Regional Greenhouse Gas Initiative

Preparing for CO₂ Budget Source
Fifth Control Period Compliance

October 12, 2023
Webinar Outline

• Introduction
• Key Terms
• 4 Stages of RGGI Compliance
• Compliance Timeline & Milestones
• Compliance Process Checklist: 8 Steps
• Compliance in RGGI COATS: Demonstration
• Question & Answer
• Additional Resources & Contacts
What is RGGI CO$_2$ Budget Source Compliance?

• Under each Regional Greenhouse Gas Initiative (RGGI) participating state’s CO$_2$ Budget Trading Program, regulated power plants (CO$_2$ budget sources) are required to provide one CO$_2$ allowance for each ton of CO$_2$ emitted during the preceding three-year control period.

• A CO$_2$ allowance represents a limited authorization to emit one short ton of CO$_2$, as issued by a RGGI state.

• Each RGGI control period is three years in length. The fifth control period began on January 1, 2021 and extends through December 31, 2023.
  
  o Starting in 2015, each CO2 budget source must hold allowances equal to 50 percent of its emissions during each Interim Control Period (the first two calendar years of each three-year control period).
  
  o Each CO2 budget source must hold allowances equal to 100 percent of its emissions for the three-year control period at the end of the control period.
What is RGGI CO$_2$ Budget Source Compliance?

- The RGGI CO$_2$ Allowance Tracking System (COATS) is where compliance transactions occur and is used by each RGGI state to determine compliance with each state’s CO$_2$ Budget Trading Program.

- For a list of current CO$_2$ budget sources, please see the Sources Report on the COATS home page: rggicoats.org.
Key Terms

Note that terms may differ between this presentation, COATS, and state CO₂ Budget Trading Programs. If you have any questions on terminology, please contact your state (contact information can be found at the end of this presentation).

- **CO₂ Budget Source**: A fossil fuel-fired power plant 25 MW* or greater in size regulated under RGGI.

- **CO₂ Compliance Obligation**: Total tons of CO₂ emitted during the fifth control period by a CO₂ budget source, less any eligible emissions deductions (as determined by each state).

- **Draft True-Up**: The process in COATS which compares the CO₂ Compliance Obligation to the sum of any CO₂ allowances already surrendered and those remaining in the compliance account. (Draft true-up must be run by 11:59 PM ET on March 1, 2024.)

* New York applicability requirements are 15 MW or greater. See [state statutes and regulations](www.rggi.org) for more information.
Key Terms

• **Allowance Transfer Deadline:** Midnight of March 1 occurring after the end of the control period or, if that March 1 is not a business day, midnight of the first business day thereafter.

• **Automatic Deduction of CO₂ Allowances:** The process by which CO₂ allowances (the amount as determined by the relevant state) held in a CO₂ budget source’s compliance account are transferred for compliance to the relevant state’s surrender account in COATS upon final compliance true-up. Final compliance true-up will occur on April 2, 2024.

• **Surrendering of CO₂ Allowances:** The optional process by which a CO₂ budget source may identify specific CO₂ allowances to be used for compliance by transferring them to the relevant state’s surrender account in COATS by using the Compliance Deduction Transaction in COATS (available from January 31, 2024 through March 1, 2024).
Key Terms

- **Authorized Account Representative (AAR):** For a compliance account (i.e., CO₂ budget source and each CO₂ budget unit at the source), the person who is authorized by the owners and operators of the source and all CO₂ budget units at the source to represent and legally bind each owner and operator in matters pertaining to the CO₂ Budget Trading Program; or, for a general account, the natural person who is authorized to transfer CO₂ allowances held in the general account.

- **Alternate Authorized Account Representative (AAAR):** A person who may act on behalf of the AAR.

- **Electronic Submission Agent (Agent):** A person designated by an AAR or AAAR to act in COATS on their behalf.

- **Reviewer:** A person designated by an AAR or AAAR to review information in COATS on their behalf.
4 Stages of RGGI Compliance

Stage 1: CO₂ Emissions Reporting *(CO₂ Budget Sources)*

Stage 2: Compliance Activities in COATS: *(CO₂ Budget Sources)*

- Provide CO₂ allowances for compliance
- Run draft true-up
- Certify compliance

Stage 3: Compliance Evaluation *(RGGI States)*

Stage 4: Public Reporting *(Public)*
4 Stages of RGGI Compliance

**Stage 1: CO₂ Emissions Reporting**

- **Reporting to the US EPA**
  - CO₂ budget sources are required to report *quarterly CO₂ emissions data* to RGGI states through the US Environmental Protection Agency's (US EPA) Clean Air Markets Division (CAMD) Business System in accordance with state CO₂ Budget Trading Program regulations and US EPA regulations at 40 CFR Part 75.
    - Updates made in the CAMD Business System flow to COATS periodically.
  - January 30, 2024: Deadline to submit CO₂ emissions data to the US EPA for Q4-2023, the final quarter of the fifth control period.
  - For more information on the US EPA’s emissions reporting requirements, see: [https://www.epa.gov/airmarkets](https://www.epa.gov/airmarkets).
Stage 2: Compliance Activities in COATS

