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Submitted electronically to: rggiprograms@nyserda.ny.gov

RE: DRAFT 2026 Regional Greenhouse Gas Initiative
Operating Plan Amendment

Greetings:

I am writing on behalf of members of the Environmental Energy Alliance of New York (the "Alliance") to provide comments to the New York Regional Greenhouse Gas Initiative ("RGGI") proposed 2026 Operating Plan Amendment (the Operating Plan) released for public review and comment on December 18, 2025. The Alliance is an ad hoc group of electric generating companies, transmission and distribution companies and other providers of energy services in New York State. The Alliance supports our members in understanding state and national environmental regulatory initiatives to formulate and achieve their business goals and proactively advocate for cost-effective regulations and policies. The operations of Alliance members contribute to the reliability of the State's electric grid and to the economic well-being of the State.

Alliance members have been participants in the development and evolution of the RGGI Program since its inception. Many Alliance members are RGGI compliance entities that have participated in the allowance auction process to meet their compliance obligations on an ongoing basis, and since the inception of the program have invested millions of dollars in the Program. Considering these long-running investments, Alliance members have a keen interest in how the New York State Energy Research and Development Authority (NYSERDA) invests the resulting funds.

As detailed below, the Alliance believes that the Operating Plan should be revised to allocate more funding and an accelerated schedule for research and development focused on dispatchable emission free generation resources. The Operating Plan should also allocate additional funding in the Alternative Fuels program.

Dispatchable emission free resources (DEFR)

The Pathway Analysis for the recently approved State Energy Plan (SEP) clearly acknowledges that DEFR technologies are needed to maintain reliability in the State's electric system.

> "While the State policy process for establishing the definition of zero-emission electricity generation is still underway, the modeling assumes that by 2040 the remainder of multi-day reliability needs are met by generators powered by green hydrogen. Under this assumption, the combustion generation fleet remains critical, with 15 GW of capacity available to run on hydrogen in 2040."[1]

Elsewhere in the SEP, the modeling runs described hydrogen-fueled combustion units as a "proxy" for DEFR technology, noting that the price of hydrogen is so high that units running on hydrogen would only be cost-effective approximately 3% of the time.[2] Given these findings, Alliance members believe that there should be a much greater emphasis in the Operating Plan on research focused on new, large generation technologies and growing output of alternative fuels. As shown in the tables below,[3] the proposed focus on these research areas is extremely small.

	Total Expenditures		
F.Y.	Advanced Fuels Innovation	Large Scale Generation	Total Revenue
26/27	$ 8,250,000	$ 36,000,000	$ 548,887,466
27/28	$ 8,000,000	$ 32,000,000	$ 430,173,009

	Percent of total revenue	
	Advanced Fuels Innovation	Large Scale Generation
26/27	1.5%	6.6%
27/28	1.9%	7.4%

Furthermore, the "Large Scale Generation" study description lists only two areas of research -- "Offshore Wind Predevelopment Support Programs" and support for the initial stages of "bringing forward Advanced Nuclear generation projects."[4] These are important efforts for long-term reliability, particularly if the advanced nuclear investments help to support the commercialization of small modular reactors, which are struggling to gain commercial viability.[5] The SEP modeling most optimistic scenario inserts 3.3 GW of advanced nuclear in the system by 2040, an amount far short of the 15 GW of DEFR required in the system for reliability. Additionally, offshore wind is not dispatchable, so funding for that technology does not support resolution of the long-term shortage of DEFR. The Alliance believes there is a need for a broader research portfolio focusing on

[1] 2025 State Energy Plan, PATHWAYS ANALYSIS, page 58.
[2] *See* presentation slide deck for the December 1, 2025, meeting of the State Energy Planning Board meeting, slides 23 to 25.
[3] Derived from the Operating Plan Table 1.
[4] Draft 2026 Operating Plan, page 3.
[5] *See* "The cost of America's nuclear revival", *Financial Times*, January 7, 2026, indicating that "None of the more than 50 small modular reactors under development in the U.S. has proved they are commercially viable."

adapting existing large generation technologies to run on alternative fuels. Additionally, research on innovative technologies such as scaled up linear generators, carbon capture and ammonia combustion is also called for at this critical stage in the development of a reliable and carbon-free electric generation system.

Alternative fuels

The nominal amount set aside in the Operating Plan for alternative fuels research is insufficient to meet the challenges of the coming time period. The description of the research focus for alternative fuels states the following[6]:

> "RGGI funding will be used to continue supporting research and technology studies and demonstration projects for advanced fuels, including biofuels, renewable natural gas, renewable diesel, and sustainable aviation fuels….
> The demonstration projects are important to test the potential for future commercial-scale clean fuel production in New York and encourage private-sector investment in growing fuel production capacity; to expand the fuel production supply chain with economic development and jobs benefits; and to provide New York State with necessary information to meet its clean energy objectives in the most cost-effective and reliable way."

