

## **Pragmatic Environmentalist of New York Summary Update June 1- June 14, 2026**

This is a summary update of posts at [Pragmatic Environmentalist of New York](#) for the last two weeks. The intent of this report is to simply summarize my reports and include links if you want to get into the details. 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). 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.

I used [Perplexity](#) AI to generate draft summaries of the descriptions in this document. I asked Perplexity to provide a 200-word summary of the following posts, edited the output for consistency and accuracy, but shamelessly plagiarized much of the text provided.

I wrote three articles about the Regional Greenhouse Gas Initiative (RGGI) that overlap quite a bit. In 2009 ten states in the Northeast established RGGI that was [intended to reduce CO2 emissions](#). Power plants are required to purchase allowances that equal their emissions and those proceeds are invested. The goals of this cap-and-invest program have changed beyond reducing emissions and now the RGGI states invest the funds in energy efficiency improvements, clean energy, bill assistance, and other programs to deliver benefits to their communities. The cost of allowances generally remained below six dollars per ton until the end of 2020 but have spiked to 35 dollars per ton this year prompting me to write articles arguing that the program needs revisions.

### [RGGI Quarter 2 2026 Auction Results](#)

This post analyzes the second-quarter 2026 RGGI auction and argues that the program has become an immediate affordability problem and a growing reliability risk. The June auction clearing price jumped 40 percent, from 24.99 to 35 dollars per ton, after futures prices nearly doubled following the announcement that Virginia will rejoin RGGI. Using New York as a case study, I found that direct allowance purchases cost consumers roughly 708 million dollars in 2025 at 22.09 dollars per ton, rising to about 1.12 billion dollars if the 35-dollar price persists.

When generators bid into daily wholesale markets, they embed the cost of RGGI allowances into their marginal energy bids. If the clearing price is set by a RGGI-affected unit, then the clearing price includes the CO<sub>2</sub> allowance cost adder. Every unit dispatched at that price – including generators that do not have RGGI compliance obligations – gets paid the RGGI-inflated clearing price. When the wholesale market cost adder is included, I estimate the annual consumer burden at roughly 1.8–3.2 billion dollars, much of which accrues as windfall profits to generators without RGGI obligations.

### [Virginia, RGGI, and the Myth of Lower Energy Costs](#)

The second RGGI post critiques [Acadia Center](#) claims that:

- CO<sub>2</sub> emissions from covered power plants are down nearly 50 percent in RGGI states since 2008.
- Economic growth and per-capita GDP have been stronger in RGGI states than elsewhere.

- Retail electricity prices in RGGI states fell by about 3 percent while prices rose nearly 8 percent in other states over roughly the same period.
- Over 8 million households and 400,000 businesses have benefited from RGGI proceeds, with claimed future bill savings of more than 20 billion dollars.

I argued that the Acadia Center narrative ignores why emissions actually fell. Most historic CO<sub>2</sub> reductions in RGGI states came from fuel switching and non-RGGI policies, with RGGI-funded investments explaining only about 7.6 percent of observed reductions despite more than 7 billion dollars in proceeds since 2021.

In both posts I argued that RGGI does not provide good value for consumers despite the statistics noted in the Acadia Center post. The market costs and any profits made by non-compliance entities who buy allowances low and sell high represent costs and not funds available for investments. I have also found that RGGI investments are inefficient—implied costs per ton far exceed typical social cost of carbon values. Proponents that call RGGI an “energy affordability tool” are misleading because auction proceeds are not free money but a tax on ratepayers, and projected bill savings are likely smaller than ongoing allowance costs.

Fundamentally RGGI is supposed to be an emission reduction program, but funded projects explain only a small portion of observed reductions. The recently revised cap trajectory—over 10 percent annual allowance cuts from 2027–2033—has no precedent in RGGI’s emissions history and could exhaust the allowance bank as early as 2032, forcing plant shutdowns and threatening reliability unless the program is fundamentally reworked.

[Implications of the Quarter 2 2026 RGGI Auction](#) Published at [Watts Up With That](#)

I wrote the third article for a different audience emphasizing the impact across all RGGI states. The results are so similar that I am not going to repeat them here.

This article does include a discussion of the RGGI [announcement](#) that suggested that costs of RGGI have become a liability that is not included in the other articles. In response the RGGI states announced that they would begin “a scoping process to consider further targeted measures to continue to achieve reliable, clean electricity supply at affordable prices for consumers” and said they will “offer opportunities to engage stakeholders for feedback on the range of topics to be considered and analyses that could be conducted.” I agree this is needed but there was no sense of urgency in the announcement and hints that they thought limited changes would be sufficient. There is no question that there is an affordability crisis. To the extent that RGGI’s current prices are exacerbating that crisis, I believe immediate action is required not a four-year process like the recently completed [Third Program Review](#).

The conclusion in all three posts is that regulators, regional transmission operators, and policymakers must move quickly to revise RGGI’s design or consider exiting, rather than rely on another slow, incremental program review.