a) Provide CO₂ allowances for compliance

• CO₂ allowances must be provided for compliance by the allowance transfer deadline (11:59 PM ET on March 1, 2024).
• It is recommended that you obtain all CO₂ allowances necessary for compliance well before the allowance transfer deadline.
• Market participants can acquire CO₂ allowances in two ways:
  1) **CO₂ Allowance Auctions:** Auction 62, to be held on December 6, 2023 is the last quarterly CO₂ Allowance Auction to purchase CO₂ allowances before the end of the fifth control period.
     • Auction notice will be released on October 10
     • The deadline to apply for Auction 62 is October 25.
     • For more information on RGGI CO₂ allowance auctions, see: [https://www.rggi.org/auctions/auction-materials](https://www.rggi.org/auctions/auction-materials).
  2) **Secondary Markets:** CO₂ allowances for can also be acquired through the secondary market.
Stage 2: Compliance Activities in COATS

a) Provide CO₂ allowances for compliance

- CO₂ budget sources must transfer and hold sufficient CO₂ allowances in their compliance account (not including any CO₂ allowances already surrendered) to meet their CO₂ compliance obligation in COATS by 11:59 PM ET on March 1, 2024.

- A CO₂ budget source may also optionally identify specific CO₂ allowances to be used for compliance (or “surrender” CO₂ allowances) by using the Compliance Deduction Transaction in COATS between January 31, 2024 and March 1, 2024.
4 Stages of RGGI Compliance

Stage 2: Compliance Activities in COATS

b) Run draft true-up
   • CO\(_2\) budget sources must run draft true-up in COATS by 11:59 PM ET on March 1, 2024.

c) Certify compliance
   • CO\(_2\) budget sources are also required to certify compliance between January 31, 2024 and March 1, 2024 according to each state’s CO\(_2\) Budget Trading Program (e.g., electronic vs. paper submission).

Additional information on how to run draft true-up and certify compliance in COATS will be discussed further on in this presentation.
4 Stages of RGGI Compliance

Stage 3: Compliance Evaluation

• **State Compliance Evaluation Period (March 2, 2024 – April 1, 2024):** RGGI states will evaluate each CO₂ budget source by reviewing the Compliance Certification Report and comparing the number of CO₂ allowances provided for compliance (including any CO₂ allowances surrendered and held in compliance accounts) to the CO₂ compliance obligation.

• Final compliance true-up will occur on the first business day following April 1, 2024, which is April 2, 2024. Between March 2, 2024 and final compliance true-up:
  - **CO₂ allowances of an allocation year from the fifth control period or prior will be frozen in COATS compliance accounts.** You will not be able to transfer or receive allocation year 2009-2023 CO₂ allowances in your compliance account.
  - **CO₂ Allowances in COATS general accounts will NOT be frozen.** To receive or transfer allocation year 2009-2023 CO₂ allowances during this time, you are strongly encouraged to make sure you have access to a general account. For more information on how to open a general account, please see the COATS User’s Guide.
Stage 3: Compliance Evaluation

- Final compliance true-up will occur on the first business day following April 1, 2024, which is April 2, 2024.

Following final compliance true-up on April 2, 2024:
- CO₂ allowances will be automatically deducted from compliance accounts for compliance in accordance with the rules specified in each state’s CO₂ Budget Trading Program;
- State-derived evaluations of compliance will be released publicly in the Compliance Summary Report; and
- Allocation year 2009-2023 CO₂ allowances in compliance accounts will be unfrozen in COATS, unless there is any shortfall of allowances to meet the CO₂ compliance obligation. If there is a shortfall of CO₂ allowances after compliance deductions are complete, the CO₂ budget source may not be able to transfer any CO₂ allowances out of their compliance account until excess emissions are resolved.
Stage 4: Public Reporting

- There will be two public compliance data reports:
  - Source-Submitted Compliance Report (March 4, 2024)
    - This report will be publicly available in COATS and will show data submitted by CO₂ budget sources.
    - This report will not include any state-derived evaluations of compliance.
    - A static form of this report will be archived on April 2, 2024 and remain available.
  - Compliance Summary Report (April 2, 2024):
    - This report will replace the Source-Submitted Compliance Report in COATS.
    - This report will include state-derived compliance evaluations of compliance.

