Pragmatic Environmentalist of New York Summary Update January 13, 2025 - January 26, 2025
This is a summary update of posts at Pragmatic Environmentalist of New York over the last two weeks. I have been writing about the pragmatic balance of the risks and benefits of environmental initiatives in New York since 2017 with a recent emphasis on New York's Climate Leadership & Community Protection Act (Climate Act). This summary describes each of my recent posts with minimal technical jargon and includes links if you want to read the entire post. If you do not want to be on this mailing list, then let me know. A pdf copy of the following information and previous summaries are also available. The opinions expressed in these articles do not reflect the position of any of my previous employers or any other organization I have been associated with, these comments are mine alone.

Americans rejected Biden's expensive climate agenda, but New York still offers it a safe haven
Kevin Killough wrote an article describing New York's climate agenda that I mention here because he referenced my work extensively. I think he captured my concerns very well.

NYCI State of the State Update
Recently I posed some questions that I think need to be resolved associated with the New York Cap-and-Invest Program (NYCI). I believed that Governor Hochul would announce the next steps associated with the implementation of this program when she presented the 2025 State of the State. I was completely wrong. This post described the official announcements and schedule impacts.

The NYCI website lists four components, the cap-and-invest rule, mandatory reporting rule, auction rule, and use of proceeds. Frankly I am not sure what is covered in the cap-and-invest rule. A key component of any emissions trading program is accurate emissions reporting so the mandatory reporting rule is a necessary first step and consensus is that rule will be rolled out in 2025. Because New York has unique reporting rules, New York cannot join other carbon trading programs so setting up auction rules will take time. The original plan was to start collecting proceeds in 2025, but the consensus is that auctions might not start until 2027. Finally, the plan seems to define proceeds use as part of the annual budget process.

I believe that the regulations are already drafted and only waiting for signoffs by the Governor's office. The question is why the pause. There are clear reasons for delaying implementation of NYCI. There is obvious need for a feasibility analysis to determine a viable decarbonization strategy for New York. The theme of the State of the State was affordability and Hochul is planning to run for Governor in 2026. At the Energy Access and Equity Research webinar sponsored by the NYU Institute for Policy Integrity on May 13, 2024 Jonathan Binder stated that the New York Cap and Invest Program would generate proceeds of "between $6 and $12 billion per year" by 2030. I believe the reason for the delay is that those costs are inimical to a re-election campaign.

Response to NYCI Delay
This post describes additional reactions to the unexpected NYCI delay. The article describes comments from Albany politicians and environmental advocacy group.

Progressive Democrats claim that NYCI will drive down costs because there will be rebates. I disagree. The initiatives to reduce emissions are going to cost money. The only way that NYCI will address affordability in utility rates is if the money comes from somewhere else. The more complicated the scheme to fund the initiatives the more likely that the transactional costs will increase overall costs. NYCI is supposed to fund emission reduction programs, so the proposed rebates decrease the funding available for reductions. Another problem with rebates is that a fundamental precept for market-based programs is that increasing costs incentivizes people to change behaviors that can reduce emissions. Rebates ruin that incentive. Another nonsensical idea pushed by Democratic leadership is the idea that fees on polluters will not get passed on to consumers.

Democratic legislators and environmental advocates subscribe to the NYCI premise that it would be an effective policy that will provide funding and ensure compliance because of their naïve belief that existing market-based programs worked. Past results are no guarantee of future success, especially when past results are not triumphs.

New York Affordable Energy Future

I was not the only one who expected that NYCI would be discussed in the State of the State address. Politico's Marie French recently reported that "Two reports backed by environmental advocates found distributing money raised from a cap-and-trade program would leave households better off." The reports were released anticipating that NYCI would be enacted this year. One of the reports described by Marie French "was produced by Switchbox and paid for by WE ACT for Environmental Justice, Environmental Defense Fund, and Earthjustice". I have extensive experience with emissions trading programs, but my emphasis has always been on compliance obligations. These advocacy organizations did not acknowledge those obligations when they proposed how the proceeds should be invested.

