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Regional Greenhouse Gas Initiative Issues Notice for Third Auction

Auction is the first since the CO₂ Budget Trading Programs in the Participating States went into effect January 1, 2009

Emission allowances from both current (2009) and future (2012) compliance periods will be offered for sale

(New York, NY)—The Regional Greenhouse Gas Initiative (RGGI) initiated the bidding process for the first compliance period auction of carbon dioxide (CO₂) emission allowances, to be held on March 18, 2009, today.

The first RGGI auction for CO₂ allowances of 2009 will offer allowances from all ten states participating in RGGI, including Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont. States will offer for sale approximately 31.5 million CO₂ allowances from 2009 and 2.2 million CO₂ allowances from 2012.

Given the very early stage of the market for RGGI CO₂ emission allowances, the Participating States have determined that it is appropriate to continue to use a reserve price of \$1.86 for all the allowances being offered for sale in Auction 3. Before CO₂ Allowance Auction 4, the Participating States will once again consider whether there are enough data available to justify the calculation of a current market reserve price.

Today's release of the Auction Notice, Qualification Application, and Intent to Bid opens the process that potential bidders must follow to qualify for and participate in the March CO₂ allowance auction. The ten RGGI states urge prospective bidders to bid for CO₂ allowances by downloading auction documents from the RGGI website at:
<http://www.rggi.org/co2-auctions/information>

All potential bidders must have successfully completed the qualification process to participate in the auction.

More information about the auction will be available through a webinar to be held from 2:00 PM ET to 4:00 PM ET on Wednesday, January 14, 2009. Instructions to participate in the webinar are available at:
http://www.rggi.org/docs/Auction_3_Webinar_Participation_Instructions.pdf

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The March 18th auction follows the success of the RGGI pre-compliance auctions held last year. In each auction all allowances offered for sale were sold, demand for allowances exceeded supply and clearing prices of \$3.07 per allowance in September and \$3.38 per allowance in December all led the independent market monitor to describe the auctions as “robust.”

RGGI, Inc.’s Executive Director Jonathan Schrag said, “The first RGGI auction of the compliance phase of the CO₂ Budget Trading Programs will build upon the success of the pre-compliance auctions by offering allowances for both current and future control periods. With sources now facing compliance obligations, the states urge potential bidders to take advantage of the qualification-related information and technical assistance being made available online.”

The ten Northeast and Mid-Atlantic States have designed this first market-based, mandatory cap-and-trade program in the U.S. to reduce greenhouse gas emissions in a simple and constructive way. These pioneering states have committed to cap and then reduce the amount of CO₂ that power plants in their region are allowed to emit, limiting the region’s total contribution to atmospheric greenhouse gas levels. The auction will generate additional revenues for investment in energy efficiency and renewable energy in the RGGI region and fund programs to combat fuel poverty and support consumers. The first two auctions generated nearly \$145 million that the states are now using to provide consumers with tools to lower their monthly energy bills and to create green jobs.

The RGGI auction was designed by the ten participating RGGI states with input from stakeholders and provides the states with a mechanism for distributing each state’s CO₂ allowances. Any CO₂ allowances purchased at this auction can be used by a regulated facility for compliance in any of the RGGI states.

Under the RGGI process, after the ten Participating States have stabilized power sector carbon emissions at their capped level by 2014, the cap will be reduced each year from 2015 through 2018.

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NOTES TO EDITORS:

Details on the Webinar

More information about the auction will be available through a webinar to be held from 2:00 PM ET to 4:00 PM ET on Wednesday, January, 14, 2009. The webinar will be open to any party interested in participating in Auction 3. The webinar will present the auction format, forms that need to be submitted, and an overview of the qualification process. No questions will be taken during the webinar.

To access the webinar audio, call the teleconference access number, 888.875.4624 and enter the participant code, 555661#. To access the webinar slides, go to the Auction Website and download them. The slides for the webinar will be posted on the Auction Website no later than 8:00 AM ET on Wednesday, January, 14, 2009. Alternatively, to view the slides as the presenter goes through them, please go to <http://www.infiniteconferencing.com/Events/worldenergy>. Select the participant option and then enter participant code 555661 and the following information: name, company, email address, and title.