To view public reports in COATS: Go to rggicoats.org and click on the desired report category in the "Public Reports" section. No login is required.
**Compliance Timeline & Milestones**

**December 31, 2023**
End of the fifth control period

**March 1, 2024 11:59 PM ET**
- Allowance Transfer Deadline: Provide CO₂ allowances for compliance
- Compliance Certification Deadline: Certify compliance

**December 6, 2023**
- **Auction 62**: Last auction to acquire CO₂ allowances in the fifth control period

**January 30, 2024**
- **Q4-2023 CO₂ emissions data reporting deadline**

**April 2, 2024**
- CO₂ Allowances are deducted for compliance (not including previously surrendered allowances)
  - State Compliance Evaluations determined
    - Compliance accounts unfrozen
    - Compliance Summary Report available

**Submit Q4-2023 CO₂ emissions data to US EPA CAMD**

**Provide CO₂ allowances & certify compliance**

**State Compliance Evaluation**
- Compliance accounts frozen for allocation year 2009-2023 allowances
- Compliance data submitted by sources report available

**States Compliance Evaluation complete**
Compliance Process Checklist: 8 Steps

- **Step 1**: Confirm access to the US EPA’s CAMD Business System.
- **Step 2**: Confirm user registration in COATS.
- **Step 3**: *(Recommended)* Have a general account open in COATS.
- **Step 4**: Acquire sufficient CO₂ allowances to meet CO₂ compliance obligation.
- **Step 5**: Submit CO₂ emissions data to the US EPA by January 30, 2024.
- **Step 6**: Provide sufficient CO₂ allowances in COATS compliance account by the allowance transfer deadline (March 1, 2024).
- **Step 7**: Run draft true-up in COATS by March 1, 2024.
- **Step 8**: Certify compliance by the Compliance Certification Deadline (paper submission received by 5:00 PM ET and electronic submission by 11:59 PM ET on March 1, 2024).
Compliance Process Checklist: 8 Steps

- **Step 1: Confirm access to the US EPA’s CAMD Business System**
  - Facility information including AARs, AAARs, owners, and operators is stored and maintained in the CAMD system and reflected in COATS.
  - Please ensure you have an AAR and AAAR (if applicable) with access to the CAMD system, and that all information about your facility is up-to-date. Updates made in the CAMD system will flow through to COATS periodically.
    - Note: If you need to change your AAR or make changes that cannot be made in the CAMD system, this process will take time and may require the submission of paper documents. **Please plan accordingly.**
    - See [https://camd.epa.gov/CBS/login/auth](https://camd.epa.gov/CBS/login/auth) for more information about the CAMD Business System.
Compliance Process Checklist: 8 Steps

- **Step 2: Confirm user registration in COATS**
  - COATS stores and maintains RGGI accounts and CO₂ allowances and is where compliance transactions and evaluation are made.
  - Please ensure that your facility’s AAR, AAAR (if applicable), any Agents (if applicable), and any Reviewers (if applicable) for COATS are current and have access to COATS.
    - Agents, Reviewers, and general accounts are maintained in COATS.
    - Users cannot make changes to compliance account information in COATS; any changes need to be made in the CAMD system.
    - If you cannot make changes to your CAMD system account information (e.g., the existing AAR has left the company), and/or need to create a new user in COATS, this process will take time and may require the submission of paper documents. **Please plan accordingly.**
    - See the COATS [User’s Guide](#) for more information about COATS.
Step 3: *(Recommended)* Have a general account open in COATS

- From March 2, 2024 through final compliance true-up on April 2, 2024, CO₂ budget sources will not be able to transfer or receive allocation year 2009-2023 CO₂ allowances in their compliance account.
- General accounts will be able to transfer and receive CO₂ allowances regardless of allocation year.
- If you anticipate receiving or transferring allocation year 2009-2023 CO₂ allowances in COATS during this time, you are strongly encouraged to open and maintain a general account.
- For more information on how to open a general account, please see the COATS User’s Guide.
Step 4: Acquire sufficient CO₂ allowances to meet CO₂ compliance obligation

- CO₂ allowances can be obtained in two ways:
  - CO₂ Allowance Auctions
    - Auction 62, to be held on December 6, 2023, is the final RGGI auction to purchase CO₂ allowances before the end of the fifth control period.
    - The Auction 62 Notice will be released on October 10, 2023.
    - For more information on CO₂ Allowance Auctions, please see: https://www.rggi.org/auctions/auction-materials.
  - Secondary Markets
    - CO₂ allowances can also be obtained through the secondary market.

- All CO₂ allowances must be provided for compliance by 11:59 PM ET on March 1, 2024.
  - It is strongly recommended that you obtain all CO₂ allowances necessary for compliance well before the allowance transfer deadline.
Step 5: Submit CO₂ emissions data to the US EPA by January 30, 2024

- Emissions for the final quarter of the fifth control period (Q4-2023) must be submitted to US EPA’s CAMD Business System by January 30, 2024.
- CO₂ emissions data updates for the fifth control period will continue to flow to COATS from the CAMD system through final compliance true-up.
- If there are any changes to CO₂ emissions data, the relevant state, AAR, and any AAAR, Agent(s), and/or Reviewer(s) associated with the compliance account will be notified via COATS.
Step 6: Provide sufficient CO₂ allowances in COATS compliance account by the allowance transfer deadline (March 1, 2024)

- All CO₂ budget sources must hold sufficient CO₂ allowances in their compliance account (not including any CO₂ allowances previously surrendered) to meet their CO₂ compliance obligation in COATS by 11:59 PM ET on March 1, 2024.

