



MEMO OF SUPPORT

S2073 (May)

*Protects Regional Greenhouse Gas Initiative (RGGI) Proceeds
from Raids by Prohibiting Transfers to General Fund*

February 2, 2024

TITLE OF BILL

An act to amend the public authorities law, in relation to proceeds from the auction or sale of carbon dioxide emission allowances.

SUMMARY OF PROVISIONS

Section one adds a new section 1874 to the Public Authorities Law requiring that funds received by the Regional Greenhouse Gas Initiative (RGGI) be deposited in the energy efficiency and clean energy technology account. RGGI proceeds shall not be moved, transferred, or otherwise allocated to the credit of the state's general fund. However, if any funds are transferred to the general fund, they must be used strictly for purposes consistent with the RGGI spending rules promulgated by the New York State Energy Research and Development Authority (NYSERDA), and a report is required to be issued by the State Comptroller detailing the use of the funds.

Section two sets the effective date as March 31, 2025.

STATEMENT OF SUPPORT

Reinvent Albany supports this legislation because it would ensure that funds dedicated by law under RGGI to support climate change mitigation are used as intended rather than for other purposes. According to Environmental Advocates NY, [\\$269 million in RGGI funds have been raided](#) since the program's creation in 2008. The Legislature's rejection of these raids in 2022 may have put an end to the practice – at least for now.

Reinvent Albany strongly opposes the raiding of state dedicated funds—including MTA dedicated taxes and RGGI funds—because it breaks trust with the public, who pays these fees and taxes with the understanding that they will be benefiting specific programs or agencies. For RGGI funds, raiding them for other purposes is also counter to the goals set in the Climate Leadership and Community Protection Act (CLCPA), which requires that at least 35% of clean energy funds be used to benefit disadvantaged communities.