

RGGI Inc.



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States Initiate Bidding Process for Fourth RGGI CO₂ Allowance Auction

(New York, NY) – The ten Northeast and Mid-Atlantic states participating in the Regional Greenhouse Gas Initiative (RGGI) today released the Auction Notice, Qualification Application and Intent to Bid for RGGI's fourth carbon dioxide (CO₂) allowance auction, scheduled for June 17, 2009. The release initiates the bidder qualification process and publicizes auction details, including reserve price and number of allowances offered for sale.

The June auction will be the second held since compliance obligations under the 10-state RGGI CO₂ Budget Trading Programs took effect on January 1, 2009 and the second to offer allowances from current (2009-2011) and future (2012-2014) control periods. States will offer for sale 30,887,620 current control period allowances (all for the 2009 vintage) and 2,172,540 allowances for the future control period (all for the 2012 vintage).

Given the early stage of the RGGI CO₂ allowance market, the Participating States (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont) will continue to use a reserve price of \$1.86 for all allowances. Before CO₂ Allowance Auction 5, the Participating States will consider whether there is enough data available to justify the calculation of a current market reserve price.

As summarized in the Auction Notice, potential bidders must successfully complete the qualification process to participate in the June CO₂ allowance auction. The ten RGGI states urge prospective bidders to apply to qualify for, and participate in, the auction by downloading the auction documents from the RGGI website at: <http://www.rggi.org/co2-auctions/information>

Potential bidders are also encouraged to participate in a free webinar hosted from 2:00 PM ET to 4:00 PM ET on Wednesday, April 15, 2009. The webinar, open to all parties interested in participating in Auction 4, will review the auction format, forms that need to be submitted and the complete qualification process. Instructions to participate in the webinar are available below and at: http://www.rggi.org/docs/Auction_4_Webinar_Participation_Instructions.pdf

Auction History

The June 17th auction will be the second held since compliance obligations under the 10-state RGGI CO₂ Budget Trading Programs took effect on January 1, 2009. In addition to the first compliance auction, held March 18, 2009, RGGI's Participating States also held two "pre-compliance" auctions in the fall of 2008. In each auction all allowances offered were sold and

demand for allowances exceeded supply. Clearing prices of \$3.07 in September, \$3.38 in December, and \$3.51 in March led the independent market monitor to describe all auctions as “robust.”

The March auction was the first to offer allowances from the second three-year control period beginning in 2012. All of 2012 vintage allowances cleared at a price of \$3.05, providing a first-look at future market prices for RGGI CO₂ allowances. By the end of 2009, the RGGI states will have offered for sale 5% of the total supply of 2012 vintage allowances.

Webinar Details

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, April 15, 2009.

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 Tuesday, April 14, 2009. Alternatively, to view the slides as they are presented in real time, 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.

About the Regional Greenhouse Gas Initiative

The 10 Northeast and Mid-Atlantic states participating in RGGI (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New Hampshire, New York, Rhode Island and Vermont) have designed the first market-based, mandatory cap-and-trade program in the U.S. to reduce greenhouse gas emissions. The Participating States have regulations in place to cap and then reduce the amount of carbon dioxide (CO₂) that power plants in their region are allowed to emit, limiting the region’s total contribution to atmospheric greenhouse gas levels. Power sector CO₂ emissions are capped at current levels through 2014. The cap will then be reduced by 2.5 percent in each of the four years 2015 through 2018, for a total reduction of 10 percent.

A CO₂ allowance represents a limited authorization to emit one ton of CO₂, as issued by a respective participating state. A regulated power plant must hold CO₂ allowances equal to its emissions to demonstrate compliance at the end of each compliance period. Because CO₂ allowances issued by any participating state are usable across all state programs, the ten individual state CO₂ Budget Trading Programs, in aggregate, form one regional compliance market for CO₂ emissions. For more information about RGGI, turn to: www.rggi.org

About Regional Greenhouse Gas Initiative, Inc.

RGGI, Inc. was created in September 2007 to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative. RGGI, Inc. is a 501(c) 3 nonprofit organization. For more information please visit: www.rggi.org/rggi

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