- Please note the CO₂ compliance obligation will reflect any emissions data updates that may occur after March 1, 2024. Therefore, you should consider the potential for such updates when determining how many CO₂ allowances to hold in your compliance account for compliance.

- Deduction of CO₂ Allowances: Following final compliance true-up April 2, 2024, CO₂ allowances will be deducted from each CO₂ budget source’s compliance account.
Step 6: Provide sufficient CO₂ allowances in COATS compliance account by the allowance transfer deadline (March 1, 2024)

- Surrendering of CO₂ Allowances (optional): If you wish to identify specific CO₂ allowances to use for compliance, you may do so by using the Compliance Deduction Transaction in COATS between January 31, 2024 and March 1, 2024.
  - Any identified CO₂ allowances will be transferred from your compliance account to your relevant state’s surrender account for compliance at the point of the transaction.
  - Any remaining balance of CO₂ allowances to meet your CO₂ compliance obligation will be automatically deducted pursuant to the regulations of the state in which the CO₂ budget source resides.

- For additional information on COATS transactions, see the COATS User’s Guide.
Compliance Process Checklist: 8 Steps

- **Step 7: Run draft true-up in COATS by March 1, 2024**
  - CO₂ budget sources must run draft true-up in COATS by 11:59 PM ET on March 1, 2024, which will compare their CO₂ compliance obligation to the sum of CO₂ allowances surrendered and/or held in their compliance account.
  - CO₂ budget sources may run draft true-up in COATS as many times as needed.
  - Final compliance evaluations by states will be released on April 2, 2024 in the Compliance Summary Report in COATS.
Step 8: Certify compliance by the Compliance Certification Deadline (between January 31 – March 1, 2024)

CO₂ budget sources are required to submit a Compliance Certification Report certifying that they are in compliance according to their state’s CO₂ Budget Trading Program.

This certification may require a paper and/or electronic submission.

Paper certification must be submitted by the AAR or AAAR by 5:00 PM ET and electronic certification must be submitted by the AAR or AAAR by 11:59 PM ET on March 1, 2024.

- For CO₂ budget sources located in Connecticut or Maryland: Paper certification required. Electronic certification may also be submitted but is not required.
- For CO₂ budget sources located in Delaware, Vermont or Virginia: Electronic and paper certification required.
- For CO₂ budget sources located in Maine, Massachusetts, New Hampshire, New Jersey, or New York: Electronic certification required.
- For CO₂ budget sources located in Rhode Island: Electronic or paper certification required.
## Compliance Process Checklist: 8 Steps

<table>
<thead>
<tr>
<th>State</th>
<th>Electronic Certification Required?</th>
<th>Paper Certification Required?</th>
<th>State Mailing Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>No</td>
<td>Yes</td>
<td>Supervisor, Compliance Analysis and Coordination Group Engineering and Enforcement Division Bureau of Air Management Department of Energy &amp; Environmental Protection 79 Elm Street, 5th Floor Hartford, CT 06106</td>
</tr>
<tr>
<td>DE</td>
<td>Yes</td>
<td>Yes</td>
<td>DNREC – Division of Air Quality Attn: RGGI 100 West Water Street Dover, DE 19904</td>
</tr>
<tr>
<td>ME</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>MD</td>
<td>No</td>
<td>Yes</td>
<td>Maryland Department of the Environment Attn: Steve Lang Air and Radiation Administration Air Quality Compliance Program 1800 Washington Boulevard Baltimore, MD 21230</td>
</tr>
<tr>
<td>MA</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>NH</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>NJ</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>NY</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>RI</td>
<td>Accepted</td>
<td>Accepted</td>
<td>RI Department of Environmental Management Office of Air Resources Attn: Dena Gonsalves 235 Promenade Street Providence, RI 02908-5767</td>
</tr>
<tr>
<td>VA</td>
<td>Yes</td>
<td>Yes</td>
<td>Virginia Department of Environmental Quality P.O. Box 1105 Richmond, VA 23218 Attn: Tom Ballou</td>
</tr>
<tr>
<td>VT</td>
<td>Yes</td>
<td>Yes</td>
<td>Vermont Agency of Natural Resources Climate Action Office Attn: Brian Woods One National Life Drive – Davis 2 Montpelier, VT 05620-3901</td>
</tr>
</tbody>
</table>
Compliance in RGGI COATS: A How-To Guide
Compliance in RGGI COATS: A How-To Guide

