



Department of
Environmental
Conservation

For Release: Wednesday, December 30, 2020

DEC Announces Finalization of 'Value of Carbon' Guidance to Help Measure Impacts of Greenhouse Gas Emissions

Guidance Marks the Latest Milestone in the Climate Leadership and Community Protection Act Implementation

Updated Values for Carbon Dioxide, Methane, and Nitrous Oxide to Inform New York's Actions to Reduce Emissions

New York State Department of Environmental Conservation (DEC) Commissioner Basil Seggos today announced the finalization of guidance to reduce climate-altering greenhouse gas emissions and advance the ongoing implementation of the Climate Leadership and Community Protection Act. This new guidance and supporting documents will help State agencies estimate the value of reducing carbon and other greenhouse gas emissions in decision-making and builds on New York's nation-leading actions to address climate change.

"One of the best ways to explain the urgency of our need to act on climate is to identify the costs and benefits of reducing greenhouse gas emissions," **Climate Action Council Co-Chair and DEC Commissioner Seggos said.** "As part of Governor Cuomo's commitment to implementing the nation-leading Climate Leadership and Community Protection Act, DEC developed the 'value of carbon' metric for State agencies to help reduce climate-altering emissions. Neither New York nor the world can afford to delay taking action to fight climate change."

The Value of Carbon guidance, developed by DEC in consultation with the New York State Energy Research and Development Authority (NYSERDA) and the non-profit organization Resources for the Future, establishes a monetary value for the avoided emissions of carbon dioxide, methane, and nitrous oxide; provides an up-to-date review of approaches used by other governments to place a value on emissions; and identifies future areas of work, including placing a value on other greenhouse gases and air pollutants.

Doreen M. Harris, NYSERDA Acting President and CEO and Climate Action Council Co-Chair, said: "This important guidance continues to advance Governor Cuomo's nation-leading climate goals and will help inform State agencies' day-to-day decision-making - putting the impacts of climate change front and center and encouraging cost-effective, strategic action to reduce greenhouse gas emissions."

The guidance is different than a regulation and does not propose a carbon price, fee, or compliance obligation. It is a metric that will be broadly applicable to all State agencies and authorities to demonstrate the global societal value of actions to reduce greenhouse gas emissions. The guidance establishes a value of carbon focused on the federal social cost of carbon and incorporates public comments DEC received when the draft guidance was proposed earlier this year, including recommending a lower central discount rate of two percent, which should be reported alongside a one and three percent discount rate for informational purposes. In some decision-making contexts, particularly those that have a history of valuing carbon, such as the New York electric industry, the guidance suggests that alternative approaches to valuing carbon may be more appropriate for both resource valuation and benefit-cost analyses.

Use of the lower central discount rate translates into a 2020 central value of carbon dioxide of \$125 per ton; methane of \$2,782 per ton; and nitrous oxide of \$44,727 per ton. The full set of values for 2020-2050 is provided in the Appendix to the guidance.

The [Value of Carbon Guidance announced today and supplemental documents](#) are available on DEC's website.

Today's announcement complements another recent CLCPA milestone. On Dec. 15, [Governor Andrew M. Cuomo announced](#) (leaves DEC's website) the finalization of regulations to reduce greenhouse gas emissions statewide as the first regulatory requirement of the Climate Act. These regulations establish limits on the statewide emissions of greenhouse gases 40 percent by 2030, and 85 percent by 2050, as well emissions associated with imported electricity and fossil fuels. The greenhouse gases covered by this regulation are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the [Climate Leadership and Community Protection Act](#) (leaves DEC's website), New York is on a path to achieving its mandated goal of a zero-carbon emissions electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented ramp-up of clean energy including a \$3.9 billion investment in 67 large-scale renewable projects across the state, the creation of more than 150,000 jobs in New York's clean energy sector, a commitment to develop 9,000 megawatts of offshore wind by 2035, and 1,800 percent growth in the distributed solar sector since 2011. Under Governor Cuomo's leadership, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments benefit disadvantaged communities, and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 TBtus.