role in revenue allocation, which may depend upon the ultimate set of solutions adopted.

2. Revenue reinvestment

A related question is whether and how such revenues may be reinvested in programs to protect low-income customers and environmental justice communities, and to incent energy efficiency and other clean energy technologies. Brattle's analysis assumes that all revenues will be returned *directly* to customers through refunds, but experience with RGGI shows that greater customer benefits will be if some portion of carbon revenues are reinvested in beneficial programs.

The Analysis Group has conducted two detailed examinations of the RGGI program, producing a report in November 15, 2011 reviewing the use of RGGI auction proceeds during

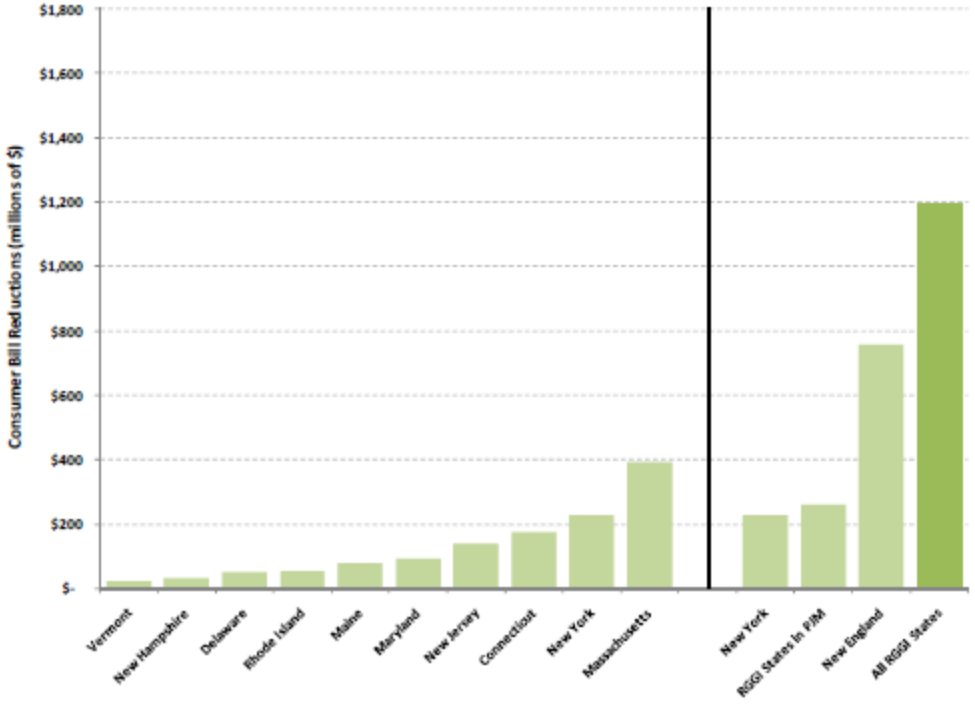
[10] *See* Brattle Report at 36.
[11] *Id.*
[12] *Id.* at fn. 86.

the first three-year compliance period (2009-2011), and a follow-up study on July 14, 2015 examining the second compliance period (2012-2014).[13] The results demonstrated that investing in beneficial programs resulted in extremely large customer benefits. During the first compliance period "RGGI produced $1.6 billion in net present value (NPV) economic value added to the ten-state region."[14] During the second compliance period, RGGI "led to 1.3 billion (net present value) of economic value to the nine-state region."[15] Analysis Group highlighted "a lowering of prices over time because the states invested a substantial amount of the allowance proceeds on energy efficiency programs that reduce electricity consumption."[16] They explained that "[h]ow allowance proceeds are used affects their economic impacts: use of auction proceeds to invest in energy efficiency produces the biggest bang per buck, in terms of net positive benefits to consumers and to the economy."[17]

Through these positive uses of carbon revenues, residential, commercial, and industrial customers were all able to save. For the first compliance period, Analysis Group estimated lower customer bills of "$25 for residential consumers, $181 for commercial consumers, and $2,493 for industrial consumers over the study period."[18]

[13] Hibbard et al., The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States: Review of the Use of RGGI Auction Proceeds from the First Three-year Compliance Period (Nov. 2011) [hereinafter "RGGI First Compliance Period Review"]; Hibbard et al., The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States: Review of RGGI's Second Three-Year Compliance Period (2012-2014) (July 2015) [hereinafter "RGGI Second Compliance Period Review"].
[14] RGGI First Compliance Period Review, at 2.
[15] RGGI Second Compliance Period Review, at 5.
[16] RGGI First Compliance Period Review, at 3.
[17] RGGI Second Compliance Period Review, at 13.
[18] RGGI First Compliance Period Review, at 4.

