

A Call to Action to the Climate Action Council & Advisory Panels

Working with policymakers and stakeholders, we have various planning studies and wholesale electricity market design initiatives underway to prepare the grid to meet the mandates of the CLCPA in a manner that maintains reliability, minimizes costs, and benefits our environment.

Market solutions for a reliable, zero-emissions grid

1 The Benefits of Wholesale Electricity Markets

A fundamental benefit of the wholesale electricity markets is the incentives they provide for resources to be flexible, perform in real-time, and to locate in areas of need on the grid. **Competitive markets support reliability, drive innovation, attract technology, and decrease electric bills.** The CLCPA mandates for 2030, 2040 and beyond, requires that we leverage the markets' unique and powerful ability to incentivize and attract investment behaviors, adapt to changing economic conditions, and deliver reliability.

2 The Case for Approving Carbon Pricing

Readying the power sector for a renewable future is essential as we contemplate electrification entire sectors of the economy, like transportation, and move to a zero-emission grid. Carbon pricing:

- ✓ **Provides "ready-now" market solution** that works in harmony with state policies and existing state-administered programs.
- ✓ **Moves financial risk away from consumers** and places it on investors and developers, where it is most appropriate.
- ✓ **Accelerates carbon reduction** at a lower cost than state administered programs alone.
- ✓ **Addresses the disproportionate impact of high-emission power plants on human health**, and specifically, disadvantaged environmental justice communities exacerbated by COVID-19 and offers an opportunity to efficiently improve air quality in these communities across the state.

The renewable and clean energy investment requirements in the CLCPA pose a significant challenge, and time is of the essence for the state to be successful. **We at the New York ISO believe that the Climate Action Council's Scoping Plan should include a call to integrate the social cost of carbon** in the New York ISO's wholesale electricity markets as described in our much-studied and supported [Carbon Pricing Proposal](#).



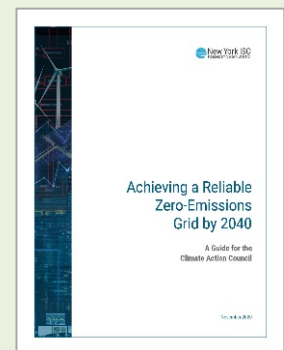
It is our mission to maintain reliability of the wholesale electric system; to oversee open, competitive electricity markets; to plan for the future grid; and to provide independent and expert information for all stakeholders.

– Rich Dewey, CEO, New York ISO



We come to work every day with the importance of that mission in mind, as we provide an essential function and serve a critical role on behalf of all New Yorkers.

– Emilie Nelson, EVP, New York ISO



Read the full report, go to www.nyiso.com/2040grid