Summary of the Assessment of Public Comments
6 NYCRR Part 242, CO_2 Budget Trading Program
6 NYCRR Part 200, General Provisions
21 NYCRR Part 507, CO_2 Allowance Auction Program
Comments Received from December 10, 2025, through 5:00 P.M., February 17, 2026

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative, historic effort among New York and nine other Participating States and was the first mandatory, market-based carbon dioxide (CO_2) emissions reduction program in the United States. Since its inception in 2008, RGGI has utilized a market-based mechanism to cap and cost-effectively reduce emissions that cause climate change. Recently, New York along with the Participating States completed a comprehensive program review and announced a proposal to lower the regional emissions cap established under RGGI to approximately 69.8 million tons in 2027, then declining about 89 percent, relative to the 2024 cap through 2037. Accordingly, New York and the Participating States committed to propose revisions, pursuant to state-specific regulatory processes, to their respective CO_2 Budget Trading Programs to further reduce CO_2 emissions from power plants in the region. To implement the updated RGGI program in New York State, the Department of Environmental Conservation (Department) has proposed revisions to 6 NYCRR Part 242, CO_2 Budget Trading Program (the Program) and 6 NYCRR Part 200, General Provisions. As the auction administrator, the New York State Energy Research and Development Authority (NYSERDA) has proposed revisions to the CO_2 Allowance Auction Program as set forth in 21 NYCRR Part 507, which are designed to complement revisions proposed by the Department.

The Department and NYSERDA received 67 written and video comments from 25 commenters on the proposed revisions. All of these comments have been reviewed, sorted, summarized, and responded to by the Department and NYSERDA in the assessment of public comments.

Several commenters expressed their broad support for the proposed revisions to the regulations. The Department and NYSERDA thanked them for the support.

Several commenters expressed their opposition to the proposed revisions or to the regulations overall. These commenters expressed concerns about the cost of the program. The Department and NYSERDA replied that the program revisions are projected to have no significant impact on consumers' bills, with projected slight decreases in cost to consumers when compared to the status quo. This is due in large part to the investment of proceeds raised by the RGGI Program.

A few commenters argued that the modeling assumptions underlying the emissions projections are not aligned with the State Energy Plan or current federal policies or

investment priorities. The Department and NYSERDA replied that the modeling looked at a range of scenarios including Scenario A, which is representative of a future where clean energy deployment does not significantly exceed currently contracted resources through 2037, resulting in higher demand for allowances. Additionally, the electricity sector emissions in the core scenarios of the State Energy Plan are consistent with the cap trajectory adopted as an outcome of the Third Program Review and in this rule making, as the new cap trajectory is on a pathway to zero emissions by 2040.

One commenter argued that the amendments violated the US Constitution and that the Department had exceeded its authority in proposing the regulations. The Department and NYSERDA replied that the proposed amendments are within the authority granted by the laws of New York and do not violate the US Constitution.

Several commenters asserted that the RGGI Program is a successful market-based program to reduce emissions of air pollution and invest in greenhouse gas abatement technologies. Program investments to date are anticipated to save rate payers almost 12 billion dollars over the lifetime of those investments. Additionally, the RGGI Program has balanced grid reliability, costs, and stakeholder inputs for more than a decade, and this latest revision will continue this past performance. The Department and NYSERDA thanked them for the comments.

A commenter expressed concern that the expanded cost containment reserves would allow too many allowances to be introduced into circulation and that this would allow additional CO_2 emissions. The Department and NYSERDA responded that the modeling conducted to support the rule making does not indicate that all available allowances would be released and even if they were, the total number of allowances would be reduced by almost 66 percent.

Some commenters expressed that the RGGI Program was a good example of how to operate an economy wide emissions trading or cap and invest program and suggested that the Department propose additional regulations to effectuate that broader market. The Department and NYSERDA responded that additional programs are beyond the scope of the rule making.

Some commenters argued that the Department should expand the flexibility mechanisms through consideration of third-party offsets or a new tier of cost containment reserve. The Department and NYSERDA responded that the modeling conducted to support this rule making showed the proposed flexibility mechanisms would dampen prices and not be fully released for all years of the forecast. Additionally, no potential offset project owners commented on the proposed revisions.

One commenter provided suggestions on how to invest the proceeds from the auction of allowances. The Department and NYSERDA responded that the best forum for

suggestions on how to invest proceeds would be through the process for adopting the annual RGGI Operating Plan as described on the NYSERDA website: https://www.nyserda.ny.gov/About/Funding/Regional-Greenhouse-Gas-Initiative/Auction-Proceeds.