

The Regional Greenhouse Gas Initiative

an initiative of Eastern States of the US

CO₂ Budget Source 2024 Interim Control Period Compliance (Sixth Control Period): Fact Sheet

Under each RGGI participating state's CO₂ Budget Trading Program, each "CO₂ budget source" is required to hold one CO₂ allowance for each ton of CO₂ emitted during the preceding three-year control period. The sixth three-year control period began on January 1, 2024 and extends through December 31, 2026 for the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

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

The 2024 interim control period began on January 1, 2024 and each CO₂ budget source must hold allowances available in their compliance account for compliance deduction equal to 50 percent of their emissions by March 3, 2025.

The CO₂ budget source interim compliance process occurs in three stages: CO₂ emissions reporting,

compliance activities in the RGGI CO₂ Allowance Tracking System (COATS), and public reporting.

Dates to Remember for Sixth Control Period Compliance:

October 2024: CO₂ Allowance Auction 66 Notice Release

December 4, 2024: CO₂ Allowance Auction 66 (last quarterly auction to purchase allowances for 2024 interim compliance)

January 30, 2025: Deadline to submit Q4-2024 CO₂ emissions data to the U.S. EPA

March 3, 2025 (No later than 11:59 PM ET): Deadline to provide CO₂ allowances for 2024 interim control period compliance

March 4, 2025:

- CO₂ allowances are automatically deducted from compliance accounts (not including any CO₂ allowances which have already been surrendered)
- 2024 Interim Compliance Report publicly available

December 2025: CO₂ Allowance Auction 70 (last quarterly auction to purchase allowances for 2025 interim compliance)

January 30, 2026: Deadline to submit Q4-2025 CO₂ emissions data to the U.S. EPA

March 2, 2026 (No later than 11:59 PM ET): Deadline to provide CO₂ allowances for 2025 interim control period compliance

March 3, 2026:

- CO₂ allowances are automatically deducted from compliance accounts (not including any CO₂ allowances which have already been surrendered)
- 2025 Interim Compliance Report publicly available

December 2026: CO₂ Allowance Auction 74 (last quarterly auction to purchase allowances for sixth control period compliance)

January 30, 2027: Deadline to submit Q4-2026 CO₂ emissions data to the U.S. EPA

March 1, 2027 (No later than 11:59 PM ET): Deadline to provide CO₂ allowances for sixth control period compliance and to certify compliance

March 2, 2027: First, second, third, fourth, fifth and sixth control period CO₂ allowances in compliance accounts are frozen in RGGI COATS

March 2, 2027: Compliance data submitted by sources publicly available

March 2, 2027 – April 1, 2027: States evaluate compliance for each CO₂ budget source

April 2, 2027 (Final Compliance True-Up):

- CO₂ allowances are automatically deducted from compliance accounts (not including any CO₂ allowances which have already been surrendered)

Following final compliance true-up, CO₂ allowances in compliance accounts are unfrozen in RGGI COATS (if no allowance shortfall exists after compliance deductions are complete)

1. CO₂ Emissions Reporting

CO₂ budget sources are required to report quarterly CO₂ emissions data to RGGI participating states through the U.S. Environmental Protection Agency's (U.S. EPA's) Clean Air Markets Division (CAMD) Business System in accordance with state CO₂ Budget Trading Program regulations and U.S. EPA regulations at 40 CFR Part 75. Updates made in the CAMD Business System flow directly into COATS periodically. For more information on U.S. EPA's emissions reporting requirements, please see: <https://www.epa.gov/airmarkets>.

The final quarter of the 2024 interim control period is Q4-2024 (October 1, 2024 – December 31, 2024). The deadline to submit CO₂ emissions data to the U.S. EPA for Q4-2024 is January 30, 2025.

2. Interim Compliance Activities in COATS: Acquire & Provide CO₂ Allowances and Run Draft True-Up

CO₂ budget sources are required to acquire and transfer sufficient CO₂ allowances in COATS into their compliance accounts to meet their 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) by the allowance transfer deadline of 11:59 PM ET on March 3, 2025. Market participants can obtain CO₂ allowances in quarterly CO₂ allowance auctions or through various secondary markets. Auction 66, to be held on December 4, 2024, is the last CO₂ allowance auction before the end of the 2024 interim control period. For more information on CO₂ allowance auctions, see: <https://rggi.org/auctions/about-auctions>.

CO₂ budget sources must run draft "true-up" in RGGI COATS by 11:59 PM ET on March 3, 2025. This will compare their CO₂ Interim Compliance Obligation to the sum of the CO₂ allowances surrendered and those remaining in the compliance account.

CO₂ budget sources must transfer sufficient CO₂ allowances in their compliance account for deduction in COATS by 11:59 PM ET on March 3, 2025. A CO₂ budget source may also optionally identify specific CO₂ allowances to be used for interim compliance (or "surrender" CO₂ allowances) by using the Compliance Deduction Surrender Transaction in RGGI COATS between January 31, 2025 and March 3, 2025.

Following the allowance transfer deadline, on March 4, 2025 CO₂ allowances will be automatically deducted from the CO₂ budget source's compliance account and transferred to the relevant state's surrender account for interim compliance in accordance with the rules specified in each state's CO₂ Budget Trading Program.

3. Public Reporting

On March 4, 2025, the **2024 Interim Compliance Summary Report** will be publicly available in COATS.

At the end of the three-year control period, in March 2027, the 2024 Interim Compliance Summary Report will be archived and replaced by the sixth control period Source-Submitted Compliance Report. Following the states' evaluation of compliance, the sixth control period Source-Submitted Compliance Report will be archived and an updated Compliance Summary Report will be available.

To view public reports in RGGI COATS, go to rggi-coats.org and click on the desired report category in the "Public Reports" section. No login is required.

Additional Information:

- The interim 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.rrgi.org/program-overview-and-design/state-regulations>.
- To learn more about CO₂ Budget Source (RGGI) Compliance, see the RGGI website: <https://www.rrgi.org/allowance-tracking/compliance> and the CO₂ Budget Source Interim Compliance Checklist.