

Regional Greenhouse Gas Initiative

an Initiative of the Northeast and Mid-Atlantic States of the U.S.

Request for Stakeholder Input in Preparation for RGGI Program Review

November 5, 2010

The Regional Greenhouse Gas Initiative (RGGI) is a collaborative effort of ten Northeast and Mid-Atlantic states to reduce carbon dioxide (CO₂) emissions from the power sector. Based on the independent statutory and/or regulatory authority of each state, CO₂ Budget Trading Programs in each of the participating states took effect on or before January 1, 2009.

The RGGI participating states are preparing to conduct the 2012 program review called for in the RGGI Memorandum of Understanding (MOU), including an evaluation of program success, program impacts, additional CO₂ reductions, electricity imports and potential emissions leakage, and offsets.

The RGGI participating states have engaged ICF International to conduct electricity sector modeling using the Integrated Planning Model (IPM) and are holding meetings with stakeholders to receive input on the IPM modeling. The first stakeholder meeting to review modeling considerations was held on September 13, 2010.

A second stakeholder meeting is scheduled for November 12, 2010, to review the IPM reference case, provide input on sensitivity runs, comment on a retrospective analysis of CO₂ emissions and begin discussion of possible responses to the results of the reference case modeling that should be considered during program review. The slides to be presented at the meeting are available at www.rggi.org. The RGGI participating states expect to continue stakeholder dialogue throughout the RGGI program review process.

Agenda
Stakeholder Meeting
November 12, 2010
90 Church St., NY, NY, 4th Floor

Telephone line: (800) 954-0624

Webinar link: <http://www.webdialogs.com>, Conference ID: 58089

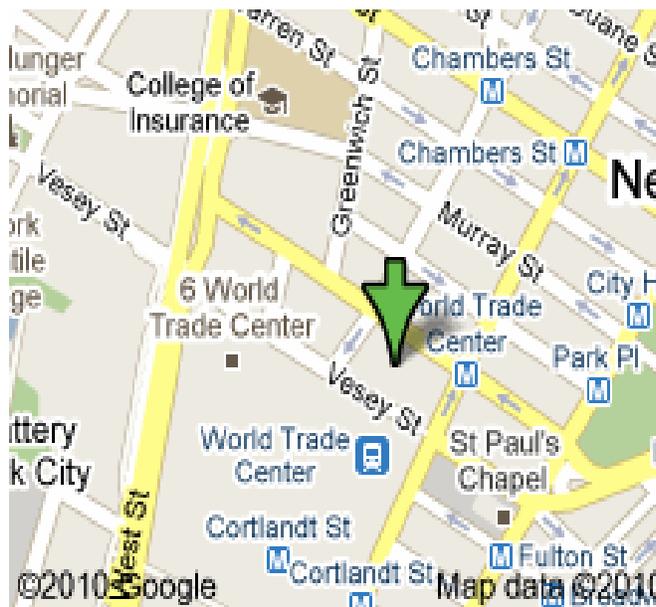
Please allow at least 15 minutes for security

- 9:30 Registration
- 10:00 Welcome
Jared Snyder, Assistant Commissioner, NYSDEC
- 10:10 Call to Order and Introductions
Nicole Singh, RGGI, Inc. (*Co-facilitator*)
- 10:20 Agenda and Procedures Review
Mark Lowery, NYSDEC (*Co-facilitator*)
- 10:30 Relative Effects of Various Factors on RGGI Electricity Sector CO₂ Emissions:
2009 Compared to 2005
Karl Michael, NYSERDA
- 11:15 Reference Case Assumptions and Results
Christopher MacCracken, ICF
- 12:45 Lunch (on your own)
- 1:45 Sensitivities on the Reference Case: Assumptions and Results
Christopher MacCracken, ICF
- Sensitivity 1: High Load
 - Sensitivity 2: Low Load
 - Sensitivity 3: High Gas / Low Oil
 - Sensitivity 4: Low Gas
 - Sensitivity 5: High Emissions Combination
 - Sensitivity 6: Low Emissions Combination
 - Proposed Sensitivity: Federal Regulatory Policies
- 3:00 Break
- 3:15 Additional Discussion of Reference Case Results
Nicole Singh, RGGI, Inc.
- 4:15 Closing Comments
- 4:30 Adjourn

Logistics for RGGI Stakeholder Meeting

- LOCATION:** 90 Church Street, 4th Floor, New York, NY 10007
Between Vesey and Barclay streets
- TIME:** Friday, November 12, 2010 from 9:30 AM to 4:30 PM
9:30 to 10:00 AM – Check-in and registration
- PARTICIPATION:** The meeting is open to the public.
- PRE-REGISTRATION:** By e-mail to info@rggi.org (required)
Registration deadline is Wednesday, November 10, 2010 at 4 PM.
- SECURITY:** Photo identification is required for security check-in at 90 Church St.

