RGGI Inc.

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For Immediate Release

Statement on Proposed Virginia Greenhouse Gas Rule

The Virginia Department of Environmental Quality this week made public a draft proposed regulation to reduce greenhouse gases, which will be presented to the state's Air Pollution Control Board on Nov. 16th.

The RGGI states applaud Virginia's progress towards establishing a market-based program to reduce greenhouse gas emissions from electricity generation. As we evaluate Virginia's proposed regulation, we are pleased to note that it appears consistent with the RGGI program in a number of key ways. In particular, the Virginia proposal shares many of the recently-announced proposed improvements to the RGGI program through 2030, including: a cap that declines 30% between 2020 and 2030; incorporation of a Cost Containment Reserve; and an Emissions Containment Reserve to enhance market stability. Virginia's proposal to conduct consignment auctions is indicative of their support of RGGI's market-based approach to pricing emissions.

The RGGI states recognize that all participating states can benefit from a broader market with more participants. Larger markets increase economic efficiency and cost-effectiveness, align more closely with the regional nature of our electric grid, and can help drive even greater consumer savings. These economic benefits come hand-in-hand with benefits to our environment, climate, and public health.

The RGGI states have held productive and collaborative conversations with Virginia representatives as they crafted their regulation, and look forward to continuing those conversations as Virginia's program design process advances.

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About the Regional Greenhouse Gas Initiative

The Northeast and Mid-Atlantic states participating in the third RGGI control period (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) have implemented the first mandatory market-based regulatory program in the U.S. to reduce greenhouse gas emissions. The 2017 RGGI cap is 84.3 million short tons. The RGGI cap declines 2.5 percent each year until 2020. The RGGI states also include interim adjustments to the RGGI cap to account for banked CO_2 allowances. The 2017 RGGI adjusted cap is 62.5 million short tons.

RGGI is composed of individual CO_2 budget trading programs in each state, based on each state's independent legal authority. A CO_2 allowance represents a limited authorization to emit one short ton of CO_2, as issued by a respective state. A regulated power plant must hold CO_2 allowances equal to its emissions for each three-year control period. RGGI's third control period began on January 1, 2015 and extends through December 31, 2017. For more information visit www.rggi.org.

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About Regional Greenhouse Gas Initiative, Inc.

Regional Greenhouse Gas Initiative, Inc. (RGGI, Inc.) was created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative. RGGI, Inc. is a 501(c)(3) nonprofit organization. For more information, visit: www.rggi.org/rggi