



Department of  
Environmental  
Conservation

# Climate Leadership and Community Protection Act NY Cap & Invest Program (NYCI)

Energy Access and Equity Research Webinar

May 13, 2024

NYU Institute for Policy Integrity

Jon Binder, Deputy Commissioner, Climate Change, Air Resources, and Energy

# Climate Act Equity Requirements

- The Climate Act created the Climate Justice Working Group (CJWG) which finalized criteria to identify disadvantaged communities (DACs)
  - Based on a series of indicators related to environmental burdens, climate change risks, socioeconomic characteristics, and health vulnerabilities
- DACs have been identified by census tract across the State based on these criteria

## The Climate Act Requires:

1. DEC to ensure that activities undertaken to comply with Climate Act programs do not result in a net increase in co-pollutant emissions or otherwise disproportionately burden DACs
2. That all agencies' permitting and administrative decisions not disproportionately burden DACs
3. All agencies prioritize reductions of both greenhouse gas (GHG) and co-pollutant emissions in DACs.
4. At least 35 percent, with a goal of 40 percent or more, of the clean energy and energy efficiency investments directly benefit DACs.



# Investment of NYCI Proceeds

- Investment of NYCI proceeds is critical to advancing equity objectives
  - Total NYCI proceeds by 2030 projected to be between **\$6 and \$12 billion per year (\$4-8 billion available for investments)**
- These investments can reach more pollution sources and types than regulatory action alone, and can better target specific locations or areas of concern
- Targeting of investments within DACs can be informed by the Statewide Community Air Monitoring Initiative that DEC has undertaken pursuant to the Climate Act
- Consistent with the Climate Affordability Study, the anticipated progressive structure of the benefit payment will ensure low-income New Yorkers benefit most
- Disbursement of Consumer Climate Action Account funds can be structured to account for variability in energy burden, energy use, income level, geography, and other factors



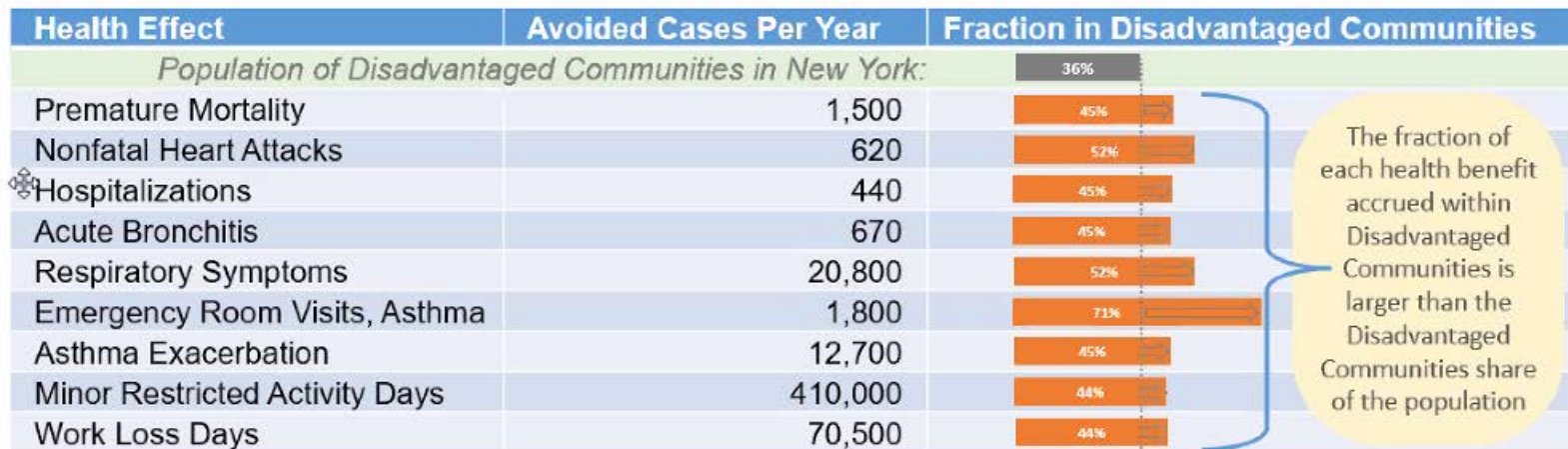
# NYCI – Highlights of Projected Health Effects

- Modeling and analysis conducted to date does not project any net pollutant increase or other disproportionate burden from NYCI in DACs
  - Instead, analysis projects that NYCI will drive a greater share of emission reduction, air quality, and health benefits in DACs relative to such benefits outside of DACs
- NYCI is projected to **reduce emissions and improve air quality in all regions and communities** in New York, resulting in **substantial health benefits**
- **DACs would experience health benefits that exceed their fraction of the population in all regions**
  - For example, greater annual-average reductions in PM<sub>2.5</sub> concentrations, and **higher per-capita health benefits** within DACs
  - Some health benefits, such as reduced asthma incidence and emergency room visits, would improve markedly within DACs relative to non-DAC (particularly given higher baseline rates in DACS)

Health Effects

## Projected Health Effects: Physical Benefits (Scenario A)

By 2035, air quality improvements can provide significant **annual** health benefits, including **avoiding** up to –





# Summary - Disadvantaged Community Considerations and NYCI

NYCI: No offsets	Complementary Policies	Investments
<ul style="list-style-type: none"> <li>➤ The NYCI program would not include any provisions for offsets.</li> <li>➤ If offsets were allowable then sources could cover a portion of their compliance obligation with offsets which could result in an increase in their direct on-site emissions in DACs.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Other DEC air quality and air pollution control regulations (see generally 6 NYCRR Chapter III, Air Resources)</li> <li>➤ Statewide Community Air Monitoring Initiative</li> <li>➤ Climate Act Section 7(3) and DEC permitting</li> <li>➤ 2023 Siting Law</li> </ul>	<ul style="list-style-type: none"> <li>➤ At least 67% of proceeds placed in a Climate Investment Account to help transition to a less carbon-intensive economy.</li> <li>➤ At least 35%, with a goal of 40%, to mitigating burdens in disadvantaged communities.</li> </ul>

# New York Cap-and-Invest (NYCI) Program Development Timeline and Structure



## Three Main Regulatory Components

- 1) Mandatory Greenhouse Gas Reporting Rule
- 2) Cap-and-Invest Rule
- 3) Auction Rule

## Investment Planning Process