**Step 1:** How to determine your total CO₂ compliance obligation

**Step 2:** How to provide CO₂ allowances for compliance

**Step 3:** How to conduct draft true-up

**Step 4:** How to certify compliance

**Step 5:** How to view compliance reports

*Note:* Screenshots serve as examples only and do not represent any real data or accounts. Screenshots may not represent exact screens in COATS. Please see the COATS [User’s Guide](#) for additional information.
Compliance in RGGI COATS: A How-To Guide

**Step 1: How to determine your total CO₂ compliance obligation**

1. In COATS (rggi-coats.org), click on the Emissions link in the menu navigation bar. This will bring you to the Emissions page, which displays all sources (units) with which you have been associated as an AAR, AAAR, Agent, or Reviewer.
Step 1: How to determine your total CO₂ compliance obligation

2. You can choose to view your emissions Quarterly, Annually, or for the Control Period (Note: Only the Control Period view is shown below).
Step 2: How to provide CO\textsubscript{2} allowances for compliance

- The **Allowance Transfer Transaction** in COATS:
  - Allows you to transfer CO\textsubscript{2} allowances to your compliance account.
  - Allows you to select CO\textsubscript{2} allowances to transfer either automatically or manually by CO\textsubscript{2} allowance serial block.
Step 2: How to provide CO₂ allowances for compliance

• To transfer CO₂ allowances to your compliance account:
  1. In COATS, click on the **Transfer Allowances** sub-menu under the **Allowance Transactions** menu.
Step 2: How to provide CO₂ allowances for compliance

2. Select the Transferring Account from which you will transfer CO₂ allowances.
Step 2: How to provide CO$_2$ allowances for compliance

3. Select the Acquiring Account which will receive the CO$_2$ allowances.

Transfer Allowances: Step 2 - Select Acquiring Account

Use the Filter Criteria to find a specific acquiring account.

Click the radio button to select an acquiring account.
Step 2: How to provide CO₂ allowances for compliance

4a. Select Allowances to Transfer (Automatic Selection Method): By choosing “Automatic Selection”, COATS will automatically select the CO₂ allowances to be transferred based on the allocation year(s) and serial number.
Step 2: How to provide CO₂ allowances for compliance

4b. Select Allowances to Transfer (Serial Block Selection Method): As an alternative to the automatic selection method (described in the previous slide), you may select CO₂ allowances from a specific serial block range.

Check the serial block of allowances you would like to transfer.

Enter the quantity of each checked serial block to transfer.
5. Review and approve the transaction

- If the allowance transfer is a sale or purchase transaction, the "Price per allowance of associated sale or purchase transaction ($)" field must be completed. If it is not, the "Check here if there is no associated sale or purchase transaction" checkbox must be checked.

- Check the "Check here if an exchange settlement transaction" checkbox if the transaction is the result of a settlement on a futures exchange.

- Enter your COATS password as your electronic signature to indicate that you agree to the terms of the certification statement.

- Click the Submit button to complete the transaction.

- Use the Back button to navigate back to make a change.
Step 2: How to provide CO₂ allowances for compliance

6. Confirmation of Allowance Transaction. We recommend that you print the page for your records. Check your email for a system-generated confirmation of the allowance transfer.

![Confirmation of Allowance Transaction](image_url)

Print the page for your records using the Print button.

Check your email inbox for a system-generated email confirmation of the transaction.

Click the Continue button to proceed to the Allowance Transactions page.
Step 2: How to provide CO\textsubscript{2} allowances for compliance

The **Compliance Deduction Transaction** in COATS:

- **Is optional** (you are only required to transfer sufficient CO\textsubscript{2} allowances to your compliance account).
- Will be available in COATS from January 31 to March 1, 2024.
- Will transfer selected CO\textsubscript{2} allowances for surrender from your compliance account to your state’s surrender account for compliance.
- Allows you to select CO\textsubscript{2} allowances to surrender either automatically or manually by CO\textsubscript{2} allowance serial block.
Compliance in RGGI COATS: A How-To Guide

Step 2: How to provide CO₂ allowances for compliance

To conduct a Compliance Deduction Transaction:

1. You must already have transferred CO₂ allowances to your compliance account (as described in previous slides).
2. In COATS, click on the Compliance Deduction sub-menu under the Allowance Transactions Menu.
Step 2: How to provide CO$_2$ allowances for compliance

Select the Surrendering Account from which you will transfer CO$_2$ allowances.

**Surrender Allowances: Step 1 - Select Surrendering Account**

Use the Filter Criteria to find a specific surrendering account.

Click the radio button to select a surrendering account and view the Allowance Holdings available in that account.

