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BOSTON HEADQUARTERS
7 Winthrop Square, Boston, MA 02110-1245
Phone: 617-542-8010 • Fax: 617-542-8028

WASHINGTON OFFICE
1001 Connecticut Avenue NW, Suite 510, Washington, DC 20036
Phone: 202-452-6252 • Fax: 202-296-4062

www.nclc.org

May 9, 2016

RGGI, Inc.
90 Church Street, 4th Floor
New York, NY 10007

RE: Response to Request for Stakeholder Comments, 2016 Program Review

Dear RGGI Members and Board:

Thank you for the opportunity to submit these comments. The National Consumer Law Center (NCLC) offers these comments on behalf of our low income clients. Since 1969, NCLC has worked for consumer justice and economic security, including its work to maintain fair and affordable utility services, for low-income and other disadvantaged people through its expertise in policy analysis and advocacy, publications, litigation and training.

In response to your request for comment, NCLC offers comments related to the following matters: use of proceeds from sale of allowances; additional linkages with other states or regions; and CPP implementation.

Trading outside of RGGI states

At this time, NCLC is not offering a suggestion about whether RGGI states should trade allowances with states that do not participate in RGGI. However, if RGGI decides that participants may trade with non-RGGI states in the future, we recommend that any such trading should only take place with states that follow an auction structure similar to that used by RGGI, where allowances are auctioned, the auction proceeds are used for the public benefit, and a significant portion of the auction proceeds are allocated to programs that directly benefit low-income households.

NCLC applauds the RGGI states' ongoing commitment to use auction proceeds to fund energy efficiency improvements and direct bill payment assistance, as well as other public benefits for low-income households. The funding of least-cost carbon mitigation approaches like energy efficiency produces desired emissions reductions, while at the same time lessening exposure of vulnerable communities to increased energy costs. These programs have a

substantial positive impact throughout the region.¹ Energy efficiency, and efficiency improvements in multifamily housing, continue to be of critical importance to low-income people. In general, low-income households are likely to have the greatest unmet need for energy efficiency improvements to their residences but may also be the least able to afford these improvements. Programs that provide free or low-cost energy efficiency improvements have benefitted low-income individuals and families while also advancing broad regional energy and emissions goals. NCLC supports the continued use of RGGI auction funds to finance such programs at the state level, and we urge RGGI to continue to advance these benefits and goals through standards that would apply to any trading with non-RGGI states.

Clean Power Plan and Clean Energy Incentive Program implementation

NCLC supports the use of the Clean Energy Incentive Program (CEIP) by RGGI states as a way to further advance energy efficiency programs for low-income households, including multifamily buildings that house low-income tenants, in the region. There has been some discussion among stakeholders of the possibility that CEIP participation by RGGI states could lead these states to exceed their RGGI emissions goals. Whether this is a significant possibility or not, NCLC proposes that the CEIP be leveraged as an additional means of providing energy efficiency benefits to low-income communities and benefitting all electricity ratepayers in the RGGI participating states. The value of any CEIP matching credits should be used to increase the amount of energy efficiency assistance for low-income households, in addition to the funding that the RGGI states already provide.

Environmental justice and stakeholder participation comments

As other nonprofit and public health organizations have noted, RGGI auction proceeds can be allocated to benefit communities with environmental justice concerns,² who, along with other low-income communities spend a greater proportion of their income on electricity costs.³ NCLC joins with other stakeholders⁴ to urge RGGI to follow EPA's lead by proactively involving environmental justice stakeholders in ongoing discussions about the RGGI program and Clean Power Plan implementation.⁵ To achieve this, RGGI could schedule forums or meetings to focus on environmental justice issues and to encourage input and discussion on these topics. Some or all of these meetings should take place in the affected communities. Educational materials for environmental justice communities, developed in partnership with representatives of these communities, would also encourage broader participation.

¹ The Regional Greenhouse Gas Initiative, *Investment of RGGI Proceeds Through 2013* (April 2015).

² Joint Stakeholder Comments on the 2016 RGGI Program Review (Feb. 16, 2016).

³ John Howat, National Consumer Law Center, *Electricity and Natural Gas Consumption Analysis: NCLC Methodology and Results*, available at <http://www.nclc.org/energy-utilities-communications/utility-rate-design.html>.

⁴ See Joint Stakeholder Comments on the 2016 RGGI Program Review (Feb. 16, 2016).

⁵ "The EPA notes that meaningful public involvement goes beyond the holding of a public hearing. The EPA envisions meaningful engagement to include outreach to vulnerable communities, sharing information and soliciting input on state plan development and on any accompanying assessments, such as those described in section IX. The agency uses the terms 'vulnerable' and 'overburdened' in referring to low-income communities, communities of color, and indigenous populations that are most affected by, and least resilient to, the impacts of climate change, and are central to our community and environmental justice considerations." 80 Fed. Reg. 64848 (Oct. 23, 2015).

Thank you for your attention to these comments. Please feel free to contact me at jbosco@nclc.org if you have questions.

Sincerely,

Jenifer Bosco
Attorney