



State Sen. John Flanagan's measure eliminates that portion of the Clean Energy Standard and requires ratepayers get a refund. | AP Photo

## Green groups criticize Flanagan's proposal for nuclear subsidy

By **MARIE J. FRENCH** | 06/13/2017 05:04 AM EDT

ALBANY — Groups that have campaigned against Gov. Andrew Cuomo's subsidy for upstate nuclear plants — and environmental groups that have stayed on the sidelines — panned the Senate Republican leader's proposal to fund it with money currently used for energy efficiency and renewable programs.

The measure, modified by Senate Majority Leader John Flanagan on Monday, would essentially strip funding from most other New York State Energy Research and Development Authority programs and use it to fund the state's nuclear power plants.

Cuomo's nuclear subsidy has faced harsh criticism from some environmental and consumer groups, as well as from local elected officials across the state.

"The state already devotes substantial resources to clean energy and we are supportive of many of those initiatives," said Flanagan spokesman Scott Reif. "We believe that this can be funded through existing resources and not on the backs of ratepayers."

Flanagan's proposal retains the subsidy for nuclear plants, which has strong support from upstate members of his conference who represent districts in which the plants are located. At the same time, it lessens the impact on ratepayers of the subsidy, including those in Flanagan's district on Long Island who are still paying for the shuttered Shoreham nuclear plant.

It would also gut a key part of Cuomo's ambitious renewable energy plan, of which the nuclear subsidy is a component. Cuomo officials have touted the subsidy, which pays the owner of the nuclear plants based on the social cost of carbon avoided by the zero-emissions attribute of the plants, as a bridge to renewable energy sources, ensuring that the plants aren't replaced with fossil fuel generators.

Flanagan's measure eliminates that portion of the Clean Energy Standard and requires ratepayers get a refund. Utilities started collecting money for the zero emissions credits in April. The program is expected to cost about \$1 billion in the first two years.

A group called "Stop the Cuomo Tax" has been campaigning against the subsidy, arguing that it's too costly for ratepayers and the money could be better used to accelerate the transition to renewable energy. Blair Horner, executive director of the New York Public Interest Research Group, one of the leaders of that campaign, said Flanagan's proposal would be "the equivalent of taking money from the car industry to fund the horse and buggy industry."

"Obviously we're opposed to raiding renewable energy programs to fund aging nuclear plants," Horner said. "Robbing Peter to pay Paul doesn't make any sense."

Horner also said that the NYSERDA money that would be used is also primarily collected from ratepayers. The measure would require NYSERDA to use all the money it has retained to fund a "zero carbon emission investment" program before any other program and prohibit any additional charges on ratepayers to fund it.

"If it just leaves in place this massive transfer of New York ratepayer money to one company in Illinois, that doesn't make any sense to us either," Horner said, referring to the corporate

location of the plants' owner, Exelon.

Without the subsidy, three upstate nuclear power plants would likely take steps to shut down. The company opposes Flanagan's measure.

"Big oil special interests are trying to weaken New York's Clean Energy Standard and keep energy prices \$15 billion higher to protect their bottom line, putting the environment, jobs and the economy in jeopardy," Exelon spokeswoman Robin Levy said in a statement. The \$15 billion refers to an estimate of the increase in ratepayer bills over 12 years if all the plants were to close at once.

The nuclear subsidy has caused a split among environmental groups in the state. Several have stayed on the sidelines during the aggressive opposition campaign. But Flanagan's proposal, and an earlier version introduced by Republican Sen. Patty Ritchie last week, drew harsh criticism from two of those groups: the Natural Resources Defense Council and Environmental Advocates of New York.

"This has the potential to gut the clean energy economy in New York state," Environmental Advocates of New York's Conor Bambrick said. "This is targeting clean energy programs that are up and operating around the state from energy efficiency to offshore wind to NY-Sun."

Flanagan's proposal shows growing discontent with the nuclear subsidy. Assembly Democrats have been more outspoken in criticizing the program, while Senate Republicans remained largely supportive. Horner said it was a positive sign that both chambers are unhappy with the program, but that doesn't mean they'll be able to agree on a solution.

Flanagan's version of the nuclear subsidy also appears to allow the money to go to the one downstate nuclear plant, Indian Point in Westchester County, which was excluded because it is not in financial distress.

Assembly Democrats have proposed several measures to lessen the cost of the nuclear subsidy or restructure it. Assemblywoman Amy Paulin, chair of her chamber's Energy Committee, supports a measure to allocate the costs of the subsidy based on the benefits received.

Paulin and other downstate lawmakers say the constituents they represent are footing the bill while the power and jobs preserved by the program stay upstate. But Paulin said she wouldn't support Flanagan's proposal because it would take away funding from important

programs that NYSERDA runs, including with money from the Regional Greenhouse Gas Initiative or RGGI.

"What I've opposed is the distribution of costs... the costs on Long Island and downstate, which is why the senator is introducing the bill, because his own constituents are paying too much. But I don't argue that the costs should be borne by someone, just it should not be borne by RGGI, it should not be borne by the ratepayers outside of the catchment area to the degree it is," she said.

The Business Council of New York State's Darren Suarez said the nuclear subsidy would be a better use for money from RGGI and other assessments on electricity customers than NYSERDA's current programs. Suarez said it would be important that the state lives up to contractual obligations to Exelon and other recipients of existing programs. Exelon is a member of the business lobbying group.

"A lot of RGGI proceeds that are headed out there, they're going in directions where this is a better utilization of it," Suarez said. "And quite honestly could help alleviate some of the pressure our members are facing. We have members that have industrial operations that are facing million and two million dollars worth of ZEC costs this year and they didn't expect those."

See the bill [here](#).