

The Regional Greenhouse Gas Initiative

an initiative of Eastern States of the US

CO₂ Budget Source 2021 Interim Control Period Compliance Process: Checklist

Under each RGGI participating state's CO₂ Budget Trading Program, each "CO₂ budget source" is required to provide one CO₂ allowance for each ton of CO₂ emitted during the preceding three-year control period. The fifth three-year control period began on January 1, 2021 and extends through December 31, 2023 for the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia.

Starting in the third control period, each CO₂ budget source must provide allowances equal to 50 percent of its emissions during each interim control period (the first two calendar years of each three-year control period). Each CO₂ budget source must provide allowances equal to 100 percent of its remaining emissions for the three-year control period at the end of the three-year control period.

The 2021 interim control period began on January 1, 2021 and each CO₂ budget source must provide allowances available in its compliance account for compliance deduction equal to 50 percent of its emissions by March 1, 2022.

☐ 1. Confirm your access to the US EPA's CAMD Business System.

Facility information for CO₂ budget sources is stored and maintained in the US Environmental Protection Agency's (US EPA's) Clean Air Markets Division (CAMD) Business System and reflected in the RGGI CO₂ Allowance Tracking System (COATS). Please make sure you have an Authorized Account Representative (AAR) and Alternate Authorized Account Representative (AAAR) (if applicable) with access to the CAMD Business System. Please also make sure all information about your facility (including AAR, AAAR, facility, and owner/operator) is up to date in the CAMD Business System. Updates made in the CAMD Business System flow to COATS periodically. If you need to change your AAR or make changes that cannot be made in the CAMD Business System, this may take additional time and may require paper forms to be sent to the EPA and to the state in which your CO₂ budget source is located. Please plan accordingly.

☐ 2. Confirm your user registration in RGGI COATS.

COATS stores and maintains RGGI accounts and CO₂ allowances, and is the platform on which compliance transactions and evaluations will be made. Please ensure that your organization's AAR, AAAR (if applicable), Electronic Submission Agent(s) (Agent(s)) (if applicable), and Reviewers (if applicable) for COATS are up-to-date and have access to COATS. Note that AAR, AAAR, and facility data is managed in the CAMD Business System, and transferred to COATS (i.e., this data is not managed in COATS). For more information on COATS, please see the RGGI COATS [User's Guide](#).

☐ 3. Acquire sufficient CO₂ allowances to meet your CO₂ interim compliance obligation.

CO₂ allowances can be obtained in two ways:

- **RGGI CO₂ Allowance Auctions:** Auctions are held quarterly. Auction 54, to be held on December 1, 2021, is the last CO₂ Allowance Auction before the end of the 2021 interim control period. The Auction 54 Notice will be released in October 2021. For more information on CO₂ Allowance

Auctions, including requirements and procedures to participate in the auctions, please see the [Auctions](#) section of the RGGI website.

- **Secondary Markets:** CO₂ allowances can also be obtained through secondary markets. All CO₂ allowances for the 2021 interim control period must be provided for compliance by the allowance transfer deadline of 11:59 PM ET on March 1, 2022 (see item 6 below). It is strongly recommended that you obtain all CO₂ allowances necessary for compliance *well before* the allowance transfer deadline.

□ **4. Submit your CO₂ emissions data to the US EPA by January 30, 2022.**

CO₂ emissions data for Q4-2021 (the final quarter of the 2021 interim control period) must be submitted to the CAMD Business System no later than January 30, 2022. Please note that CO₂ emissions data updates for 2021 will continue to flow to COATS from the CAMD Business System through final interim compliance true-up. If there are any changes to CO₂ emissions data, the relevant state, AAR, AAAR (if applicable), any Agent(s) (if applicable), and any Reviewers (if applicable) associated with the compliance account will be notified via COATS. Any data updates and potential effects on a CO₂ budget source's "CO₂ Interim Compliance Obligation" (50 percent of the tons of CO₂ emitted during the preceding one-year interim control period, less any exempted emissions deductions) will be reviewed by the relevant state.

□ **5. Run Draft True-Up in RGGI COATS by March 1, 2022.**

CO₂ budget sources must run draft "true-up" in RGGI COATS by 11:59 PM ET on March 1, 2022; it is recommended that CO₂ budget sources run draft true-up well ahead of the March 1 deadline. This will compare their CO₂ Interim Compliance Obligation to the sum of CO₂ allowances surrendered and/or held in their compliance account for automatic deduction at the time that the most recent draft true-up is run. CO₂ budget sources may run draft true-up as many times as needed.

