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K O D A C O N S U L T I N G , I n c .
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Via e-mail: info@rggi.org

**Comments of International Brotherhood of Electrical Workers, Locals 83 & 97
Regarding RGGI Program Review - Program Design Concepts Stakeholder Webinar -
October 18, 2012**

To Whom It May Concern:

International Brotherhood of Electrical Workers, Local Unions 83 and 97 (“IBEW Local”) represents the interests of over 1,600 bargaining unit members who are employees of a variety of electric generating units in New York.¹ These employees are critical to providing adequate and reliable electric commodity to utility customers in the State of New York. The adequacy and reliability of the electric commodity produced in New York illustrates the quality of the work performed by these dedicated employees. In representing these employees, IBEW Local has a significant interest in the outcome of the Regional Greenhouse Gas Initiative (“RGGI”) and the components of which the RGGI is comprised. IBEW Local continues to support the RGGI program goal to “reduce CO2 emissions while maintaining energy affordability and [electric system] reliability”.

IBEW Local respectfully submits the following comments (“IBEW Local Comments”) regarding RGGI Program Review - Program Design Concepts Stakeholder Webinar - October 18, 2012.

Treatment of Unsold Allowances

IBEW Local believes that the decisions regarding unsold allowances should be specified in advance. IBEW Local believes that the decisions which impact the rules by which the RGGI participants are governed should be known well in advance, at least three months or more, prior to their entering into each control period in the RGGI program. The decisions being made should be totally transparent and remain unaltered throughout each specific control period.

Consideration of Banked Allowances

IBEW Local understands that the states intend to consider the amount of banked allowances when determining potential changes to the cap. While the IBEW Local is not entirely opposed to factoring in the amount of banked allowances when determining potential changes to the cap, IBEW Local recommends that the amount of banked allowances factored in should be no higher than 50% of all outstanding banked allowances. IBEW Local believes that an amount higher than 50% would

¹ The generating units include those owned by Upstate New York Power Producers, (formerly owned by AES Corporation), the James A. Fitzpatrick nuclear generating plant owned by Entergy Nuclear, the Nine Mile Point nuclear plants owned by Constellation Energy Nuclear Group, the electric generating facilities owned by NRG, the electric generating facilities owned by Reliant, and the Bethlehem Energy generating facility owned by PSEG.

inordinately restrict the availability of allowances in the market and potentially drive up the market price of the allowances and the resulting price of electricity.

Interim True-up

IBEW Local understands that the states are interested in potentially implementing a true-up mechanism for annual emissions which would modify budget trading rules to require sources to require and surrender a fixed percentage of emission allowances (75% to 85% being mentioned) over each of the first two years of the control period, with a final true up compliance at the end of the 3-year control period. IBEW Local does not see a need for this annual true-up as it places inordinate restriction on how the sources manage their annual production and financial operations. IBEW Local believes that the existing penalties for underperformance at the end of the 3-year control period are sufficient to maintain an effective RGGI program without penalizing the vast majority of sources that do not necessitate the institution of this proposed modification.

To the degree that the proposed true-up modification is determined to be required, contrary to IBEW Local's view, it is recommended that an allowance factor of 50% or less be set to allow responsible sources enough flexibility to operate their facilities in a manner more in keeping with their strategies of dealing with market conditions for the benefit of all stakeholders. To the degree that individual sources exhibit the need for the higher rate of proposed true-up, that higher true-up rate should be individualized for that particular source.

Reserve Price

Regarding the proposal to simplify the CPI adjustment to an annual increase of 2.5%, IBEW Local believes that this specific proposal would be an administratively efficient change and at this time would support such change. IBEW Local would not be opposed to the removal of the provisions in the RGGI regulations for a "current market reserve price", where applicable.

IBEW Local appreciates the opportunity to provide RGGI, Inc. with the above comments regarding the RGGI Program Review – Program Design Concepts.

Respectfully Submitted,

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