

Pragmatic Environmentalist of New York Summary Update August 31 – September 13, 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 recently 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](#)) from electric generating units in the NE. Proponents have been touting the benefits of the cap-and-invest program all the while ignoring its problems and costs. This topic matters because New York State is making claims and plans based on a policy that I think is failing.

[Hochul and RGGI Affordability](#)

Governor Hochul has made energy affordability a central theme of her administration, but I show that the RGGI allowance-price record conflicts with that message. The first full RGGI auction of her tenure cleared at \$9.30 per ton in September 2021. Auction 72, in June 2026, cleared at \$35.00 per ton—a 276% increase. This increase occurred while the State agencies under her administration participated in RGGI program design, auction administration, and adoption of tighter allowance caps.

One problem is that State claims about RGGI benefits consider only the auction proceeds used for programs. DEC and NYSEDA claim nearly \$12 billion in net ratepayer savings from approximately \$2 billion invested, or nearly six dollars in benefits for every dollar spent. However, I find that the cited benefits are modeled, expected lifetime energy-bill savings for participating customers, not verified savings received by all ratepayers. They can include projects not yet operating and are not compared against the full cost imposed by RGGI.

The other problem is that the State's accounting omits the wholesale-market effect. RGGI allowance costs become part of fossil-generator offers. When those units set the market price, all accepted generators can receive the higher clearing price, including non-emitting and imported resources that have not paid the allowance cost. Consumers pay that increased commodity cost through their bills, but much of it never becomes auction revenue available for program spending.

I estimate that total RGGI costs, including direct allowance costs and the market-clearing-price effect, have increased substantially. For a typical residential customer, the full estimated RGGI cost was \$70 in 2024 and could reach roughly \$121 annually at a sustained \$35 allowance price—more than 7% of an

average electric bill. I conclude that New York needs an independent, transparent assessment of verified benefits versus all consumer costs before defending continued participation in RGGI.

[RGGI Auction Clearing Price Results](#)

I frequently post articles at Watts Up With That because they reach a bigger audience. In this post I summarized four developments described in articles posted on my blog as a lead up to whether the September auction would close even higher than the \$35 value used in the previous post estimates of consumer costs. It is a good summary of recent issues.

First, DEC and NYSDERDA finalized New York's RGGI Third Program Review amendments on August 5, 2026. Those amendments align New York with a much tighter regional allowance cap beginning in 2027. I argued that the State finalized the rule despite events that undermined its analysis, including the 40% increase in allowance prices from \$24.99 to \$35.00 between the first two 2026 auctions, exhaustion of the Cost Containment Reserve that is supposed to reduce costs, and new State budget revisions to the Climate Act mandates that now include affordability and reliability provisions..

Second, I reviewed the State's claim that RGGI investments provide a nearly six-to-one benefit-cost return. That claim compares modeled lifetime energy-bill savings for participating customers to program investments. It does not include the full cost that RGGI imposes on electricity customers through wholesale electricity-market prices.

Third, I described the previous article.

Finally, RGGI's market monitor [confirmed](#) that allowance scarcity was real: 2026 Cost Containment Reserve allowances were exhausted, investors held much of the remaining surplus, and the report did not endorse the sustainability of the much steeper post-2027 cap trajectory. With secondary-market allowances trading above \$35, I saw little basis to expect a significantly lower Auction 73 result.

[RGGI Auction 73 Clearing Price Question Is Answered](#)

Watts Up With That [RGGI Auction Clearing Price Results](#)

I published two articles describing the results of Auction 73. The previous auction price was a record \$35 per-ton and I wondered if that price would be exceeded. The answer was yes: 28.54 million allowances sold at \$37.65 per ton, \$2.65 higher than the previous record. The auction included 1.148 million Cost Containment Reserve allowances and 5.74 million allowances associated with Virginia's return to RGGI, but neither source of additional supply restrained the price increase.

This outcome was predictable. The RGGI market monitor had already confirmed that the 2026 Cost Containment Reserve was exhausted, that allowance holders were increasingly retaining rather than selling allowances as the compliance deadline approaches, and that Virginia's return brings demand as well as supply. Secondary-market prices had also been above \$35 before the auction. The highest Auction 73 bid, \$190 per allowance, further illustrates that the market is not comfortably balanced.

The consumer implications are important. I estimate that RGGI affects electricity costs not only through the direct cost of allowances purchased by fossil generators, but also through New York's wholesale electricity-market clearing-price mechanism. When an emitting generator sets the marginal price, its RGGI cost can raise the price received by all generators dispatched in that interval. At \$37.65 per ton, I estimate total New York consumer costs of RGGI could range from \$1.1 billion to \$3.4 billion annually, and the cost to a typical residential customer could approach 7.8% of the electric bill.

The record price, despite additional allowances, is evidence that RGGI's cost-containment mechanisms are no longer providing meaningful protection. With much steeper cap reductions scheduled after 2027, I believe this is another reason to pause and reconsider RGGI.

