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August 7, 2023

Michael S. Regan, Administrator
U.S. Environmental Protection Agency
Office of the Administrator, 1101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Proposed New Source Performance Standards to address GHG emissions from fossil fuel-fired power plants: EPA-HQ-OAR-2023-0072

Dear Administrator Regan:

I write as Trustee of the New York State Common Retirement Fund (CRF, or Fund), one of the largest public pension plans in the United States, valued at $248.5 billion as of March 31, 2023. The Fund holds and invests the assets of the New York State and Local Retirement System on behalf of more than 1.1 million members and beneficiaries and pays over $1 billion per month in benefits. The CRF has consistently been ranked as one of the best-managed and best-funded public plans in the nation.

Climate change poses significant risks and opportunities for the CRF, the markets, and the economy as a whole. To address these risks and opportunities to the CRF, the CRF has adopted a Climate Action Plan involving company and investment manager assessments and engagements, a dedicated sustainable investment program, and support for climate risk mitigation policies consistent with fiduciary duty.[1]

I fully support the U.S. Environmental Protection Agency's (EPA)'s proposed rule. Because the new standards will reduce greenhouse gas emissions (GHG) from the electric power sector, the source of 25 percent of US emissions, the new standards are an important step in addressing the investment risk that climate change poses to investment portfolios like ours. Since the CRF's diversified portfolio includes substantial investments in the electric power sector, the CRF is implementing strategies to manage its exposure to climate risks by encouraging emission reduction through company engagement. The CRF also seeks investment opportunities associated with the electric power sector's shift to a net zero economy.

[1] https://www.osc.state.ny.us/files/reports/special-topics/pdf/climate-action-plan-2019.pdf

Strong GHG emission standards for power plants will benefit companies in the sector by providing the certainty necessary to guide the capital allocation decisions required to reduce emissions for new and existing generation capacity. In addition, the Inflation Reduction Act and the Infrastructure Investment and Jobs Act's tax credits will make more cost-effective the clean technologies that are necessary for the low-emission transition in the power sector. The funding available pursuant to these new Acts, combined with the EPA's proposed regulations, will reduce power companies' compliance costs, as well as provide companies, and investors like the CRF, with a broad range of opportunities to invest in the transition.

With respect to the EPA's proposed regulations, I urge the EPA to:

- Expand the scope of coverage of the proposed rule to lower capacity power plants by lowering the generation capacity threshold for plants subject to the rule in order to further address GHG emissions from fossil fuel power plants; and
- Accelerate compliance schedules for the best system of emission reduction for existing fossil fuel-fired stationary combustion turbines including a compliance deadline of 2030 for new and existing gas plants.

These steps will further generate growth in the clean economy, accelerate decarbonization actions underway in the marketplace and unlock new investment opportunities. Further the regulations will support and supplement the work being done by various states to transition to a clean grid.

I applaud the EPA for proposing new, more stringent emissions standards for fossil fuel-fired power plants.

Sincerely,

Thomas P. DiNapoli
State Comptroller