



Institute for
Policy Integrity
NEW YORK UNIVERSITY SCHOOL OF LAW

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STATE COURT RULES ON NEW YORK’S ZERO-EMISSION CREDIT PROGRAM

Today, the New York Supreme Court in Albany County [rejected a challenge](#) to New York’s Zero-Emission Credit (ZEC) program, which pays nuclear power plants for the value of avoided carbon emissions. The legal challenge focused largely on the state’s decision to use the [Interagency Working Group’s Social Cost of Carbon](#) (SCC) to value emissions.

Richard Revesz, Director of the Institute for Policy Integrity at NYU School of Law, has released the following statement on this ruling:

“This ruling affirms that the Social Cost of Carbon is an appropriate and effective tool for state policymakers. New York was right to use the Social Cost of Carbon in valuing the environmental benefits of avoided carbon emissions. The court ruling could help provide guidance for other states pursuing climate policies.”

Petitioners in the case claimed that the Public Service Commission misapplied the SCC, but as the Institute for Policy Integrity argued in an [amicus brief](#) that was cited by the court, the Commission used the SCC exactly as intended, to internalize the external cost of carbon emissions. [Many other states](#) have adopted the SCC as well.

The court held that the Public Service Commission’s use of the Social Cost of Carbon in calculating ZEC payments was well supported, specifically citing evidence showing that the Social Cost of Carbon is the “best tool to reflect the environmental monetary damages attributable to reduced carbon emissions.” Federal courts have previously [rejected](#) industry challenges to the ZEC programs in Illinois and New York.

Please let me know if you’d like to speak with Richard Revesz or one of our other attorneys about the ruling or related issues.

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The Institute for Policy Integrity at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.