

Carbon Pricing Can Help NYS Meet Clean Energy Goals



➔ A new study was issued by the Analysis Group on behalf of the NYISO and its stakeholders (including power producers, utility companies, state agencies, consumer and environmental advocates). The study finds that introducing a “social cost” of carbon dioxide (CO₂) emissions into New York’s competitive, wholesale energy markets can help the state meet its clean energy goals faster and more cost-effectively while reducing emissions and maintaining grid reliability.

Key findings show carbon pricing can:



- Reduce the consumer cost of reaching 100% carbon-free

emissions, as required by the New York State’s Climate Leadership and Community Protection Act (CLCPA)



- Help grow investment and innovation in clean energy generation



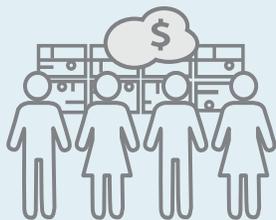
- Promote innovation and energy efficiency in fossil fuel-burning technology



- Improve public health by encouraging the retirement of the highest-emitting generators; particularly downstate



- Affirm the state’s position as a national leader on climate change



NYISO is first in U.S.

to propose incorporating a market-based mechanism for pricing energy-based carbon emissions



To achieve the state’s environmental goals you need innovation. And for that, you need markets.

We’ve got to work together and recognize that markets are a vehicle for success.

– Rich Dewey
President & CEO, New York ISO



How does carbon pricing work?



New York State sets a social cost of carbon

as a price per ton of emitted CO₂ based on the impact to the environment



Power plants pay

for the carbon they release into the atmosphere



Generation owners receive economic incentive

to invest in low-carbon or carbon-free resources like wind, solar and hydro



Consumers benefit from payments

made by polluting power producers

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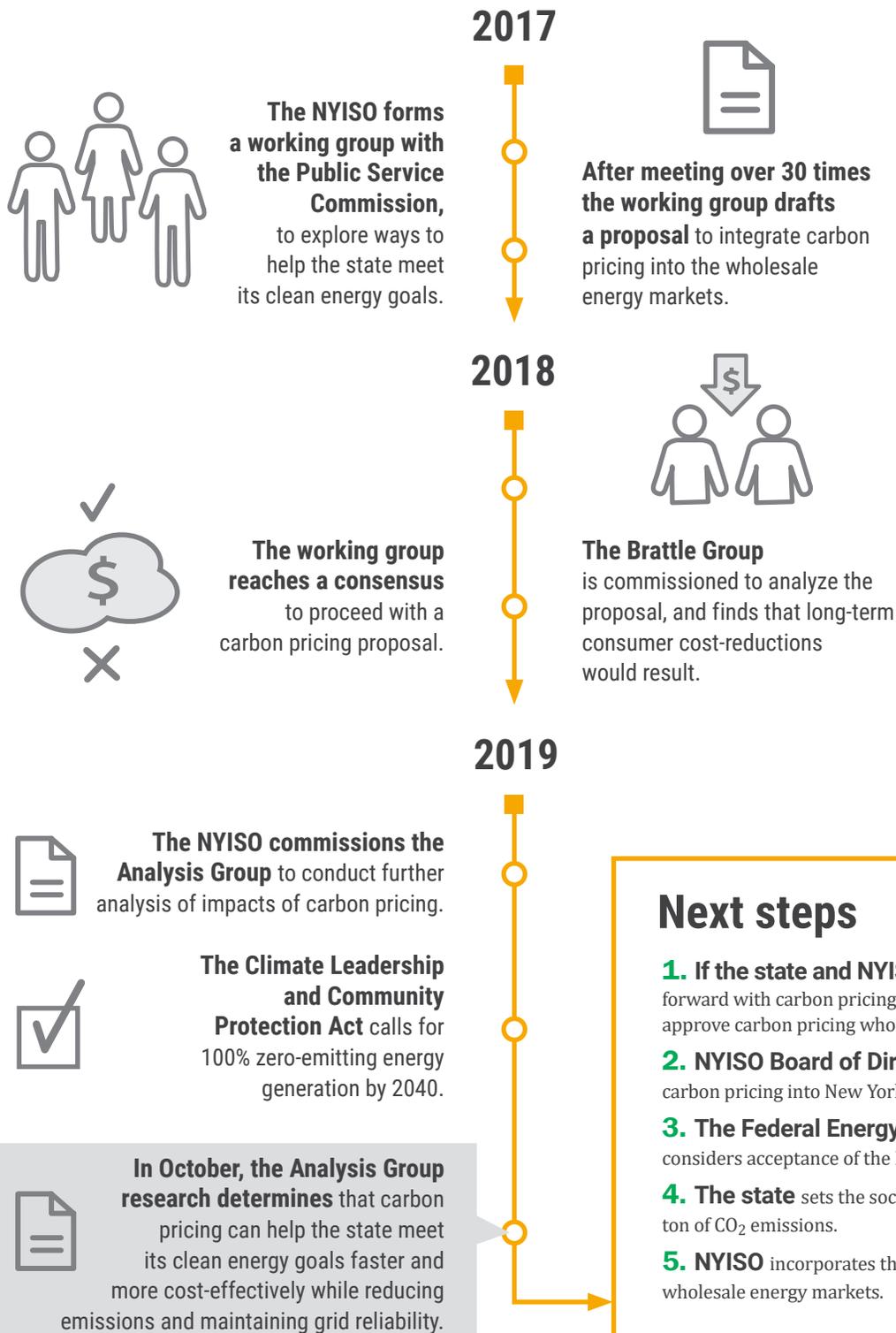


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The history of carbon pricing in New York



CLCPA key goals



70% renewable goal by 2030

100% zero-emission goal by 2040

Offshore wind
9,000 MW by 2035

Solar energy
6,000 MW by 2025

Battery storage
3,000 MW by 2030

Energy efficiency
185 trillion BTU reduction by 2025 vs forecast

Next steps

- 1. If the state and NYISO stakeholders** support moving forward with carbon pricing, stakeholders vote whether to approve carbon pricing wholesale market rules.
- 2. NYISO Board of Directors** votes whether to integrate carbon pricing into New York's wholesale energy markets.
- 3. The Federal Energy Regulatory Commission** considers acceptance of the NYISO's carbon pricing proposal.
- 4. The state** sets the social cost of carbon as a price per ton of CO₂ emissions.
- 5. NYISO** incorporates the state's carbon price into the wholesale energy markets.

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