The proposed funding scenario in this report allocates resources to seven categories (Table 1). In the revenue projections examined by the report, they assumed that NYCI would raise a total of between $61 - $126 billion over the first 11 years of the program.

Table 1: Funding by program under proposed spending program with 11-year total revenues

		Funding $billion	
Program	**Percent of Revenue**	**Scenario A**	**Scenario C**
Workforce Development	5%	6.7	3.2
Transportation	13%	16.5	8
Commercial Decarbonization	9%	11.1	5.4
Residential Decarbonization	23%	29.4	14.3
Place-based Investments	2%	3	1.5
Direct Rebates	40%	50.4	24.4
Administration	8%	10.1	4.9

New York is already in a cap-and-invest program that is limited to the electric sector. I have evaluated the performance of the New York State Energy Research & Development Authority investment of

auction proceeds from that program. Using that analysis, I determined how effective the proposed allocations might be for providing the emission reductions necessary to meet the Climate Act goals. Not surprisingly, NYCI funding is insufficient to meet the Climate Act emission mandates: 40% reduction by 2030 and 85% reduction by 2050.

There is another unacknowledged problem with the schedule. There are limited emission reduction options for the compliance entities because there are no add-on controls that can achieve zero emissions for any sector. The only strategy is to convert to a different source of energy. For example, fuel suppliers are responsible for transportation sector compliance, but the reduction strategy is to convert to zero-emission vehicles. The schedule issue is that compliance entities have no control over how fast people convert to zero-emission vehicles.

When NYCI makes the news in the next couple of years it is fair to ask how much it will cost, whether the proceeds will effectively reduce emissions, and if it will incentivize the necessary investments. Based on my work the costs will be extraordinary, NYSERDA will squander the investments on Green New Deal carveouts to favored constituencies, and it will fail to motivate the necessary investments.

Comments on DPS Definitions for Establishment of a Renewable Energy Program

The Climate Act has a target that all electricity must be generated by “zero-emissions” resources by 2040. DPS staff proposed a definition of "zero-emissions" in November 2024 nearly five years after the law was promulgated. It is increasingly obvious that the Scoping Plan is inadequate for the task of implementing a "zero emissions" electric system.

Both the electric grid operator and a consortium of electric utilities provided comments on the proposed definition that emphasized the need for a comprehensive plan that prioritizes electric reliability. The NYISO said “If these margins are totally depleted, the reliability of the grid would be at an unacceptable risk and power outages could disrupt normal life or negatively impact public health, welfare, and safety.” When the operators of the grid say there are concerns with the generation margins, that is about as close as they can come to telling the legislators to stop trying to manage the grid and get out of their way.

The consortium of utilities stated that “From an electric planning, permitting, and construction perspective, the feasibility of this timeline will be significantly challenging.” When regulated companies with significant exposure to political retribution say “significantly challenging” they are really saying this won’t work!

Environmental advocacy organization comments underestimate the reliability challenges and recommend changes that would hinder development of a reliable grid. I believe that the Hochul Administration is at a crossroads It is not clear whether they will change direction to a rational approach based on reality or continue the present path of ideological purity.

Implications of the Moss Landing Battery Plant Fire and in a modified form at Watts Up With That
On January 16, 2025, there was a battery fire at the largest utility-scale battery storage facility in California. The PEAK coalition has stated that "Fossil peaker plants in New York City are perhaps the most egregious energy-related example of what environmental injustice means today" and has repeatedly argued that they should be replaced as quickly as possible with battery storage facilities.

A couple of years ago I put together a substantive post that discussed battery energy storage system (BESS) concerns. I concluded that these systems must overcome space constraint issues and are not proven technology. When a leading expert on batteries says: "Everybody has to be educated how to use these batteries safely", I think the best course of action is to follow his advice.

