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Nicole Singh, Executive Director
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February 19, 2016

Dear Ms. Singh and Members of the RGGI Board,

Thank you for the opportunity to comment on the draft Regional Green House Gas Initiative (RGGI) 2016 Program Review. The Nature Conservancy (TNC) appreciates the continuing consideration of stakeholder comments on the modelling, policy scenarios and design elements of the RGGI program.

Climate change is the greatest long-term threat to our organization's conservation mission—to protect the lands and waters in which all life depends. Climate change is already affecting our lives and the places we live, and will dramatically impact the lives of future generations. Limiting emissions of greenhouse gases is urgently needed to avoid triggering the most severe impacts of sea-level rise, weather disturbances, and habitat loss, while adapting to a climate-changed world is a near-term imperative.

RGGI represents an effective mechanism for New York, and the other participating states, to meet their greenhouse gas reduction and renewable energy goals, and is an important model for the nation. The stay issued by the Supreme Court on EPA's Clean Power Plan underscores the importance of sustaining and strengthening RGGI as a market-based tool that achieves significant carbon reduction while supporting reliability, reducing electric bills and providing enormous economic benefit.

The RGGI states have amply demonstrated that a multi-state, market-based cap-and-invest program uses market forces to achieve significant reductions in emissions at lowest cost, while also creating economic benefits and jobs. In New York, RGGI has proven to be a highly successful program, reducing carbon pollution from RGGI-affected power plants by more than 45 percent since 2005. Other harmful air pollutants have decreased by more than 90 percent, providing billions of dollars in public health benefits, reducing rates of asthma, bronchitis, heart attacks, hospital visits, and death linked to SO₂, NO_x, and small particulates from NY power plants by more than 87%. At the same time, proceeds from RGGI have translated into energy bill savings of over \$1 billion to New York households and businesses, has resulted in thousands of green jobs and has strengthened communities through RGGI- funded programs.

As the program review process refines the 2016 reference case, it will be important to use the most accurate assessments of energy consumption and peak demand. As indicated in comments in December 2015 by the Acadia Center, NRDC and others, energy consumption and peak demand growth forecasts have historically been overestimated in the region and should be adjusted to more accurately reflect the investments being made in energy efficiency and distributed renewables in the region. Specific to New York, forecasts should fully reflect existing efficiency and renewables commitments, and expected energy use reductions from the newly mandated Clean Energy Standard, Clean Energy Fund and REV.

To build on RGGI's success we support including the proposed scenario for an emissions cap that continues to decline from 2020 to 2030, with annual reductions of at least 2.5 % of 2014 emissions. In addition, we urge that the states model a third policy scenario that would reduce emissions faster than 2.5% per year, a scenario to reduce emissions by 5% of the 2020 cap level - this rate of reduction is consistent with what the nine RGGI states have already achieved over the first seven years of the program, between 2009 and 2015. Modeling this scenario will help states have more insight into the additional reductions needed to achieve state climate goals going forward.

Thank you for the opportunity to comment on the 2016 RGGI Program Review; we appreciate consideration of these issues and the continuing leadership that the RGGI program provides.

Sincerely,

A handwritten signature in cursive script that reads "Cara Lee". The signature is written in a dark ink and is positioned above the printed name and title.

Cara Lee
Senior Conservation Manager