

Environmentalists believe greenhouse initiative cost effective

By LARRY RULISON, Business writer
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ALBANY -- Environmental and public interest groups say new data show the Regional Greenhouse Gas Initiative would actually cut electricity costs for consumers when coupled with existing energy-efficiency programs.

The initiative, also known as RGGI (pronounced reggie), was started by Gov. George Pataki in 2003 to design a so-called "cap-and-trade" program to reduce carbon dioxide emissions from power plants in the Northeast and the Mid-Atlantic states. Carbon dioxide emissions are considered a major cause of global warming. Cap-and-trade programs are market-driven environmental protection programs that cap pollutant emissions for power plants but allow companies to trade their emissions allowances.

The new data, released this month by the Economic Development Research Group of Boston, show that by 2021, RGGI would save the typical household \$50.24 a year in electricity costs when coupled with existing energy-efficiency programs directed toward consumers.

Without those energy-efficiency programs used as part of the calculation, the average household would see an increase of \$5.45 a year in their electric bill. Pataki spokesman Peter Constantakes couldn't comment directly on the new data, but said that "studies undertaken as part of this effort have indicated that an effective greenhouse gas program will, at most, have a minimal impact on residential electricity rates."

Christine Vanderlan, global warming program director for Environmental Advocates of New York, an environmental watchdog based in Albany, said the data show that environmental programs are not always a detriment to the economy and should help the governors of states involved with RGGI to agree on a pact that could reduce carbon dioxide emissions by 10 percent by 2020. She said energy-efficiency programs that were used in the calculations likely include those offered by the New York State Energy Research and Development Authority, such as the New York Energy Smart program that promotes the use of energy-efficient products in homes.

The nine states involved in RGGI are in the final stages of negotiations, and an announcement could come as early as this month. "This (data) really shows there is no reason to hesitate," Vanderlan said. "We think this will assist in moving the states forward. These numbers show how easy it is."

However, New York's power plant operators are not sold on the numbers. Gavin Donohue, chief executive of the Independent Power Producers of New York, says the data are misleading because they do not explicitly show which energy-efficiency programs are part of the calculations. The Albany-based group, known as IPPNY, represents power plant owners around the state. "It's an oversimplification," Donohue said. "The modeling that needs to be done needs to be done responsibly."

Donohue said IPPNY supports policies to reduce greenhouse gases. Carbon dioxide emissions already have been reduced in New York by 20 percent since 1990, he said. Environmental Advocates, though, says emissions will increase in the future, and more needs to be done. Larry DeWitt, senior policy analyst with the Pace University Energy Project, an energy conservation and renewable energy advocacy group, says the data are encouraging for the success of RGGI. "It can be done cost-effectively," he said.
