

Memorandum in Support to A.249 / S.4917

June 08, 2009

A.249 (Magnarelli) / S.4917 (Thompson) - AN ACT to amend the public authorities law, in relation to creating a New York state greenhouse gases management research and development program

The Independent Power Producers of New York, Inc. (IPPNY) is a trade association representing companies involved in the development of electric generating facilities, the generation, sale, and marketing of electric power, and the development of natural gas facilities in the State of New York. IPPNY represents almost 75 percent of the electric generating capacity in New York.

IPPNY supports A.249 / S.4917. The bills would provide essential funding for the development of carbon capture and sequestration technology, which currently is not available commercially in a cost-effective manner. The success of the Regional Greenhouse Gas Initiative (RGGI) depends on the development of this technology, in order to achieve the required emission reductions.

Specifically, the legislation would establish a New York State Greenhouse Gases Management Research and Development Program at the New York State Energy Research and Development Authority (NYSERDA). The program would provide grants for research to promote new technologies and processes that will avoid, abate, mitigate, capture and / or sequester carbon dioxide and other greenhouse gases. The research would be conducted by a not-for-profit college, university or other institution. The grants would come from monies to be made available in the New York Budget process, and individual grants would not exceed \$150,000 per year.

Importantly, the measure would authorize a program that potentially could be improved to build upon NYSERDA's plan to provide funding for this purpose from RGGI allowance auction revenues. Indeed, NYSERDA's plan provides only a total of \$15 million for the development of this important technology and recognizes that other sources of funding are needed.

The bills could be improved further, if provisions were included to allocate at least a total of \$45 million to help ensure the full successful demonstration and commercialization of this technology at a coal facility and at a natural gas facility and to increase NYSERDA's ability to leverage other sources of funding for this necessary technology.

For the reasons stated above, IPPNY supports the passage of A.249 / S.4917.

###