

**Regional Greenhouse Gas Initiative
Preliminary Staff Working Group Decision Timeline**

Draft7/26/04

<u>Key Policy Issues</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
(A) Technical Groundwork									
(1) What data sources will we use for assembling inventory?	Sources Identified; Data Gathered.	Solicit Stakeholder Input; Revise Data.			Prepare Data for Cap and Allocation Discussions.				
(2) What energy economic modeling should be done?	Model Selected. Modeling Plan Drafted.	Build Reference Case Scenarios. Stakeholders Comment.		Run Reference Case Scenarios. Stakeholders Comment.		Build & Run CO2 Cap-and-Trade Level Scenarios.	Build and Run Policy, Structure, and Flexibility Scenarios.		Build Model Rule Scenarios.
(3) What macro-economic modeling and analysis should be done?	Model Selected.	Draft Modeling Plan.	Negotiate Contract; Begin Integrating REMI with IPM.	Build and Run REMI Model and Reference Simulations.			Build and Run REMI Policy Simulations; Prepare Co-Benefits Analyses.		
(B) Program Applicability.									
(1) What electric generators will be covered under the cap?	Identify Data Availability.	Make Recommendation.	Receive Stakeholder Comments						
(2) Will other stationary sources be permitted to opt-in under the cap, and under what conditions?	Scope Issue.	Identify Need for More Information.	Gather Information.	Deliberate.		Make Recommendation.			
(C) Emissions Cap									
(1) What will the collective regional CO2 emissions cap be?	Identify Information Needs.		Gather Information.			Deliberate.		Make Recommendation.	
(2) What will be the size of each state's CO2 emissions cap?	Identify Information Needs.		Gather Information.			Deliberate.		Make Recommendation.	
(3) Will the cap be instituted once or phased in over time?	Identify Information Needs.		Gather Information.			Deliberate.		Make Recommendation.	
(4) How will the cap level be reassessed in the future?		Scope Options for Reassessment.	Identify Information Needs.	Deliberate.		Make Recommendation.			

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(D) Flexibility Mechanisms.									
(1) Offsets or Project-Based Reductions.									
(a) Will offsets be allowed?	Scoping. (See Draft Offsets Outline)	Gather Information.		Deliberate.		Make Recommendation.			
(b) If so, what offsets will be allowed?	Scoping. (See Draft Offsets Outline)	Gather Information.			Deliberate.			Make Recommendation.	
(c) If so, will offsets be allowed through set-asides of allowances or in addition to allowances?	Scoping. (See Draft Offsets Outline)	Gather Information.			Deliberate.			Make Recommendation.	
(2) Other Flexibility Mechanisms.									
(a) Should the banking of allowances be permitted?	Scoping.	Gather Information.	Deliberate.			Make Recommendation.			
(b) Should the borrowing of allowances be permitted?	Scoping.	Gather Information.	Deliberate.			Make Recommendation.			
(c) How often will sources be required to spend allowances to cover emissions (i.e., "true-up")?	Scoping.	Gather Information.	Deliberate.			Make Recommendation.			
(E) Allocations.									
(1) How will each state's cap be allocated?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(2) Will a uniform regional allocation method be chosen or will states choose different allocation methods?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(3) Will auctions, output-based, input-based, or another allocation method be chosen?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(4) Will allocations be made only to sources covered by the cap or will they be made to non-emitting generators?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(5) How will early reductions be handled?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(6) How will new sources be handled?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		
(7) How will retired sources be handled?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.	Make Recommendation.		

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(8) How will re-powering of units be handled?	Scoping.		Identify Information Needs.	Gather Information.			Deliberate.		Make Recommendation.
(F) Regional Greenhouse Gas Registry & Emissions and Allowance Tracking									
(1) What role will the Regional Greenhouse Gas Registry (RGGR) play in relation to RGGI?	Scoping.	Gather Information	Deliberate.		Make Recommendation.				
(2) How will emissions and allowances be tracked under the program?	Scoping.		Gather Information.			Deliberate.		<u>Make Recommendation.</u>	
(G) Other Policy Decisions.									
(1) Will there be interaction with other GHG emissions trading systems?	Scoping.		Gather Information.			Deliberate.		Make Recommendation.	
(2) If leakage is shown to be an issue, what policy mechanisms are available to control or mitigate leakage?	Scoping.		Gather Information.			Deliberate.		Make Recommendation.	
(3) What measurement, monitoring and reporting requirements will apply to sources under the cap?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.		Make Recommendation.	
(4) What enforcement penalties will be imposed for noncompliance?	Scoping.	Identify Information Needs.	Gather Information.			Deliberate.		Make Recommendation.	
(5) How will ongoing administration of the program be financed?	Scoping.		Identify Information Needs.	Gather Information.					Deliberate.