Figure ES3
Net Bill Reductions to Consumers (2011$)



Notes: Figures include GE MAPS outputs, non-electric benefit calculations, and capacity market gain calculations.
Figures represent dollars discounted to 2011 using a 3% public discount rate.

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Given the many potential benefits of revenue reinvestment, the work group should consider whether and how to reinvest a significant portion of carbon revenues in a similar manner. We recommend that this topic be considered in conjunction with revenue allocation, and likewise focus on equity, customer impacts, and emissions reductions.

While such a program would undoubtedly have to be supervised by the state and reflected in a PSC order, the work group should consider the details of how such a policy would be established, as well as NYISO's role in implementing the carbon adder in a manner that facilitates such a policy choice by the state. NYISO may also provide assistance to the work group and PSC in evaluating such a policy by modeling the effects of various levels of

[19] *Id.*

reinvestment. Assumptions for such a study could be derived from data gathered through the Analysis Group's detailed reports and other relevant sources.

Given the numerous benefits that RGGI allowance reinvestment has provided and continues to provide, the work group should also examine the potential effects of a carbon adder on RGGI allowance prices, emissions, and revenue to ensure that the adder does not result in a reduction of these benefits, in New York or in other RGGI states. Retiring a portion of New York's RGGI allowances to match a carbon adder's incremental "beyond RGGI" abatement, as discussed further below, could potentially help preserve RGGI allowance value and the benefits associated with its revenue reinvestment.

F. Account for and prevent leakage

The Brattle Group report discusses different types of emissions leakage and ways to prevent this leakage. With regards to preventing emissions leakage to and from neighboring regions, Brattle presents two approaches: (1) charging importers and crediting exporters the New York carbon charge applied to the marginal emission rate in the New York power market; and (2) charging importers based on the carbon content of the supplying resources and the difference in carbon prices between the two markets and crediting exporters based on the marginal emission rate in the destination market.[20] While the first approach is simpler to implement, it would provide no incentive for reducing the carbon content of imports since it would not distinguish amongst imports with different emission rates and it would not enable cost-effective opportunities to reduce emissions by exporting to more emissions-intensive neighboring markets. The second approach is more granular and would better address these issues but might be harder to implement and could require coordination with neighboring regions or making simplifying

[20] *See* Brattle Report, at 23-26.

assumptions based on public data. Both of these approaches need to be explored in greater depth including the implications of each approach, in addition to examining other approaches that may be possible to prevent this type of leakage.

The Brattle report also identifies other types of emissions leakages including leakage to other RGGI states, leakage to states outside of RGGI, and leakage from the electricity sector to other sectors. Leakage may also occur through an increase in distributed energy resources causing carbon emissions, or leakage from covered generators to non-covered generators (depending on the carbon pricing and measuring mechanism). Solutions to all these types of leakage and should be further explored.

With regards to leakage to other RGGI states, Brattle discusses how if New York pursues carbon abatement more aggressively than other RGGI states, leakage could occur if the state continues to sell all of its allocated allowances into the RGGI auction without retiring allowances on a ton-for-ton basis to match its more aggressive/incremental "beyond RGGI" abatement efforts. In this context, the potential for RGGI allowance retirement should be examined. As Brattle's points out, New York could "prevent leakage of allowances and emissions to other states," by "match[ing] its extra abatement efforts with a corresponding reduction in the number of allowances available within RGGI."[21] The work plan should provide for consideration of this strategy to be adopted in conjunction with implementing a carbon adder in the NYISO markets. The state agency primarily responsible for implementing RGGI, the New York Department of Environmental Conservation (DEC) is integral to this discussion and should lead this portion of the work plan.

[21] *Id.* at 7.

The state will have a similar role in addressing other potential types of emissions leakage. In each case, the state (acting through the PSC and other agencies) should be responsible for establishing the policy to prevent leakage. NYISO will be responsible for implementing all leakage solutions that depend on wholesale market rules.

