



May 19, 2006

To Whom It May Concern:

RE: Comments on the Regional Greenhouse Gas Initiatives Draft Rule

We appreciate this opportunity to offer comments to the RGGI Staff Working Group regarding the draft Model Rule, and commend the participating states for moving ahead with this precedent-setting and important effort to decrease emissions of carbon dioxide from power plants. We commend the states participating in the Regional Greenhouse Gas Initiative (RGGI) for their leadership in putting forward a program that, in concept, will result in reduced emissions of climate-altering pollution. We urge you to ensure that this effort will indeed result in real emissions reductions through a market-based approach. Success in this endeavor will encourage other measures resulting in real reductions in carbon dioxide from other sources.

Our organizations are affiliates of the National Wildlife Federation, one of the nation's largest and most respected organizations that bring together conservationists, sportsmen, and environmentalists to protect wildlife for our children's future. As representatives of this diverse family of organizations, we are united in our interests in protecting our nation's natural heritage, fish and wildlife, and the habitats that support them. We see the Regional Greenhouse Gas

Initiative as one of the most important actions being taken in the U.S. to reduce the impact of global warming.

It is appropriate that RGGI has been initiated, as the unique habitats, fish, and wildlife of the Northeastern and Mid-Atlantic regions are just as vulnerable to the effects of climate change as are other habitats, fish, and wildlife around the world.

The Northeastern and Mid-Atlantic regions are home to dozens of threatened or endangered species of fish and wildlife. Due to their small populations and specific habitat requirements, threatened and endangered species are especially vulnerable to changes in their environment from global climate change. For example, along the Atlantic coast, these species are at risk due to sea level rise of up to a meter by the end of this century, if greenhouse gas emissions are not curbed.

However, many of the more common species are expected to be impacted by climate change if greenhouse gas emissions are not curbed. Using climate and habitat models, it is reasonable to expect that by the end of this century, the state birds of Maryland (Baltimore Oriole), New Hampshire (Purple Finch) and Massachusetts (Black-capped Chickadee) will no longer breed in their respective states. Furthermore, the number of species of Neotropical migrant songbirds in New England and the mid-Atlantic regions could decline by 15% and 23% respectively, according to preliminary models.

Further, game species that are of interest especially to hunters and anglers could be impacted by unabated climate change. Trout and salmon require clean well-oxygenated cold water. Water temperature increases of even a few degrees can significantly degrade or even eliminate areas suitable for these species. The projected changes in New England and mid-Atlantic habitats are certain to affect game wildlife as well, although exactly how is challenging to ascertain. As just one example of a potential impact, is the stress that moose experience from warm summer temperatures.

While the precedent of the RGGI cannot be underestimated, the actual reductions in carbon dioxide emissions described in the Memorandum of Understanding (MOU) signed by the seven governors are modest, particularly when compared to the deep reductions scientists believe are necessary to stabilize carbon dioxide levels globally. While the proposed reductions are modest, we recognize that they are also eminently achievable from both a political and practical standpoint. Furthermore, they will demonstrate that reductions in carbon dioxide emissions are achievable.

It is therefore essential that the Model Rule released for public comment in March not undermine the concepts agreed to in the December MOU. Therefore, we offer these comments to highlight aspects of the Model Rule that we believe have the potential to undermine the goals the governors agreed to in the MOU, and appreciate your addressing these concerns through modification of the Model Rule.

Integrity of the Proposed Emissions Cap

As proposed, the Model Rule could result in emissions that are higher than the projections made for the “business as usual” scenario and not require a reduction in emissions until later years. This potential increase in emissions is the result of exemptions for 1) large industrial power generators

whose emissions were included in the cap calculations; 2) for generation plants that make use of biomass in some arbitrary proportion; and 3) for early reduction credits that have the effect of raising the cap in the early years of implementation.

These proposed exemptions all have the effect of undermining the state and regional emissions caps and we urge you to revisit their inclusion in the final Model Rule.

Carbon Dioxide Offsets

During the process of creating the MOU and in the lead up to the release of the Model Rule the public was assured that the five criteria for judging the appropriateness of emissions offsets would be that they are ¹)real, ²)surplus, ³)verifiable, ⁴)permanent, and ⁵)enforceable. While the MOU signed in December included these criteria, the Model Rule released in March does not. These criteria must be clearly spelled out in the Model Rule for the public to have confidence that any offsets used in the RGGI program will result in carbon dioxide emissions reductions.

Offsets are a valuable tool for achieving cost-effective decreases in carbon dioxide emissions. Some offsets (e.g. afforestation) also would provide valuable benefits for wildlife habitat restoration, something our organizations are also supportive of. However, it is essential that any offsets authorized by the states meet the five criteria originally agreed to by the states in the MOU.

We thank the Staff Working Group for taking the time to solicit comments on the proposed Model Rule. We welcome the opportunity to continue to work with the Staff Working Group in the interest of securing a mutually acceptable rule that truly meets the objectives of RGGI.

Sincerely,

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