

A RGGI CO<sub>2</sub> offset allowance represents a project-based greenhouse gas emission reduction outside of the capped electric power generation sector. At this time, the RGGI States limit the award of offset allowances to five project categories, each of which is designed to reduce or sequester emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), or sulfur hexafluoride (SF<sub>6</sub>) within the nine-state region.

Offsets are an important component of each state's CO<sub>2</sub> Budget Trading Program. By recognizing CO<sub>2</sub>-equivalent emissions reductions and carbon sequestration outside the capped sector, offsets provide compliance flexibility and create opportunities for low-cost emissions reductions and other co-benefits across sectors.

The RGGI States cooperatively developed prescriptive regulatory requirements for each of the five offset categories. These requirements ensure that awarded CO<sub>2</sub> offset allowances represent CO<sub>2</sub>-equivalent emissions reductions or carbon sequestration that is real, additional, verifiable, enforceable, and permanent. All offset projects must be located within one of the RGGI States.

CO<sub>2</sub> offset allowances may be used to satisfy a limited portion of a regulated power plant's compliance obligation. The use of CO<sub>2</sub> offset allowances is constrained to 3.3 percent of a power plant's CO<sub>2</sub> compliance obligation for each control period.

Starting in the third control period (2015 - 2017) regulated sources must hold allowances equal to 50 percent of their emissions during each Interim Control Period (the first two calendar years of each three year control period). CO<sub>2</sub> offset allowances may be used to satisfy up to 3.3 percent of a regulated source's compliance obligation during each Interim Control Period.

This section of the website is designed to act as a resource for general information on the offset component of state CO<sub>2</sub> Budget Trading Programs and as a portal for offset project sponsors and independent verifiers to access the instructions and materials needed to submit relevant project and accreditation applications.

- **General information** on RGGI offsets, including project categories, requirements, and project tracking system, is available through links on the left side of this page.
- **Project sponsors** and **verifiers** should consult links to [Application Process](#) and [Verification Process](#) to learn about relevant application, verification, and accreditation processes. Specific eligibility and other regulatory requirements for each

of the five project categories are included in each state's CO<sub>2</sub> Budget Trading Program [regulations](#).