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April 2, 2009

VIA FIRST CLASS MAIL AND FACSIMILE

Governor David Paterson
New York State Capitol
Albany, NY 12224

Dear Governor Paterson:

This letter concerns a New York Times story dated April 2, 2009, reporting what appears to be a potential decision by your administration to weaken the Regional Greenhouse Gas Initiative (RGGI) program.

I would like to state in my capacity as Chair of the Senate Energy Committee, that I categorically oppose any reallocation of the RGGI "pollution allowances." There are a number of reasons why I oppose any weakening of the RGGI framework, which I will set forth below.

If the administration changes its allocation of "free allowances" from 3 percent to 11 percent of the total emissions, New York would be foregoing approximately \$16 million in revenue in the coming budget year and close to \$42 million over the next five years, as RGGI is projected to yield \$525 million to the state over that time period.

Further, since the RGGI allowances are expected to increase in value on an annual basis, the value of the resource ceded by the State would likewise compound the value of any lost revenue.

For New York to forego revenue is a very significant and troubling decision, given the fiscal challenges faced by the State. More importantly, that abandoned revenue was originally designed to be allocated to projects reducing New York's carbon footprint, promoting "green collar" jobs, and conducting research into pollution reduction technologies.

New York needs RGGI revenues to fund research and development in more efficient energy and for investment in energy and environmental projects. Our State's citizens suffer from asthma in large numbers; New York has frequent ozone alerts during the summer; and our rivers suffer from "heat pollution" from once-through power plants.

The RGGI program was created to produce market incentives to begin rolling back those areas of significant environmental pollution, and we cannot allow a bad economy or potential litigation to distract us from that important mission.

There is a very simple solution to the challenges posed by the lawsuit filed by Indeck Energy Services (Indeck), and to the requests from other similarly situated energy producers to otherwise weaken the RGGI framework. We – the Senate, Assembly and your staff – can codify RGGI, and ward off negative consequences from the Indeck litigation. My staff is drafting a bill to codify RGGI, and we are happy to work with the Secretary for Energy, and with my counterpart in the Assembly, Chairman Kevin Cahill to resolve the issue.

Before I conclude this letter, I would like to take a moment to ask you to rededicate your administration to RGGI's goals: to reduce carbon dioxide emissions from power plants in New York, while maintaining energy affordability and reliability.

RGGI was also intended to protect New York and its citizens from air pollution and its harmful secondary effects such as acid rain, an increase in the number and severity of asthma sufferers, increased mercury contamination of our land and water, and global climate change.

I know that you share my concern in all of these areas, and look forward working with your office, and Chairman Cahill, as a team to protect this precious resource and opportunity for New Yorkers.

Yours in Partnership,



KEVIN PARKER

cc:

Assemblyman Kevin Cahill
[Adirondack Mountain Club](#)
[Association for the Protection of the Adirondacks](#)
Audubon New York
[Baykeeper](#)
[Bronx Council for Environmental Quality](#)
[Center for Environmental Information](#)
Citizens Campaign for the Environment
[Chautauqua Watershed Conservancy](#)
[Clean Ocean Action](#)
[Columbia Land Conservancy](#)
[Croton Watershed Clean Water Coalition](#)
Energy Association of New York
Environmental Advocates of New York
[Friends of Jerome Park Reservoir](#)
[Friends of the Croton Watershed](#)
[Friends of the Great Swamp](#)
[Friends of the Rockefeller State Park Preserve](#)
Independent Power Producers of New York
Natural Resources Defense Council (NRDC)

[Nature Conservancy of New York](#)
New York City Environmental Justice Alliance (NYCEJA)
New York League of Conservation Voters
New York Public Interest Research Group (NYPIRG)
New York State Apollo Alliance
NYPIRG
NYS Department of Environmental Conservation
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Riverkeeper
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