View the Allowance Holdings grid for details on the allowances available in the account.
### Step 2: How to provide CO\(_2\) allowances for compliance

Select the Surrender Account which will receive the transferred CO\(_2\) allowances (e.g., a Surrender Account for the regulating state)

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Authorized Account Representative</th>
<th>State</th>
<th>Allowances can be Acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE81070</td>
<td>Industrial Power Station Compliance Account</td>
<td></td>
<td>DE</td>
<td>Yes</td>
</tr>
<tr>
<td>DE10249</td>
<td>Control Period 1 Surrender Account</td>
<td></td>
<td>DE</td>
<td>No</td>
</tr>
<tr>
<td>DE10689</td>
<td>Control Period 2 Surrender Account</td>
<td></td>
<td>DE</td>
<td>No</td>
</tr>
<tr>
<td>DE10955</td>
<td>Control Period 3 Surrender Account</td>
<td></td>
<td>DE</td>
<td>No</td>
</tr>
<tr>
<td>DE80975</td>
<td>Control Period 4 Surrender Account</td>
<td></td>
<td>DE</td>
<td>No</td>
</tr>
</tbody>
</table>

Click the radio button to select the Surrender Account. Only the Surrender Accounts for the state with which the Compliance Account is associated will appear in the grid for selection.
Step 2: How to provide CO₂ allowances for compliance

4a. Select Allowances to Surrender – Automatic Selection Method

- **Automatic Selection**

  - **Enter the quantity of allowances to transfer.**
  - **Select the Allocation Year(s) of the allowances COATS will select from the Available Allowances grid.**
  - **Choose the deduction method.**

  - After entering the above criteria and clicking Calculate, COATS will automatically select the allowance serial numbers to transfer.
Step 2: How to provide CO₂ allowances for compliance

4b. Select Allowances to Surrender – Manual Selection Method. As an alternative to the automatic selection method (described on the previous slide), you may manually select CO₂ allowances to transfer choosing from a specific serial block range and selecting the receiving account.

**Surrender Allowances: Step 3 - Select Allowances to Surrender**

<table>
<thead>
<tr>
<th>Allowances to be Surrendered From</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number: DE81070</td>
<td></td>
</tr>
<tr>
<td>Account Name: Industrial Power Station Compliance Account</td>
<td></td>
</tr>
<tr>
<td>State: DE</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allowances to be Surrendered To</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number: DE81007</td>
<td></td>
</tr>
<tr>
<td>Account Name: Control Period 5 Surrender Account</td>
<td></td>
</tr>
<tr>
<td>State: DE</td>
<td></td>
</tr>
</tbody>
</table>

Choose Selection Method: **Serial Block**

### Available Allowances

<table>
<thead>
<tr>
<th>Allocation Year</th>
<th>Type</th>
<th>Originating State</th>
<th>Serial Range</th>
<th>Frozen</th>
<th>Total Allowances Available</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Standard</td>
<td>ME</td>
<td>013783270 - 013928402</td>
<td>No</td>
<td>145133</td>
<td>100</td>
</tr>
<tr>
<td>2017</td>
<td>Standard</td>
<td>MA</td>
<td>5179334832 - 517934846</td>
<td>No</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>Standard</td>
<td>MD</td>
<td>528518728 - 528521725</td>
<td>No</td>
<td>3000</td>
<td>0</td>
</tr>
</tbody>
</table>

Check the serial block of allowances you would like to transfer.

Enter the quantity of each checked serial block to transfer.
Step 2: How to provide CO₂ allowances for compliance

5. Review and approve the transaction.

Select the appropriate control period for which you would like the allowance transfer to be credited.

Enter your COATS password as your electronic signature to indicate that you agree to the terms of the certification statement.

Click the Submit button to complete the transaction.

Use the Back button to navigate back to make a change.
**Step 2: How to provide CO$_2$ allowances for compliance**

6. **Confirmation of Allowance Transaction.** We recommend that you print the page for your records.

---

**Surrender Allowances: Confirmation of Surrender Transaction**

Your allowance surrender has been completed. Please print this page for your records.

- **Date of Allowance Surrender:** 02/10/2022
- **Transaction Date:** 02/10/2022
- **Transaction ID:** rgg189738
- **Transaction Status:** Complete
- **State:** DE

**Allowances to be Surrendered From**

- **Account Number:** DE81670
- **Account Name:** Industrial Power Station Compliance Account
- **State:** DE
- **Authorized Account Representative:** James, Mary

**Allowances to be Surrendered To**

- **Account Number:** DE81007
- **Account Name:** Control Period 5 Surrender Account
- **State:** DE

**Allowances Transferred**

<table>
<thead>
<tr>
<th>Allowance Year</th>
<th>Allowance Type</th>
<th>Serial Range</th>
<th>Allowance(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Standard</td>
<td>1862556028 - 1862558038</td>
<td>100</td>
</tr>
</tbody>
</table>

**Total Allowances to be Surrendered:** 190

**Transaction Status History**

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10/2022</td>
<td>Complete</td>
</tr>
</tbody>
</table>

---

**Print the page for your records using the Print button.**

**Click the Continue button to proceed to the Allowance Transactions page.**
Step 3: How to conduct draft true-up

1. View the Compliance Homepage by clicking the Compliance link in the menu navigation bar. This displays the state(s) (in which you have a compliance account) by control period currently available for true-up processing, as indicated by the "Open" Status in the grid.

