

## **Additional Questions for AG to Consider**

### **Public Health –**

What are the impacts on criterial pollutants?

- NOx health impacts increase exponentially on non-attainment days. Brattle assessed annual NOx emissions, but not critical non-attainment days. The impact of NOx emissions on non-attainment days would be a relevant benefit to identify

### **LIPA's View on Most Salient Benefits of Carbon Pricing**

What is relevant is how carbon pricing fits into the 2030 Green New Deal interim 70% renewable energy transitional state (leaving maybe 10% fossil energy depending on nuclear retirements), and 2040 carbon neutrality end state. There are expensive ways to meet the mandates and less expensive ways to meet the mandates. Our concern is that carbon pricing will add to short-term costs but not give short or long term a price signal that moves the market in the direction of the transitional and end states envisioned. Key questions include the following:

- What is the transitional and end state role of fossil units?
- Since carbon pricing increases operating margins of nearly all NY fossil units, how does carbon pricing impact the equilibrium fossil retirements for 2030 and 2040?
  - Is this a helpful change?
- What can new fossil units do to bring about short-term carbon reductions?
  - How does carbon pricing impact that?
- What is the relevance and impact of carbon pricing if there is a moratorium on new fossil construction?
- What is the relevance of carbon pricing in a carbon-neutral 2040 future?

Facing a carbon neutral mandate, there is a huge premium in being able to use as capacity providers fossil units that can offset their emissions, either with biofuels or other lower cost offsets.

- How will AG consider the appropriateness and impacts of paying for carbon damages when there are lower cost abatement alternatives that fossil generators might use to offset their carbon emissions in a carbon neutral scenario?
- What is the economically efficient bid adder for generators burning fossil fuels with offsets?

AG had evaluated the carbon reductions and revenue requirements of the RGGI program, from which the tons of carbon abated per dollar of revenue requirement can be calculated.

- What is the cost-effectiveness of carbon pricing as a means of reducing carbon relative to other available means?

### **Other Issues**

What if any perverse impacts would carbon pricing cause on electrification and beneficial electrification?

Since many benefits identified by Brattle flow from specific assumptions, please identify which costs and co-benefits flow from which assumptions and the degree to which these assumptions drive the costs and benefits derived.