

Pragmatic Environmentalist of New York Summary Update August 17 – August 30, 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 summarize my articles 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 summary of the following posts and edited the output for consistency and accuracy.

A major emphasis for me over the last two weeks has been to address recent events associated with the Regional Greenhouse Gas Initiative (RGGI). [RGGI](#) is a market-based program to reduce greenhouse gas emissions (GHG) ([Factsheet](#)). Proponents have been touting the benefits of the cap-and-invest program all the while ignoring its problems and costs. I wrote three articles, there is one more nearly ready to publish, and have enough fodder for at least two more. This topic matters because New York State is making claims and plans based on a policy that I think is failing.

[New York State's Short-Sighted Approval of RGGI Amendments](#)

In this post I discussed the implications of DEC's August 5 [approval of amendments to New York's RGGI regulations](#). The amendments align Part 242 with the RGGI Third Program Review, but I argued that DEC has not adequately addressed either the practical challenge of further power-sector reductions in New York for the cost imposed on New Yorkers.

The State claims RGGI has reduced New York power-sector carbon dioxide emissions by 50% from 2005 levels. I explained that RGGI did not begin until 2009, and that emissions had already fallen substantially between 2005 and 2008. Using a more appropriate three-year pre-RGGI baseline, I calculate that the reduction is closer to 33%. Most of the decline came from economically driven switching from coal and oil to natural gas—not from the RGGI program—and that this compliance option is largely exhausted.

I also questioned the claim that RGGI investments have produced nearly \$12 billion in “net ratepayer savings” from approximately \$2 billion in expenditures. The underlying NYSDA figure is modeled lifetime energy-bill savings to participating customers, including projects not yet operating. It is not a verified, RGGI-only net benefit for all ratepayers.

The State's bill-impact analysis compares an amended RGGI program to a baseline that already includes RGGI costs. Therefore, it does not estimate the total consumer cost of the program. It also does not adequately explain the wholesale-market effect when allowance costs are included in generator offers that can raise the clearing price paid to all accepted resources.

In my view, RGGI costs are collected immediately from consumers, while any benefits are delayed, partial, and administratively diluted. Future RGGI proceeds should prioritize proven programs that directly reduce electric-sector emissions, or the state runs the risk of an artificial energy shortage.

[RGGI's Market Monitor Confirms the Scarcity I've Been Tracking](#)

In this post I reviewed Potomac Economics' [special second-quarter 2026 report](#) on the supply and demand for RGGI allowances. The report confirms most of the concerns I have raised this year about an increasingly tight allowance market, but it does not evaluate the much more consequential period after 2027.

Allowance prices rose from \$24.99 per ton in the March auction to \$35.00 in the June auction, a 40% increase. All 2026 Cost Containment Reserve allowances had been exhausted by the March auction. Potomac Economics now assumes that the remaining CCR allowances, including those associated with Virginia's return to RGGI, will be sold before the end of the current control period.

The market monitor reports a 55-million-ton allowance surplus at the end of the second quarter, projected to decline to 45 million tons by the March 2027 compliance deadline. However, I explained why the headline surplus number is misleading. Compliance entities are holding allowances for future obligations rather than offering them for sale, while investors hold most of the remaining bank. An allowance surplus that is unavailable to the market creates scarcity and allowance scarcity will keep allowance prices high.

Virginia's reentry also is not a net source of market relief. It brings roughly 12.6 million allowances into the remaining 2026 auctions but had approximately 17 million tons of emissions in the second half of 2025. In other words, there will likely be at least 4 million tons less of a surplus.

Most importantly, the report explicitly excludes analysis of the post-2027 cap trajectory. That matters because the Third Program Review requires much steeper cap reductions beginning in 2027. I [predicted](#) that the allowances will run out by the end of 2032. DEC should not cite a short-term allowance-bank analysis as proof that long-term consumer impacts are manageable. New York should begin the Fourth Program Review immediately.

[Implications of the New York Approval of RGGI Amendments](#)

In this post I explained why I believe DEC's approval of the [Part 242 amendments](#) was short-sighted. New York had to align its regulations with the RGGI Third Program Review by January 1, 2027, but DEC finalized a rule in August 2026 that failed to account for major changes occurring after the public-comment period ended in February.

First, DEC repeatedly cited the State Energy Plan as support for the allowance-cap trajectory, even though the plan was not final when the comment period closed. In addition, the State Energy Plan's Additional Action case assumes zero-emissions electricity by 2045, whereas the RGGI rulemaking claims to be on a pathway to zero emissions by 2040. DEC did not reconcile that five-year difference.

Second, the May 2026 budget bill changed New York's underlying Climate Act requirements. The Legislature replaced the prior statutory 2030 requirement with a directive for DEC to adopt regulations by the end of 2028 that achieve a 60% reduction by 2040 to the *maximum extent feasible and cost-effective*. The rulemaking proceeded as though those statutory changes had not occurred.

Third, the RGGI allowance market changed materially before final adoption. The June 2026 auction clearing price jumped 40%, from \$24.99 to \$35.00 per allowance, and the original 2026 Cost Containment Reserve was exhausted. I estimated that direct allowance expenditures could exceed \$1.1 billion annually if that price persists. When the wholesale-market price effect is included, the statewide consumer burden could plausibly range from \$1.8 billion to \$3.2 billion annually.

DEC nevertheless maintained that customers would see no significant change in bills. In my view, the State relied on stale modeling while disregarding revised statutory requirements, a not-yet-final State Energy Plan, sharp market-price increases, and technical concerns raised by Environmental Energy Alliance of NY, NY Independent System Operator, and NY Independent Power Producers. DEC should have paused the rulemaking and immediately begun the Fourth Program Review to consider a more appropriate path forward.

[New York Energy Policy BESS Disconnect](#)

In addition to the RGGI posts, I published a guest post by Greg Harkenrider describing the disconnect between New York's aggressive wind and solar development goals and its far smaller Battery Energy Storage System goals. His analysis addresses a central but underappreciated issue for the Climate Act's goal of a zero-emissions grid by 2040: intermittent generation must be backed up not only overnight, but through extended periods of low wind and solar output.

Using a year of National Weather Service cloud-cover and wind-speed data, current hydro and nuclear output, and projected 2040 electricity demand, Harkenrider modeled the storage needed for a grid dependent on wind, solar, batteries, hydro, and nuclear. His principal finding is that the current planned wind/solar mix would require approximately 8,800 GWh of battery capacity to manage seasonal energy deficits. The critical period extends from early November through early February, when poor renewable-production days outnumber good ones.

For example, during one December 2023 week, three relatively productive days could charge batteries, but four cloudy, calm days would require approximately 1,000 GWh of battery discharge. The underlying problem is seasonal: solar capacity factors are especially weak in November through January. Although New York's annual solar capacity factor averaged 17% in 2024, the average during those winter months was only 7%.

Even assuming batteries improve to eight-hour duration, the analysis estimates that more than 1,000 GW of batteries—or roughly 275,000 container-sized units—would be needed. That contrasts with the Governor's 6-GW aspiration. It is also equivalent to roughly 3,000 Moss Landing-scale battery facilities.

Alternative resource mixes reduce, but do not eliminate, the storage problem. Harkenrider concludes that a credible zero-emissions grid would require much more nuclear generation, much less wind and solar than presently planned, and storage targets based on realistic seasonal reliability needs rather than aspirational deployment goals.