Select the radio button for a State and Control Period.

Use the Filter Criteria to find a specific Control Period for a State.

The Status indicates whether the Control Period for the State is available for true-up processing.

Click the Next button once you have selected a Control Period for a State to proceed to the Select Sources for True-Up Processing page.
Step 3: How to conduct draft true-up

2. **Select Sources for True-Up Processing.** This page displays the sources for which you are affiliated as an AAR, AAAR, Agent, or Reviewer and the results of the last draft (or final) true-up processing performed.

Select Sources for True-Up Processing for DE 01/01/2021 - 12/31/2023

- Use the Filter Criteria to find a specific Source.
- Select the Source for true-up using the check box.
- Click the Process True-Up button once you have selected a Source to proceed to the Compliance Processing page.
Step 3: How to conduct draft true-up

3. **Compliance Processing.** This page displays the results of the current draft true-up processing based on previously surrendered CO₂ allowances and CO₂ allowances held in the compliance account at the time of processing.

### Compliance Processing

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Account Number</th>
<th>OGIS Code</th>
<th>Unit ID(s)</th>
<th>Total CO₂ Emissions</th>
<th>Biomass Emissions Deducted</th>
<th>CHP Thermal Output Emissions Deducted</th>
<th>CO₂ Compliance Obligation</th>
<th>Previously Surrendered for CO₂ Interim Compliance</th>
<th>AAR Surrendered Allowances</th>
<th>Default Deductions</th>
<th>Total Allowances Deducted</th>
<th>Status</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Power Station Compliance Account</td>
<td>DE81070</td>
<td>555</td>
<td>1, 2</td>
<td>104,783</td>
<td>0</td>
<td>0</td>
<td>104,783</td>
<td>35,067</td>
<td>0</td>
<td>69,716</td>
<td>104,783</td>
<td>Complete</td>
<td>Source-Submitted - Emissions = Allowances</td>
</tr>
</tbody>
</table>

- The processing box displays the processing status for the source(s) selected, including any warning messages.
- The Result column will display "Source-Submitted – Emissions = Allowances" if the draft true-up was successful. If not, it will display "Source-Submitted – Emissions > Allowances."
- Click this button to navigate to the Compliance Certification Report page.
Step 4: How to certify compliance

- CO₂ budget sources are required to submit a Compliance Certification Report certifying that they are in compliance with their state’s CO₂ Budget Trading Program between January 31, 2024 and March 1, 2024.

- This report can only be accessed by the AAR or AAAR of the CO₂ budget source in COATS.

- Compliance certification may include an electronic certification and/or paper certification process as required by each state:
  - Electronic compliance certification must be submitted through COATS by the AAR or AAAR no later than 11:59 PM ET on March 1, 2024.
  - If a paper compliance certification report is required, it must be printed by the AAR/AAAR from COATS and submitted to the relevant state contact. All paper materials must be received by the relevant state no later than 5:00 PM ET on March 1, 2024.
Step 4: How to certify compliance

To certify compliance (both electronic and paper), the AAR or AAAR must follow these steps:

1. **Navigate to the Compliance Certification Report Page** by clicking on the **Certify Compliance** button after running draft true-up. Note: Agents will not be able to access this button, only AARs or AAARs.

The **Compliance Certification Report Page** is the electronic Compliance Certification Report for a source and any units at the source that are subject to a CO$_2$ budget emissions limitation in a control period.
Step 4: How to certify compliance

2. To submit electronic certification (as required by your state) on the Compliance Certification Report Page, you may electronically upload any relevant attachments, read the Certification statement, type your COATS password and click the "Submit" button.

   - For CO₂ budget sources located in CT or MD, the Certification Report must be printed from COATS, signed, and sent with any attachments to your relevant state. The report can be printed before or after clicking “Submit”.

   - For CO₂ budget sources located in DE, VT or VA, you must click “Submit” and then you will need to print, sign, and send a copy of the report with any attachments to your relevant state agency.

   - For CO₂ budget sources located in RI, you may click “Submit” or print, sign, and send a copy of the report with any attachments to the relevant state agency.

   - For CO₂ budget sources located in all other states, you must click “Submit” and certify compliance electronically.
Step 4: How to certify compliance

3. **Read-only Compliance Certification Report.** If electronic certification is submitted (after uploading any necessary documents, entering your password, and clicking the Submit button on the Compliance Certification screen) in COATS, you will be navigated to a read-only version of the Compliance Certification Report. A print button will be available in the top right-hand corner of the page.

