

## **IPPNY Welcomes Discussions Aimed at Improving RGGI Program**

*Opportunity exists to enhance fairness while achieving environmental benefits*

March 09, 2009

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### **IPPNY Welcomes Discussions Aimed at Improving RGGI Program**

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**Albany, N.Y., 3/9/09** - The Independent Power Producers of New York, Inc. (IPPNY) today renewed its call for a properly structured Regional Greenhouse Gas Initiative (RGGI) that balances environmental, economic, and energy needs. IPPNY has consistently identified flaws in the RGGI rule that unfairly punish power producers in New York State, including the inability for power producers who are locked into long-term contracts to recoup costs associated with the purchase of CO2 allowances. For several years, these concerns were communicated in IPPNY's comments to the Department of Environmental Conservation (DEC) and to the press and public through multiple press releases during the RGGI rulemaking process. Both during the rulemaking process and after, IPPNY made those same concerns known to the Executive Branch in a manner that is available to every citizen and interest group in this state. IPPNY's call for an appropriate set-aside of allowances for power producers locked into long-term contracts is consistent with programs that have been implemented in our neighboring states.

"IPPNY has been a supporter of the development of a properly structured greenhouse gas program from the onset, but for years IPPNY's concerns about our members' ability to comply with the regulations while minimizing costs have fallen on deaf ears at the DEC," said Gavin Donohue, IPPNY President and CEO. "It was evident during the rulemaking process that the Department's agenda did not include seeking a balance with the environmental, economic, and energy needs in this state. We have never, nor are we now, calling for the dismantling of the RGGI program. It is alarmist and disingenuous to claim otherwise."

"Some segments of the environmental community refuse to acknowledge that power producers are businesses in New York State trying to compete during turbulent economic times to produce safe and reliable power for the state," said Donohue. "We repeatedly made these concerns known to the DEC and to the public during the rulemaking process, and we communicated these same concerns to the governor. I cannot speak to the governor's plans going forward, but, during our conversations on this matter, it was a refreshing change that he at least recognized that some aspects of the program are unfairly detrimental to businesses and consumers in New York State. Such recognition is not an abandonment of the RGGI program but, instead, is a fundamental cornerstone of ensuring a successful program that can be implemented fairly."

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*The Independent Power Producers of New York, Inc. (IPPNY) is an Albany-based trade association representing the competitive power supply industry in New York State. IPPNY Members generate over 75 percent of New York's electricity using a wide variety of generating technologies and fuels including hydro, nuclear, wind, coal, oil, natural gas and biomass.*