



KENNETH ADAMS
President & CEO

August 7, 2008

The Honorable David A. Paterson
Governor
State of New York
State Capitol
Albany, New York 12225

Dear Governor Paterson:

As you know, rising energy costs are hurting families, businesses and government, and are adversely affecting the state and national economies.

In this time of economic stress, and rising energy prices, we believe it would be a mistake for New York to impose another significant cost on the state's energy consumers. The State Environmental Board, however, is scheduled to give final approval to the "regional greenhouse gas initiative" rule on Monday.

The Business Council urges the State to postpone adoption and implementation of RGGI.

The Business Council, and many of our 3,000 member companies, are concerned that RGGI will contribute to higher electric power prices in New York, both directly through the cost of emission allowances and indirectly by making the state's power system less fuel diverse.

Unfortunately, the final version of this proposed rule was only made available to the public this week. More time for review is necessary before the State adopts another set of regulations that, while well-intentioned, increases costs to businesses and consumers.

New York continues to be a leader in clean energy and energy efficiency, but we also pay among the highest energy prices in the United States. We estimate that New York business and residents already pay an annual \$6.5 billion premium for electric power, when comparing in-state rates to the national average. These additional increased costs are driven by state-imposed factors such as fuel mix, environmental regulations and state-imposed taxes and fees.

There is little doubt that high energy costs have a negative impact on the state's economy. We believe that implementation of RGGI, which will impose an additional cost on power generation and major power users during an economic downturn, is ill-advised and will only compound the state's economic problems.

Thank you for considering this request to delay the upcoming RGGI rule making decision.

Sincerely,

