



Andrew McKeon, Executive Director
RGGI, Inc.
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October 24th, 2023

RE: RGGI Third Program Review Electricity Sector Analysis

Dear Mr. McKeon and Members of the RGGI Board,

Thank you for the opportunity to submit written comments in response to the Public Meeting on September 26th, 2023. Green Energy Consumers Alliance is a non-profit organization based in Providence, RI and Boston, MA with a mission to speed the transition to a zero-carbon future. We commend the RGGI states for their commitment to an open stakeholder process and strongly urge RGGI to incorporate the recommendations outlined below into the Third Program Review.

Ambitious Emission Reduction Targets

We encourage RGGI to pursue modeling framework C-4, which includes the highest amount of renewables and establishes a cap of zero emissions by 2035. Considering the urgency of the climate crisis and the ambitious decarbonization goals set by participating RGGI states such as MA and RI, it is essential that the RGGI program aligns with these clean energy and economy-wide decarbonization targets. We were pleased to see that the allowance price modeling for the 0x35 cap would result in an estimated allowance price of \$21/ton. A recent study published in Nature estimated the social cost of carbon to be approximately \$168 per short ton of CO₂, meaning that the projected allowance price would still be 8x lower than the social cost of carbon¹.

In comparison to other emissions trading systems such as the European Union Emission Trading System (EU-ETS) and the joint California-Quebec emissions trading market, RGGI's carbon prices are substantially lower. For example, in 2022, the average EU-ETS carbon price was USD \$79.64 per short ton of CO₂. As of March 2023, the EU-ETS had reached an all-time high of USD \$105.73 per short ton². In 2022, the joint California-Quebec allowance auctions averaged USD \$25.81 per short ton of CO₂, nearly twice RGGI's price in the same

¹ <https://www.nature.com/articles/s41586-022-05224-9>

² <https://tradingeconomics.com/commodity/carbon>

year. Although RGGI's scope is smaller than these trading programs, the price levels are informative as prices that markets can bear, making \$21/ton feasible.

Additional Matters to Consider in Third Program Review

While RGGI inc. maintains that the program review will be completed by the end of this year, there are still several matters that have not been addressed. We urge a presentation with sufficient time for public input on topics such as the cost containment reserve, emission containment reserve, allowance banking beyond 2035 in the C_0x35 scenario, and environmental justice. We reserve the right to make further comments once important programmatic details on these topics are released by RGGI.

Thank you for your consideration of our comments. We look forward to continuing to be able to provide feedback as the program review evolves. We hope that RGGI sets a cap that allows the program to rise to the climate crisis.

Sincerely,

Amanda Barker

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