

New Report Reveals More Than \$4.5 Billion in Ratepayer Funds Have Propped Up Highly-Polluting, Uneconomical Fossil Fuel Peaker Power Plants in NYC Over Last Decade *Pollutants Linked to Worse COVID-19 Outcomes in Impacted Communities*

PEAK Coalition's Report Kicks Off Campaign to Replace Expensive, Polluting Peaker Plants with Clean Energy in NYC's Disproportionately Impacted Low-Income Neighborhoods and Communities of Color

New York, NY – May 7, 2020 – A new report released today reveals that New York City residents, through their electric bills, have paid more than \$4.5 billion over the past decade to owners of power plants that emit high levels of harmful pollutants in communities of color in New York City. Most of those dollars flowed to three private firms out-of-state, with the costs falling disproportionately on low-income New Yorkers. Titled *Dirty Energy, Big Money: How Private Companies Make Billions from Polluting Fossil Peaker Plants in New York City's Environmental Justice Communities – and How to Create a Cleaner, More Just Alternative*, the report is the first in the country to investigate the economic and environmental costs of a city's entire fleet of peaker plants – power plants that fire up when electricity demand is high – and highlights the harmful environmental health impacts of these plants, especially in communities of color.

As New York City battles the coronavirus crisis, it is especially urgent to reduce peaker plant emissions of fine particulate matter and nitrogen oxides, which have been shown to elevate the risk of illness and severe infection from COVID-19.

The report was published by the PEAK Coalition, a newly formed coalition of four local environmental justice groups, including New York City Environmental Justice Alliance (NYC-EJA), UPROSE, THE POINT CDC, and New York Lawyers for the Public Interest (NYLPI), and national clean energy nonprofit Clean Energy Group (CEG). This kicks off their campaign to replace fossil fuel peaker plants in the city with cleaner renewable and battery storage technologies.

Top findings in *Dirty Energy, Big Money* include:

- Over the last decade, an estimated \$4.5 billion of ratepayer money—in the form of what are called “capacity payments”—have gone to the public and private owners of the city's peaker plants. The payments simply keep the power plants online in case they may be needed, even though the majority of the peakers operate no more than a few hundred hours each year.
- About 85 percent of capacity payments, or nearly \$4 billion, has gone to just three private, out-of-state firms: a Boston hedge fund, a Houston fossil fuel generation company, and a New Jersey private equity firm. Together, these firms own the bulk of the oldest and dirtiest fossil fuel peaker plants in the city.
- Peak electricity in New York City is some of the most expensive in the United States – up to 1,300 percent higher than the average cost of electricity in New York.
- These expensive, highly polluting power plants significantly contribute to the energy cost burden disproportionately impacting low-income New Yorkers, with at least 609,850 families paying more than six percent of their annual household income on energy payments.

“Peaker plants are a prime example of environmental racism,” said **Elizabeth Yeampierre, Executive Director of UPROSE**. “This isn't just a New York City problem either, environmental justice communities

across the country suffer from historic health disparities from the concentrated siting of polluting infrastructure. We know long-term exposure to air pollution significantly increases the likelihood of death among people with COVID-19, showing the urgent necessity of systemic change to tackle the climate crisis and meet our state's Climate Leadership and Community Protection Act emission targets and equity mandates."

The PEAK Coalition will be holding a [webinar](#) to discuss the report and campaign on May 28.

The PEAK Coalition is launching a campaign to transition New York City away from the outdated, inequitable, and polluting energy system that relies on peaker plants, and toward a clean, renewable energy and battery storage system that invests in environmental justice communities and enhances community resiliency. The PEAK Coalition campaign targets the 16 peaker power plants currently operating in New York City, which are all powered by fossil-fuels and primarily located in low-income, communities of color. Many have been operating since the 1970s and earlier, and have little or no pollution-control equipment to reduce emissions. The Coalition aims to have their model disseminated to other cities and emulated by communities across the country.

"With the passage of the New York State Climate Leadership and Community Protection Act, we have a real opportunity to restructure our energy system to value and incentivize local renewable energy and battery storage projects," said **Annel Hernandez, Associate Director of the New York City Environmental Justice Alliance**. "We can no longer afford to prop up fossil fuel peaker plants that have been spewing pollution into our communities for decades."

"The South Bronx is home to two unwelcome peaker plants that have continually worsened air quality in our communities," said **Dariella Rodriguez, Director of Community Development at THE POINT CDC**. "Now more than ever we need to take every opportunity to address this growing health disparity by quickly and equitably transitioning to renewable and resilient energy. The cost of not doing so is something we cannot afford."