In California there was an evacuation zone and road closures for at least 24 hours while the fires were allowed to burn out. My article included an analysis by Rich Ellenbogen explaining what a similar response to a fire at the planned Renewable Ravenswood initiative. I have edited his description below:

> The average population density of Manhattan is 73,000 people per square mile and a similar evacuation zone would cover some of the most densely populated areas of Queens, Brooklyn, and Manhattan. The evacuation zone would extend to the West Side of Central Park due west, southwest to the Empire State building, all of the East side of Manhattan above 30th Street up to 106th Street, and Queens and Brooklyn from the RFK Bridge down to Greenpoint. That is the entire area circled by Routes 278 and 495. The Brooklyn Queens Expressway and the Long Island Expressway, roads that are notorious for being parking lots on a normal day, would have to be closed. A similar evacuation zone would also include all of the hospitals between 60th Street and 70th Street near the East River including Sloan Kettering and Weill- Cornell, and also NYU Langone Medical Center on 34th Street and the East River.

I concluded that the alleged impacts of air pollution from peaking power plants pale in comparison to the disastrous direct and indirect impacts of a battery energy storage fire. Those risks must be considered as the energy transition implementation plan is rolled out. Crossing fingers and hoping that a fire at a battery storage facility will not happen is a prescription for disaster.

Madison County Wind Farm Retirement
In June 2024 I published Madison County Wind Farm – Theory vs. Results comparing the performance of the first New York industrial wind facility with an old New York State Energy Research and Development Authority (NYSERDA) report projecting performance. On January 14, 2025 the New York Independent System Operator (NYISO) posted a Completed Generator Deactivation Notice for the facility.

The performance of the first wind farm in New York is considerably less than projected and now it is retiring after less than 25 years of operation. Over the last 18 years the facility has generated 93.2 GWh less than projected. This is another indication that the Scoping Plan projections for future wind operations were overly optimistic and means that the Scoping Plan costs for the net zero transition are too low. It is time to pause implementation and address the many issues that have been identified with the Scoping Plan energy projections and cost estimates.

Commentaries on Recent Articles

These are updates of articles of interest. Previous commentaries are available here.

January 18, 2025 Commentary

I recommend the five-minute video Is there a climate emergency? by Steve Koonin.

Kip Hansen described new research that "leads to far lower projections of future sea-level rise due to any glacier melt in Greenland and Antarctica." I recently described the responses by the DEC to my comments on the Amendment to Part 490 Projected Sea-Level Rise. My primary criticism was that the DEC methodology yields absurdly high estimates of sea level rise. This research further reduces the possible sea level rise.

Rick Dunn described the visions, delusions, and nightmares of the proposed energy transition in a well-documented piece that includes good graphics.

According to a Reuters news report California has withdrawn its request for a federal waiver to require commercial truckers to transition to zero-emissions vehicles. New York was planning to require commercial zero-emissions vehicles following California's lead. Yet another reason why the Climate Act schedule is off track.

Exxon is suing the California Attorney General over their lawsuit concerning their advanced plastic recycling technologies. The litigation includes a 40-page brief that says: "It is also a case about the corrupting influence of foreign money in the American legal system and about the sordid for-profit incentives and outright greed that tries to hide behind so-called public impact litigation."

Climate Discussion Nexus (CDN) is run by John Robson and produces a highly recommended weekly newsletter. The latest edition includes a story about access to electricity that exposes New York's Climate Act as tone deaf virtue-signaling given the tragedy of the billions without access to abundant and affordable electric energy.

January 26, 2025 Commentary

William Happer gave a talk entitled How to Think About Climate at the National Leadership Symposium at Hillsdale College on February 19, 2021. A video of the presentation is available and Watts Up With That published a transcript with illustrations recently. Two takeaway messages: the models that state we need to reduce GHG emissions are flawed and CO2 really benefits the world.

Francis Menton did an excellent review of the EPA Endangerment Finding of 2009. He explains that this declared that CO_2 was a pollutant which gave the EPA the mandate to regulate CO_2 making it the basis of all EPA regulations limiting emissions. Trump targeted this finding with an executive order.

A commentary by Scott Axelson and Michael Dee in the Jamestown Post Journal examines a few of the absurd claims made by New York's Climate Superfund supporters.

Tony Heller shows that there has been temperature data tampering.