**Note:** *It is recommended that you print a copy of the completed Compliance Certification Report for your records.*
Step 5: How to view compliance reports

There will be 2 public compliance data reports in COATS:

- **Source-Submitted Compliance Report (March 4, 2024):**
  - This report will be publicly available in COATS and will show data submitted by CO₂ budget sources.
  - This report will not include any state-derived evaluations of compliance.
  - A static form of this report will be archived on April 2, 2024 and remain available.

- **Compliance Summary Report (April 2, 2024):**
  - This report will replace the Source-Submitted Compliance Report in COATS.
  - This report will include state-derived compliance evaluations of compliance.
Step 5: How to view compliance reports

- Go to the COATS homepage and click on the desired report category in the "Public Reports" section of the screen. No login is required.
Question & Answer

• To ask a question during the webinar: Send your question via the “Q&A” function to the presenters on your webinar screen.

• To ask a question after the webinar: If you have additional questions following the webinar, you can email them to Lei Pei at RGGI, Inc.: lei.pei@rggi.org
• **State CO₂ Budget Trading Programs**
  - The compliance process for RGGI CO₂ budget sources is governed by the applicable of the state in which the facility is located. For more information, see [https://www.rggi.org/program-overview-and-design/state-regulations](https://www.rggi.org/program-overview-and-design/state-regulations).

• **RGGI Website**
  - Additional information related to compliance can be found at: [https://www.rggi.org/allowance-tracking/compliance](https://www.rggi.org/allowance-tracking/compliance).

• **RGGI COATS**:
  - RGGI COATS can be accessed at: [rggi-coats.org](http://rggi-coats.org).
  - For more information, see the RGGI COATS [User’s Guide](#).

• **US EPA’s Emissions Reporting Requirements**
  - See the US EPA CAMD website at [https://www.epa.gov/airmarkets](https://www.epa.gov/airmarkets).
For questions related to COATS, please email **rggi-coats@gdit.com**.
For other questions related to compliance, please contact the relevant state contact person below.

<table>
<thead>
<tr>
<th>State</th>
<th>Contact Person</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>Mike LaFleur</td>
<td><a href="mailto:Michael.LaFleur@ct.gov">Michael.LaFleur@ct.gov</a></td>
<td>(860) 424-3462</td>
</tr>
<tr>
<td>DE</td>
<td>Valerie Gray</td>
<td><a href="mailto:Valerie.Gray@delaware.gov">Valerie.Gray@delaware.gov</a></td>
<td>(302) 739-9402</td>
</tr>
<tr>
<td>ME</td>
<td>Eric Kennedy</td>
<td><a href="mailto:Eric.Kennedy@maine.gov">Eric.Kennedy@maine.gov</a></td>
<td>(207) 530-3139</td>
</tr>
<tr>
<td>MD</td>
<td>Roland Gorschboth</td>
<td><a href="mailto:Roland.Gorschboth@maryland.gov">Roland.Gorschboth@maryland.gov</a></td>
<td>(410) 537-4130</td>
</tr>
<tr>
<td>MA</td>
<td>Will Space</td>
<td><a href="mailto:William.Space@state.ma.us">William.Space@state.ma.us</a></td>
<td>(617) 292-5610</td>
</tr>
<tr>
<td>NH</td>
<td>Phil LaMoreaux</td>
<td><a href="mailto:Philip.W.LaMoreaux@des.nh.gov">Philip.W.LaMoreaux@des.nh.gov</a></td>
<td>(603) 271-7624</td>
</tr>
<tr>
<td>NJ</td>
<td>Doug Benton</td>
<td><a href="mailto:Douglas.Benton@dep.nj.gov">Douglas.Benton@dep.nj.gov</a></td>
<td>(609) 984-3355</td>
</tr>
<tr>
<td>NY</td>
<td>Mike Sheehan</td>
<td><a href="mailto:Michael.Sheehan@dec.ny.gov">Michael.Sheehan@dec.ny.gov</a></td>
<td>(518) 402-8396</td>
</tr>
<tr>
<td>RI</td>
<td>Dena Gonsalves</td>
<td><a href="mailto:Dena.Gonsalves@dem.ri.gov">Dena.Gonsalves@dem.ri.gov</a></td>
<td>(401) 222-2808 x2777017</td>
</tr>
<tr>
<td>VT</td>
<td>Brian Woods</td>
<td><a href="mailto:Brian.Woods@vermont.gov">Brian.Woods@vermont.gov</a></td>
<td>(802) 272-4496</td>
</tr>
<tr>
<td>VA</td>
<td>Thomas Ballou</td>
<td><a href="mailto:Thomas.Ballou@deq.virginia.gov">Thomas.Ballou@deq.virginia.gov</a></td>
<td>(804) 698-4406</td>
</tr>
</tbody>
</table>
Thank You!

A recording of this presentation will be made available on the RGGI website at:

https://www.rggi.org/allowance-tracking/compliance