But research conducted by NYSERDA in 2021[7] answered many of these questions and found biofuel supply potential, particularly renewable natural gas, to be completely insufficient for existing and future requirements:

> "2.2 Summary of Statewide Renewable Natural Gas Potential
>
> The following subsection summarizes the statewide RNG potential for each feedstock and production technology by scenario. Table 4 compares the three scenarios and the maximum potential across feedstocks and production technologies in 2040, while Figure 3, Figure 4, and Figure 5 show each scenario over five-year intervals, broken out by feedstock.
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> Table 4. Estimated Annual Renewable Natural Gas Production in 2040 by Scenario (tBtu/yr.)

[6] 2026 Operating Plan, page 3.
[7] *See* "Potential of Renewable Natural Gas in New York State," NYSERDA Report Number 21-34. Prepared by ICF Resources, L.L.C., Fairfax, VA 22031. nyserda.ny.gov/publications. Page 8.

RNG Feedstock		Scenario			
		Limited Adoption	Achievable Deployment	Optimistic Growth	Maximum Potential
Anaerobic Digestion	Animal Manure	6.1	9.1	12.1	20.2
	Food Waste	2.4	3.4	4.3	6.1
	LFG	13.9	19.3	24.8	50.5
	WRRFs	1.8	2.4	3.2	7.1
	Subtotal	**24.2**	**34.2**	**44.4**	**83.9**
Thermal Gasification	Agricultural Residue	0.3	7.3	12.0	24.4
	Energy Crops	6.7	18.6	34.0	69.1
	Forestry and Forest Product Residue	1.3	4.8	25.0	42.2
	Municipal Solid Waste	14.9	24.9	31.1	52.7
	Subtotal	**23.2**	**55.5**	**102.2**	**188.4**
Total		**47.4**	**89.8**	**146.6**	**272.3**
Percentage of Total Feedstock		**17.6%**	**33.3%**	**54.4%**	**100%**

> By way of comparison, NYS's natural gas consumption in the residential, commercial, industrial, transportation, and electrical generation sectors was 1,280 tBtu in 2017."

Thus, NYSERDA previously determined that the maximum potential for RNG in New York, using 100% of all available feedstocks in the State, would meet approximately 21% of the natural gas requirements for the State. Attempting to demonstrate the use of biofuels in additional sectors such as heavy-duty transportation, industry, aviation, and maritime uses will only exacerbate the lack of RNG for electricity production needed to operate DEFR. Therefore, rather than pursue answers already found, additional research in this area should be focused on the conclusions reached in the report published by NYSERDA in July 2025,[8] which noted the following:

> "To convert end uses and develop the necessary production capacity, transportation, and markets for low-carbon alternative fuels, New York State will require significant policy, regulatory, and market initiatives to guide the development of supply and demand for these fuels."

The same report also recommended that "investment in new first-mile infrastructure"[9] and related planning to connect sources of RNG (Western and Central NY) to demand centers for renewable natural gas should be pursued.

The alternative fuels investments envisioned by the Operating Plan should focus on these important research areas, with particular emphasis on infrastructure development that will bring the limited quantities of RNG to existing fossil-fueled generation facilities.

[8] *See* "Considerations for Low-Carbon Alternative Fuel Use in New York State, Final Report" Report Number 25-25. Prepared by The Brattle Group, Boston, MA. nyserda.ny.gov/About/Publications, p. S-2.
[9] *Ibid*, p. S-1.

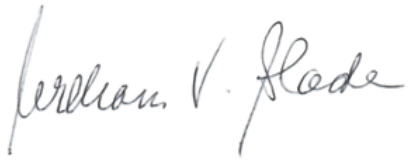
The Alliance is aware that NYSERDA has invested $22.4 million in hydrogen research.[10] However, the SEP Pathway Analysis indicated that "The 0x40 Technoeconomic Assessment suggests that a mix of highly responsive DEFR resources will be needed, but hydrogen hurdles make it an unlikely statewide solution."[11] The same analysis indicates that "Utilizing RNG in place of H2 saves $2.9B NPV through 2040. Savings grow to $9B through 2050."[12] If NYSERDA is investing over twenty-two million dollars in a fuel that will not be appropriate to power DEFR, the Alliance believes that a greater proportion of research dollars should be invested in alternative fuels like RNG, a fuel that the State Energy Planning Board has endorsed as a 2040 cost-savings measure.

Summary

In summary, a greater focus on more types of DEFR (with greater resources) and a more forward-looking portfolio of alternative fuels research should be included in the finalized Operating Plan.

The Alliance members appreciate this opportunity to provide input to the Operating Plan and look forward to continued cooperation with NYSERDA during the implementation of the Operating Plan.

Sincerely,



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[10] https://www.nyserda.ny.gov/All-Programs/Hydrogen/Hydrogen-Innovation-Projects.
[11] *See* presentation slide deck for the December 1, 2025, meeting of the State Energy Planning Board meeting, slide 24.
[12] *Ibid*, slide 25.