[NYISO 2026 Power Trends – Reality is Catching Up](#) June 11, 2026

The New York Independent System Operator (NYISO) [Power Trends 2026](#) acknowledges that New York's grid is being strained by simultaneous electrification, rapid and uncertain load growth, retirements of conventional units, and increased reliance on weather-dependent resources. Reliability margins are declining, winter is becoming the critical season, and planners face greater geographic and operational complexity than Climate Act advocates have admitted. The Hochul Administration implementation has treated emissions targets as if they were engineering plans, confusing policy preference with system capability and assuming that more renewables, faster, can substitute for disciplined reliability planning. NYISO's call for an all-of-the-above, market-based buildout and the development of dispatchable emissions-free resources highlights a central contradiction: Dispatchable Emission Free Resource ([DEFER](#)) technologies are indispensable in the models, but no commercially ready, scalable options exist at needed levels. I believe that New York must realign timelines and assumptions with physics, infrastructure lead times, and resource adequacy, or the Climate Act will undermine reliability and affordability instead of delivering a sustainable transition.

I put together two posts about Battery Energy Storage Systems for Richard Ellenbogen that were published in Watts Up With That. I published one on my blog but did not republish the other one.

[Guest Post: Would You Rather Live Near A Battery Energy Storage System or a Nuclear Plant](#)

This guest post summarizes Richard Ellenbogen's New York [PSC filing](#) comparing 50 years of U.S. nuclear plant operations with the last 2.5 years of utility-scale lithium-based battery energy storage systems (BESS), using the [International Nuclear and Radiological Event Scale](#) (INES) severity framework format developed with Perplexity for BESS incidents. Ellenbogen notes that since 1975 there has been only one U.S. nuclear INES Level 5 event (Three Mile Island) with no deaths or environmental damage, plus a small number of Level 2–3 events, all with zero radiation release. Nuclear incidents trigger mandatory NRC/IAEA reporting and public classification. By contrast, he documents ten U.S. BESS incidents since January 1, 2024, and found two Stage 4 events with major gas and heavy-metal releases, four Stage 3 events, and four Stage 2 events, some involving newer LFP technology that is "better" but not fully contained. Perplexity's analysis, quoted in the filing, characterizes Stage 2–4 BESS fires as producing complex hazardous plumes that would normally trigger federal reporting, yet there is no standardized BESS incident-severity scale, no federal reporting pathway for many events, and limited public transparency. Ellenbogen argues that this regulatory gap means BESS has a far worse recent safety and environmental record than nuclear, even as New York decommissions reactors and promotes multi-GWh storage in populated areas. He calls for a formal BESS severity classification system and much stricter oversight before widespread deployment near communities.

[Bonfires of the Batteries](#)

In the second post, Richard Ellenbogen warns that aggressive siting of utility-scale lithium-based BESS in populated areas rests on the illusion that regulators can downplay serious safety and environmental risks. Drawing on his earlier [white paper](#) and [PSC filing](#), he notes that BESS has compiled a far worse safety and environmental record in a decade than U.S. nuclear plants have in fifty years, yet batteries are being placed near schools, homes, and vulnerable aquifers. His new addendum focuses on the May

31, 2023 East Hampton BESS fire, after which the Suffolk County Water Authority sued over contamination of public wells allegedly caused by runoff from roughly 2.2 million gallons of suppression water. Ellenbogen shows how the EPRI database description minimizes the event and leaves critical fields blank, illustrating a broader pattern of incomplete documentation and political pressure to suppress inconvenient facts. He argues that heavy-metal contamination pathways documented at Moss Landing likely apply in New York, and that exempting BESS from the regulatory scrutiny applied to other industries is already harming Suffolk County residents and undermining public trust in the state's energy transition.

[Out of Control New York State Renewable Developers](#) June 13, 2026

Fred Stafford has put together a [comprehensive look](#) of the New York State (NYS) renewable development process administrated through the New York State Energy Research & Development Authority (NYSERDA). New York's renewable procurement system has enabled developers to offload project risk onto ratepayers while avoiding the transparency and regulatory scrutiny applied to traditional utilities. The result is higher costs, opaque contracts, and growing concerns about reliability and affordability under the Climate Act's wind-, solar-, and storage-heavy trajectory.

NYSERDA has been elevated to "central clean energy procurement agency," running large Renewable Energy Credit and Offshore Renewable Energy Credit auctions that generate impressive headline announcements but often fail to deliver projects to commercial operation. Long lags between bids and construction, volatile global costs, and complex contracts mean politically attractive awards frequently morph into distressed deals needing richer subsidies.

In 2023, ACE-NY, representing developers of 86 wind and solar projects totaling 7.5 GW, warned that post-COVID cost pressures would force cancellations unless existing contracts were inflation-indexed. Kris Martin accurately described this as the developers as all deciding to hold their breath to get their way. The PSC initially refused, insisting contracts be honored and ratepayers not treated as an "unlimited piggy bank," then quickly created expedited 2023–2025 auctions with optional inflation indexing that gave developers a path to walk away and re-bid at higher prices. Stafford put together a [spreadsheet](#) documenting the fate of the 86 projects.

A majority of the 7.5 GW contracts sought higher subsidies through re-bidding, with 2023 winners securing 20–64% higher REC prices and many others competing again in 2024–2025, while 2.4 GW have been abandoned and only a small fraction proceeded under original terms. This experience illustrates how a nominally competitive system, lacking utility-style profit regulation and shrouded in contractual complexity, has allowed organized developers to shift risk and cost back onto captive ratepayers, effectively imposing a regressive tax on New Yorkers' utility bills while doing little to resolve underlying reliability and affordability concerns.

Stafford has done a great job documenting an entirely predictable outcome of a procurement model that prioritizes optics and statutory compliance over realistic timelines, durable contracts, and transparent evaluation of costs and benefits.