



Nicole Singh, Executive Director
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Dear Director Singh,

Advanced Energy Economy Institute (AEEI) and the Northeast Clean Energy Council (NECEC) jointly thank RGGI Inc. and the participating RGGI states for the opportunity to provide feedback on the 2016 Program Review as part of the April 29 stakeholder meeting in Boston.

The mission of AEEI, the charitable and educational organization affiliated with Advanced Energy Economy (AEE), is to raise awareness of the public benefits and opportunities of advanced energy. NECEC's mission is to accelerate the region's clean energy economy to global leadership and to create a world-class clean energy hub delivering global impact with economic, energy, and environmental solutions.

We are writing to encourage participating RGGI states to consider an accelerated modeling scenario to inform the 2016 program review process. RGGI has helped grow a robust advanced energy industry in the nine participating northeastern states, delivering ratepayer savings while driving economic development. Doubling down on RGGI goals will accelerate this progress.

Specifically, in addition to the two scenarios presented at the February 2, 2016 RGGI stakeholder meeting, the RGGI states should also model a scenario that includes a 5% annual cap reduction through 2030 and eliminates the cost containment reserve. It is important to note that while this scenario would be more aggressive than those already considered, it is consistent with the rate of reductions achieved during the first 7 years of the program. Given RGGI's success in driving economic development, job growth, and ratepayer savings to date, the program review should avoid backsliding.

Furthermore, modeling a 5% annual cap reduction would not bind states to adopt this higher cap in the program review, but rather provide them with full information to chart a path toward established policy goals. Eight of the nine RGGI states have targets in place requiring economy-wide emission reductions, and states will need to lean heavily on RGGI to achieve these goals. In fact, given the cost-effectiveness of advanced energy technologies and services available to reduce emissions from the power sector, including energy efficiency, demand response, wind, solar, nuclear, energy storage, natural gas-fired generation, and hydropower, it is likely that the majority of the required emission reductions under a least-cost pathway would come from the power sector. However, states will not be able to take full advantage of these options without a more robust sense of possible future RGGI scenarios.

Perhaps most important, the accelerated scenario outlined above is consistent with the significant improvements in cost and performance of advanced energy technologies. Considering this more aggressive but

still realistic scenario will uncover further opportunities to grow the advanced energy industry in the region, building upon the \$2.7 billion in net economic benefits achieved through the program to date.

Sincerely,



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