MAP:



WEBINAR and TELEPHONE DIAL-IN DETAILS:

Telephone line: (800) 954-0624

Webinar info: URL: <http://www.webdialogs.com>
Conference ID: 58089
Technical Support: 1-888-376-0105

Webinar participants should dial the telephone line to hear the presentations. No audio will be transmitted via the webinar application. Webinar participants will be able to submit questions and comments remotely via the webinar's chat feature.

PURPOSE:

RGGI, Inc. is facilitating this meeting on behalf of the RGGI participating states to gather input on components of an economic model of electricity and CO₂ allowance markets, including the following:

- Retrospective analysis comparing RGGI electricity sector CO₂ emissions in 2005 and 2009
- Assumptions and results of the reference case
- Assumptions and results of sensitivity analyses completed to date
- Additional discussion of reference case results

FORMAT AND MATERIALS:

Presentations will be made on each of the above topics. After each presentation there will be opportunity for stakeholder questions and comments. Slides describing the reference case assumptions and results and the sensitivity assumptions and results, as well as the retrospective analysis document, are available at www.rggi.org.

Instructions for Written Comments

Written comments are encouraged and should be submitted by email to info@rggi.org by November 30, 2010, 5:00 PM. Written comments should be organized by topic with the topic title clearly noted at the top of each section. All written comments submitted will be posted at www.rggi.org by December 6, 2010.

The participating states are seeking input based on the following questions:

IPM Model Reference Case:

Do you have any comments or suggestions on the reference case results?

IPM Model Reference Case Sensitivities:

Do you have any comments or suggestions regarding use of specific assumptions in any of the sensitivity runs?

Do you have any comments or questions on the results of the sensitivities?

Are there additional sensitivities that should be considered in the analysis?

Retrospective Analysis of CO₂ Emissions, 2005 to 2009:

Do you have any comments on the approach or methodology used in the retrospective analysis?

IPM Reference Case Results:

- 1) The IPM reference case results indicate that CO₂ emissions from RGGI compliance entities are projected to be less than the regional CO₂ allowance budget for the foreseeable future. What are the implications and issues the participating states should consider in looking at the projected CO₂ emissions levels and the RGGI CO₂ allowance budget? If the RGGI participating states consider changes to the regional CO₂ allowance budget, what guidance would you provide on ways to do this? Potential examples for purposes of discussion include:
 - a. Retire unsold CO₂ allowances at the end of each control period
 - b. Revise the regional CO₂ allowance budget; a few examples include:
 - i. Revise the regional CO₂ allowance budget to reflect recent average CO₂ emissions (e.g., 2008-2010 emissions; 131mt);
 - ii. Extend the scheduled 2.5% annual CO₂ emissions reductions beyond 2018
 - iii. Other
 - c. Create a strategic reserve of CO₂ allowances as a cost containment mechanism
 - d. Other options

What suggestions do you have for modeling or otherwise assessing options for addressing the RGGI CO₂ allowance budget?

- 2) The IPM reference case results project a bank of accrued CO₂ allowances from the first control period (representing both CO₂ allowances distributed to the market and CO₂ allowances that go unsold at auctions). What are the implications and issues the states should consider in looking at the potential bank of CO₂ allowances? If the RGGI participating states consider adjusting the regional CO₂ allowance budget to account for an accrued CO₂ allowance bank, what guidance would you provide for ways to do this? Potential examples for purposes of discussion include:
 - a. Retire unsold CO₂ allowances
 - b. Reduce the regional CO₂ allowance budget below projected CO₂ emissions levels to compensate for surplus allowances
 - c. Other options

What suggestions do you have for modeling or otherwise assessing options for evaluating the potential CO₂ allowance bank?

Other Options for Program Review

- 1) The RGGI participating states expect to continue stakeholder dialogue throughout the RGGI program review process. Stakeholders are invited to propose options for potential program adjustment that the states should consider in program review, as well as how these options might be assessed. Potential examples for purposes of discussion include:
 - a. Adjustments in procedures of the RGGI program
 - b. Adjustments in scope of the RGGI program
- 2) What other comments or topics do you recommend the RGGI participating states consider as they prepare for program review?

Thank you for your comments and suggestions!