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December 17, 2020

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Re: **Requesting your Support for Carbon Pricing at the NYISO**

Dear Governor Cuomo,

The American Wind Energy Association (AWEA)¹ and the Alliance for Clean Energy-New York (ACE-NY)² are writing today to urge you to support an innovative, first-in-the-nation proposal to account for carbon emissions in New York's wholesale electricity markets. This will allow New York State to achieve its decarbonization goals in the most affordable way for consumers and the State. It will serve as a model for the rest of the nation in how to use a market-based approach to reach clean energy goals. This is a new opportunity to re-confirm the leadership you have shown on energy and environmental issues.

Currently, your State's wholesale electricity market—like all electricity markets—does not capture carbon pollution's cost to society. As a result, zero-emission resources, such as wind and solar, are not appropriately valued by the market for their ability to reduce carbon emissions and help New York meet its ambitious goals. The proposal the New York Independent System Operator (NYISO), your staff, and other stakeholders have been working on for over a year is designed to solve that problem—charging a fee to electric generators that is estimated at the cost to society of the damages caused by carbon emissions.

As New York State already has legal targets in place to achieve renewable energy and climate goals, carbon pricing would serve as an essential and highly effective complement to those laws — aligning market forces with policy goals. In fact, multiple independent studies have shown this policy would help ensure and expedite New York's pursuit of aggressive and ambitious goals to reduce carbon pollution, while lowering the

¹ AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States.

² ACE NY is a nonprofit membership organization whose mission is to promote clean energy, energy efficiency, a healthy environment and a strong economy for New York State. This diverse coalition includes private renewable energy and energy efficiency companies, environmental and economic development organizations, academic institutions, and consultants to the energy sector.



costs of transitioning New York to a 100% clean energy economy.³ Providing a long-term market signal for renewable investment, through carbon pricing, will also make New York more attractive for job-creating investments in renewable energy manufacturing and services.

AWEA, ACE-NY and our member companies stand ready to support you in your efforts to bring clean energy jobs to New York and meet New York's nation-leading clean energy goals, and we appreciate your consideration of carbon pricing as a key policy to sustain your State's momentum towards a clean energy economy.

Sincerely,

A handwritten signature in blue ink that reads "Anne Reynolds".

Anne Reynolds
Executive Director
Alliance for Clean Energy New York
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Albany, NY 12210
areynolds@aceny.org

A handwritten signature in blue ink that reads "Tom Kiernan".

Tom Kiernan
Chief Executive Officer
American Wind Energy Association
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Cc:

Ms. Melissa DeRosa, Secretary to the Governor
Ms. Dale Bryk, Deputy Secretary to the Governor for Energy and Environment
Ms. Amanda Lefton, Assistant Deputy Secretary for Energy and Environment
Mr. John Rhodes, Chair, NY Public Service Commission
Mr. Basil Seggos, Commissioner, NYS Department of Environmental Conservation
Ms. Alicia Barton, President, NYS Energy Research and Development Authority
Mr. Miles Farmer, Senior Policy Advisor, NYSERDA

³ For instance, a recent report shows that carbon pricing will save New York consumers hundreds of millions of dollars (\$280-850 million in net present value savings, between now and 2040). See Susan F. Tierney and Paul J. Hibbard, Clean Energy in New York State: The Role and Economic Impacts of a Carbon Price in NYISO's Wholesale Electricity Markets (Oct. 2019) at 36, <https://www.nyiso.com/documents/20142/2244202/Analysis-Group-NYISO-Carbon-Pricing-Report.pdf/81ba0cb4-fb8e-ec86-9590-cd8894815231?t=1570098686835>. As that report acknowledges, it is a likely conservative estimate of the net benefits of implementing a carbon pricing in New York's wholesale electricity market.