□ **6. Provide sufficient CO₂ allowances in a COATS compliance account by the allowance transfer deadline (11:59 PM ET on March 1, 2022).**

All CO₂ budget sources must hold sufficient CO₂ allowances in their compliance account (not including any CO₂ allowances surrendered) to meet their CO₂ Interim Compliance Obligation in COATS by 11:59 PM ET on March 1, 2022. Following the allowance transfer deadline, on March 2, 2022, CO₂ allowances will be automatically deducted from the CO₂ budget source's compliance account and transferred to the relevant state's surrender account in order of increasing serial number, with the following exceptions:

- **For CO₂ budget sources located in Connecticut, Delaware, New Hampshire, New Jersey, New York, Rhode Island, Vermont, or Virginia:** CO₂ offset allowances, up to the 3.3 percent offset limit, will be deducted in chronological order (CO₂ offset allowances from earlier allocation years shall be deducted before CO₂ offset allowances from later allocation years), in order of increasing serial number for each year. CO₂ allowances, other than CO₂ offset allowances, will then be deducted in chronological order (CO₂ allowances from earlier allocation years will be deducted before CO₂ allowances of later allocation years), in order of increasing serial number for each year.
- **For CO₂ budget sources located in Maine:** CO₂ allowances that were allocated to units at the source will be deducted before other CO₂ allowances, in order of increasing serial number. CO₂ allowances that were allocated to units at the source include: CO₂ allowances allocated from the state of Maine's Integrated Manufacturing Facility (IMF) Account. Any other allocated CO₂

allowances, other than CO₂ offset allowances, will then be deducted in order of increasing serial number for each year. Then CO₂ offset allowances, up to the 3.3 percent offset limit, will be deducted in chronological order in order of increasing serial number for each year.

- **For CO₂ budget sources located in Maryland:** CO₂ allowances that were allocated to units at the source will be deducted before other CO₂ allowances, in order of increasing serial number. CO₂ allowances that were allocated to units at the source include: CO₂ allowances allocated from the state of Maryland's Long Term Contract Set-aside Account or Clean Generation Set-aside Account. CO₂ offset allowances, up to the 3.3 percent offset limit, will then be deducted in chronological order (CO₂ offset allowances from earlier allocation years shall be deducted before CO₂ offset allowances from later allocation years), in order of increasing serial number for each year. Then CO₂ allowances, other than CO₂ offset allowances, will be deducted in chronological order (CO₂ allowances from earlier allocation years will be deducted before CO₂ allowances of later allocation years), in order of increasing serial number for each year.
- **For CO₂ budget sources located in Massachusetts:** CO₂ offset allowances, up to the 3.3 percent offset limit, will be deducted in order of increasing serial number for each year. CO₂ allowances, other than CO₂ offset allowances, will then be deducted in order of increasing serial number for each year.

As an optional step, if you wish to identify specific CO₂ allowances to use ("surrender") for interim compliance, you may do so by using the Compliance Deduction Transaction in RGGI COATS between January 31, 2022 and March 1, 2022. Any CO₂ allowances identified by a CO₂ budget source will be transferred from your compliance account to the relevant state's surrender account for interim compliance at the point of the transaction, prior to the March 1, 2022 allowance transfer deadline. Any remaining balance of CO₂ allowances needed to meet your CO₂ Interim Compliance Obligation (as determined by your state) will be automatically deducted as described above following the allowance transfer deadline, on March 2, 2022.

Note that a **compliance certification report is not required** as part of the compliance obligation during an interim control period. (Compliance certification will be required for final compliance at the end of the three-year control period.)

For more information on COATS transactions, please see the RGGI COATS [User's Guide](#) For more information on state CO₂ Budget Trading Programs, see: <https://www.rggi.org/program-overview-and-design/state-regulations>.

- **Additional Information:**

- The compliance process for CO₂ budget sources is governed by the applicable CO₂ Budget Trading Program of the participating state in which the facility is located. For more information, see: <https://www.rggi.org/program-overview-and-design/state-regulations>.
- For a list of current CO₂ budget sources, see the public Sources Report on the RGGI COATS homepage: [rggi-coats.org](https://www.rggi-coats.org).
- To learn more about RGGI CO₂ Budget Source Compliance, see the RGGI website: <https://www.rggi.org/allowance-tracking/compliance>.
- For questions related to using COATS please email rggi-coats@gdit.com. For other questions related to compliance, please contact the appropriate state representative below:

State	Contact Person	Email	Phone
Connecticut	Mike LaFleur	Michael.LaFleur@ct.gov	(860) 424-3462
Delaware	Christian Wisniewski	Christian.Wisniewski@delaware.gov	(302) 324-2090
Maine	Eric Kennedy	Eric.Kennedy@maine.gov	(207) 530-3139
Maryland	Steve Lang	Steven.Lang@maryland.gov	(410) 537-3944
Massachusetts	Will Space	William.Space@state.ma.us	(617) 292-5610
New Hampshire	Joe Fontaine	Joseph.Fontaine@des.nh.gov	(603) 271-6794
New Jersey	Rupa Deshmukh	Rupa.Deshmukh@dep.nj.gov	(609) 633-0534
New York	Mike Sheehan	Michael.Sheehan@dec.ny.gov	(518) 402-8396
Rhode Island	Dena Gonsalves	Dena.Gonsalves@dem.ri.gov	(401) 222-2808 x77017
Vermont	Brian Woods	Brian.Woods@vermont.gov	(802) 272-4496
Virginia	Samuel Ressin	Samuel.Ressin@deq.virginia.gov	(804) 698-4200