"Now is the time to invest in a renewable future and in the health of frontline communities in New York City – not to subsidize polluting fossil fuel peaker plants," said **Rachel Spector, Director of the Environmental Justice Program at New York Lawyers for the Public Interest**. "Prioritizing replacement of highly polluting peaker plants with renewable energy and storage is a test of New York's commitment to the equity goals in the Climate and Community Protection Act passed last year."

"New York City ratepayers spend billions of dollars to keep archaic, polluting power plants running in their communities," said **Lewis Milford, President of Clean Energy Group**. "It is a moral, public health and climate imperative to replace these plants in New York and around the country with clean renewable and battery storage technology as soon as possible, investing those billions in a community-led, clean energy future."

The full report is available [here](#) and more information about the PEAK Coalition is available [here](#).

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Clean Energy Group (CEG) is a national, nonprofit advocacy organization working on innovative policy, technology, and finance strategies in the areas of clean energy and climate change. Since 1998, CEG has

promoted effective clean energy policies, developed new finance tools, and fostered public-private partnerships to advance clean energy markets that will benefit all sectors of society for a just transition. CEG serves as a leading national proponent of battery storage and solar to replace fossil-fueled power plants, providing economic analysis on the economics of peaker plant replacement. Over the past several years, CEG's Resilient Power Project has been primarily focused on supporting solar-plus-storage development in disadvantaged communities, supporting solar-plus-storage projects in more than 60 communities nationwide. CEG has also worked on state energy storage policy and large-scale battery storage deployments. www.cleanegroup.org

New York Lawyers for the Public Interest **New York Lawyers for the Public Interest (NYLPI)** is a not-for-profit law firm founded in 1976 to help protect civil rights and achieve lived equality for communities in need. NYLPI combines the power of law, organizing, and the private bar to make lasting change where it's needed most. Staff attorneys, community organizers and advocates provide direct representation, advocacy and assistance to low-income New Yorkers in the areas of disability justice, environmental justice, health justice, immigrant justice, and community justice. NYLPI has used its legal and policy expertise in tandem with organizing and community partnerships for over two decades to address disproportionate environmental burdens in New York City's low-income communities of color. NYLPI brought a challenge to the development and siting of new peaker plants in the early 2000s, and is currently deeply engaged in local climate and renewable energy policy with a focus on environmental justice. www.nylpi.org

NYC Environmental Justice Alliance (NYC-EJA) Founded in 1991, the New York City Environmental Justice Alliance (NYC-EJA) is a nonprofit citywide network linking grassroots organizations from low-income communities of color in their struggle for environmental justice. NYC-EJA integrates groundbreaking research, robust advocacy campaigns, policy analysis, and technical assistance for our members and allies. Many of NYC-EJA's campaigns focus on energy-related advocacy and planning by providing support to the local struggles of our members who are advocating for the displacement of polluting infrastructure from their communities. NYC-EJA also works with its members to concurrently develop renewable energy opportunities that optimize local health and economic benefits. NYC-EJA is committed to advancing energy resilience and just transitions in the energy sector through our leadership in power building efforts at both City and State levels. www.nyc-eja.org

THE POINT CDC is dedicated to youth development and the cultural and economic revitalization of the Hunts Point Peninsula of the South Bronx. After Superstorm Sandy, THE POINT mobilized elected officials, businesses, labor groups, and residents to inform the creation of the Hunts Point Lifelines Plan focused on building climate resilience. This input led Lifelines to receive a \$20 million Rebuild by Design award from HUD and \$25 million from the City towards the development of renewable, resilient energy systems and stormwater management infrastructure in Hunts Point. Additionally, THE POINT is currently in the pre-development stage for what will be one of the largest community solar projects in New York State with support from the New York State Energy Research Development Authority (NYSERDA). www.thepoint.org

UPROSE Founded in 1966, UPROSE is an intergenerational, multi-racial, nationally-recognized community organization that promotes sustainability and resiliency in the Sunset Park neighborhood through community organizing, education, indigenous and youth leadership development, and cultural/artistic expression. In the aftermath of Superstorm Sandy, UPROSE has established the Sunset Park Climate Justice Center, focused on engaging community residents and businesses to generate grassroots-led climate adaptation and community resiliency planning. For a

quarter-century, UPROSE engages in advocacy around the siting and deployment of polluting power plants and the development of alternatives. UPROSE is also currently developing New York's first cooperatively-owned solar project. www.uprose.org

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