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Vice President and Chief Environmental Officer

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By Electronic Delivery: info@rggi.org
March 30, 2012

Ms. Nicole Singh
Acting Executive Director
Regional Greenhouse Gas Initiative, Inc.
90 Church Street, 4th Floor
New York, NY 10007

Re: Comments on the Regional Greenhouse Gas Initiative Program Operations

Dear Ms. Singh:

Dominion Energy New England, Inc. ("Dominion") is pleased to respond to the Regional Greenhouse Gas Initiative, Inc.'s ("RGGI, Inc.'s") request for comment on the Regional Greenhouse Gas Initiative ("RGGI") program operations. As you are aware, Dominion operates two electric generating facilities in the Commonwealth of Massachusetts; Dominion Energy Brayton Point, L.L.C ("Brayton Point") and Dominion Energy Salem Harbor, L.L.C. ("Salem Harbor") and one electric generating facility, Dominion Energy Manchester Street, L.L.C. ("Manchester Street") in Rhode Island which are subject to RGGI.

We feel the RGGI auction process and RGGI CO2 Allowance Tracking System ("COATS") have been well run to date. However, below are some suggestions for improvement.

RGGI Auction – Intent to Bid

While improvements have been made throughout the auction program, the Intent to Bid process seems to be a step in the overall auction process which does not add value. Because participants have to file an "Intent to Bid Form" months before the auction, and there is no penalty to file and not participate, Dominion always submits the form, rather than risk missing the opportunity to participate, if circumstances change. We request that the intent to bid process be removed from the overall auction participation process.

RGGI Compliance Certification

Compliance certification is part of the process in the RGGI COATS system. This step is unnecessary and we request it be removed. Beginning in 2006, even the U.S. Environmental Protection Agency ("U.S. EPA") eliminated the requirement to submit the Annual Compliance Certification Report for the Acid Rain Program.

As part of the current certification process in RGGI COATS, certification rights are only granted to Authorized Account Representatives ("AARs") or Alternative Authorized Account Representatives ("AAARs") and not to their agents. If RGGI, Inc. cannot remove the certification requirements, we request that certification rights be granted to the agents on behalf of the AARs or AAARs. This method is already in practice where CO2 emissions data are submitted by agents to EPA's Clean Air Markets Division Business System, and are certified by the agents upon submission.

COATS Compliance Accounts

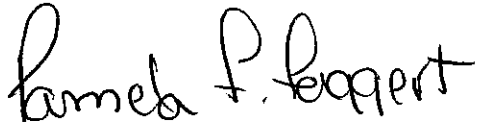
Between March 2, 2012 and June 1, 2012, first control period (2009-2011) CO2 allowances in RGGI COATS Compliance Accounts are frozen while RGGI Inc. performs a reconciliation. As such, RGGI participants are not able to transfer or receive first control period CO2 allowances in their Compliance Accounts. These compliance accounts contain both true-up allowances and non-true-up allowances. The fact that these accounts are frozen prevents RGGI participants from accessing non-true-up allowances.

This poses a problem for RGGI participants under certain circumstances. For example, when there is co-ownership of a facility, during this frozen account period, transferring allowances from a Compliance Account to a General Account is prohibited. As a possible way to significantly improve the process, we recommend that the COATS system provide a way for a source to run final true-up, just as it can run a draft true-up, after taking the optional step of surrendering allowances from the Compliance Account to the relevant state's Surrender Account. By doing so, allowances are deducted to account for compliance period CO2 emissions and the remaining allowances in the compliance accounts for those facilities for which reconciliation was executed are unfrozen. This is an improvement which has already been implemented by the U.S. EPA.

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Once again, we appreciate the opportunity to comment on the RGGI program operations. If you have any questions, please contact Paula Hamel at 401-457-9234 or by e-mail at paula.a.hamel@dom.com.

Sincerely,

A handwritten signature in black ink, reading "Pamela F. Faggert". The signature is written in a cursive, flowing style.

Pamela F. Faggert

Cc: Kevin Hennessy