[The Poll Says Don't Raise Prices. RGGI Already Has](#)

My final RGGI article reviewed a statewide Empire Center poll of 600 likely 2026 New York general-election voters and compared its findings with the actual cost record of RGGI. The central survey result was clear: New Yorkers may support reducing greenhouse-gas emissions, but they do not want to pay more for energy. When required to choose between lower energy prices and lower greenhouse gas emissions, 24 percent of respondents prioritize price, 24 percent prioritize emissions, and the largest group — 42 percent — will only support emissions reductions if they do not raise energy prices.

Other findings point in the same direction. Home-heating electrification was opposed by 63% of respondents, while only 30% supported it. Views on the proposed New York Cap-and-Invest program were closely divided, with many respondents unsure. Most respondents wanted data centers to provide their own power or pay for local grid upgrades before imposing new burdens on the shared system.

I argue that RGGI is already failing the poll's affordability test. The allowance price increased from \$9.30 per ton in the first full auction of Governor Hochul's tenure to \$37.65 in Auction 73, nearly three times as much. I estimate that a typical residential customer's full RGGI cost—including the wholesale electricity-market clearing-price effect—rose from \$70 in 2024 to roughly \$121 annually at the \$35 allowance price and \$130 at \$37.65. That is nearly 8% of a typical residential electric bill.

The poll should be a warning to the Administration. If New Yorkers connect RGGI's cost to their own bills, they may view the proposed economy-wide Cap-and-Invest program much more skeptically.

[Terra Praxis Says Repower New York with Nuclear — I Mostly Agree](#)

I reviewed Terra Praxis's [REPOWER New York](#) discussion paper, which proposes a repeat-build nuclear program at retired or at-risk fossil and industrial sites. The basic concept is to use a standardized reactor design at multiple locations, taking advantage of existing transmission connections, water access, industrial land, and skilled workforces. I agree with the central argument that New York needs a large quantity of dispatchable emissions-free resources and that advanced nuclear is the only candidate presently capable of being planned, built, and operated at the scale required.

New York's own planning work illustrates why dispatchable resources matter. A [Joint Utilities analysis](#) projects that a future system with approximately 5.5 GW of nuclear-like dispatchable emissions-free

capacity could require about 100,000 MW of total capacity. Without that resource, the same peak load could require roughly 130,000 MW of wind, solar, storage, and other resources. In other words, firm capacity avoids the need to build many times more intermittent nameplate capacity.

I also note that NYSERDA's [advanced-nuclear policy analysis](#) acknowledges that a sequential, repeat-build program can reduce financing and construction risk. The estimated all-in cost for such a program is still high—roughly \$12,800 to \$13,400 per kW in NYSERDA's base case—but substantially lower than a series of isolated, riskier projects. The principal lesson is that nuclear cost is heavily influenced by financing and schedule risk, not simply reactor hardware.

However, I do not agree that nuclear should replace every other energy source. Nuclear is best suited to reliable, high-capacity-factor baseload operation. It is not an economical substitute for fast-starting natural-gas turbines that meet short-duration peak and intermediate demand. I also argue that natural gas retains advantages for replacing diesel in transportation applications, improving resilience in homes and businesses, and providing affordable direct-use heating. A realistic strategy would use nuclear for a large emissions-free baseload foundation and natural gas where its operating, cost, resilience, or air-quality advantages remain compelling.

[NYSERDA Admits Build-Ready Program Failure in Five-Year Review](#)

I reviewed NYSERDA's [Build-Ready Program Five-Year Review](#) and found that it amounts to an unusual admission by a State clean-energy agency: the ratepayer-funded version of a major renewable-energy siting program did not work as intended and should be terminated.

The Build-Ready Program was created to identify and develop renewable projects on landfills, brownfields, abandoned industrial sites, and other previously developed land, then transfer the sites to private developers. The Public Service Commission approved a \$71.8 million budget in 2020, including up to \$50 million from the Clean Energy Fund, and expected the program eventually to become self-sustaining. NYSERDA also envisioned advancing six large-scale renewable projects each year beginning in 2022 or 2023.

After five years and approximately \$16.5 million in Clean Energy Fund expenditures, the program has completed one project: a 12-MW solar facility at the Benson Mines tailings site in St. Lawrence County. NYSERDA acknowledges that very few potential sites meet all program criteria and can support economically viable large-scale renewable projects. Previously developed sites were often too small, constrained by wetlands, or surrounded by active farmland that could not be used to increase project scale.

Most importantly, NYSERDA states that Build-Ready sites would require Renewable Energy Certificate strike prices roughly double those of ordinary Tier 1 greenfield solar projects. The agency specifically acknowledges that those higher costs would impose a significant burden on ratepayers. Remediation, land-control complications, specialized construction techniques, permitting, interconnection expenses, and small project size all undermine project economics.

The financial results are also poor: NYSDERDA projected approximately \$16.57 million in expenditures but only \$5.05 million in revenues, leaving about \$11.5 million in Clean Energy Fund draws to be repaid. NYSDERDA indicates that non-ratepayer sources, potentially including RGGI proceeds, could be used for repayment. I argue that this is another example of ratepayer-funded clean-energy spending being diverted without a clear demonstration of cost-effective emissions reductions.