G. Facilitate efficient interactions between the Clean Energy Standard and carbon adder implementation going forward, and address the impact to existing REC contracts and tariffs

One topic closely related to the establishment of a carbon price that should be put on the work plan agenda is facilitating efficient interactions between the Clean Energy Standard and any potential carbon adder implementation. In particular, the carbon adder should be designed and implemented in a manner that allows for renewable energy generators to translate additional revenues earned in the wholesale markets through the implementation of a carbon adder into lower offers to sell RECs in NYSERDA solicitations and/or bilateral REC transactions. The need for a policy mechanism to facilitate this result was highlighted in the assumptions used by The Brattle Group in its analysis conducted for NYISO.[22]

In carrying out its cost analysis, Brattle assumed "that each dollar of expected increase in wholesale energy prices would reduce REC prices for new resources by a dollar."[23] Brattle, recognized, however, that "In reality, the actual offset in REC prices resulting from a carbon charge could be somewhat lower due to differences in risk."[24] Brattle rightly explained that the degree to which lower REC prices will flow from increased revenues through the implementation of a carbon adder in wholesale markets depends upon the structure of the carbon

[22] *See* Newell et al., Pricing Carbon into NYISO's Wholesale Energy Market to Support New York's Decarbonization Goals (April 10, 2017) [hereinafter "Brattle Report"].
[23] *Id.* at 28.
[24] *Id.*

adder and the REC products solicited by NYSERDA. As Brattle suggests, "[o]ne could redefine the REC product so that the price adjusts automatically with changes in carbon prices."[25] Such an adjustment would benefit both customers and renewable energy generators. Customers would benefit from lower REC prices, and renewable energy generators would benefit from greater revenue certainty.

The work plan should facilitate the design of such a product. This product design discussion should occur in conjunction with the discussion of the process to establish how the carbon adder may or may not be adjusted over time. A component of this product design must necessarily be handled by the PSC, whose role it is to set the high-level parameters for NYSERDA's REC solicitations. NYSERDA should also participate in this process, as the entity responsible for issuing REC solicitations. NYISO can support this process by assisting with modeling to inform the modification of the REC product. By modeling market prices with different carbon adder inputs, NYISO could generate data to be used to determine how much REC prices should vary as a function of the carbon adder. Finally, the work plan should also include addressing the impact of the carbon pricing adder on existing REC contracts and DER compensation tariffs.

H. Examine other PSC policies to see what adjustments are necessary or appropriate

The work plan should include an examination of state energy policies to consider what adjustments may be necessary if and when a carbon adder is implemented. For example, as discussed above, it will likely be prudent to account for the potential for leakage to occur through the development or expansion of carbon emitting distributed energy resources. This process may occur in conjunction with the consideration of a carbon adder, but it should not be finalized until

[25] *Id.*

the proposed mechanics of a carbon adder are worked out. Some modifications accounting for the potential addition of a carbon adder can be facilitated through the Commission's future orders in those topic areas (in the next order or orders relating to the Value of Distributed Energy Resources, for example), while other such modifications may be included in the PSC Order establishing the carbon price to be used for the carbon adder. While this process may benefit from NYISO analysis and input, it is primarily and PSC focused process and should be led by DPS.

I. Examine other NYISO market rules and regulations and consider adjustments that may be necessary or appropriate

NYISO should engage in a similar canvassing of its own market rules to consider adjustments that may be necessary in light of the implementation of a carbon adder. Among other things, NYISO should consider whether the annual cap should be eliminated on its renewables exemption to buyer-side mitigation rules that is currently pending before FERC. NYISO should also reflect carbon adder revenues in establishing the net Cost of New Entry as part of its demand curve reset process.

J. Conclusion

Thank you for the opportunity to provide this input on the work plan. We look forward to working with NYISO, DPS, and other stakeholders as this process unfolds. Please do not hesitate to contact us with any questions regarding our proposed approach.

Respectfully submitted,

Natural Resources Defense Council
Miles Farmer
Clean Energy Attorney
40 W. 20th St.
New York, NY 10011
(212) 727-4634
mfarmer@nrdc.org

Acadia Center
Cullen Howe
New York Director & Senior Attorney
349 Fifth Avenue
New York, NY 10016
(212) 256-1535 x501
chowe@acadiacenter.org

American Wind Energy Association
Gene Grace
Senior Counsel
1501 M Street NW, Suite 9000
Washington, DC 20005
(202) 383-2521
ggrace@awea.org

Cypress Creek Renewables
Melissa Kemp
Policy Director, Northeast
607-351-7905
melissa.kemp@ccrenew.com

Environmental Advocates of New York
Conor Bambrick
Air and Energy Director
518-462-5526 x 240
cbambrick@eany.org

Pace Energy and Climate Center
Karl R. Rábago
Executive Director
(512) 968-7543
krabago@law.pace.edu