



To: Regional Greenhouse Gas Initiative Commissioners and Agency Heads
Members of the Regional Greenhouse Gas Initiative Staff Working Group

From: The American Wind Energy Association

Re: Comments on the Revised Staff Working Group Package Proposal of August 24, 2005

Date: October 4, 2005

The American Wind Energy Association (AWEA) appreciates the opportunity to submit comments on the Staff Working Group Proposal for the Regional Greenhouse Gas Initiative (RGGI). As RGGI Agency Heads continue discussion of future steps, we hope our comments will be considered toward the development of a package proposal that will successfully lead to greenhouse gas reductions.

The American Wind Energy Association is the national trade association of the U.S. wind energy industry. The association's membership of more than 700 includes turbine manufacturers, wind project developers, electric utilities, and energy suppliers.

First, AWEA would like to recognize and applaud the initiative of the nine participating states to take action to reduce CO₂ emissions. We realize the importance of such an action, and believe that clean wind energy has the capability to play a significant role in achieving RGGI's goal of emissions reductions.

In summary, AWEA proposes that:

- More explicit language be included in the RGGI proposal, directing a specific set-aside of allowances for renewable energy.
- In the model rule, include language directing the allocation of allowances to renewable resources based on energy production or through a specific set-aside

To enable wind power to be optimally effective in reducing greenhouse gases, we support allocation of allowances on a fuel-neutral, or output, basis. We believe a fuel neutral allocation of allowances is the most appropriate policy choice because it rewards the efficient generation of electricity.

If fuel-neutral allocation is not pursued, we feel it is imperative that all states actively reserve a portion of their allowances to be allocated to new renewable generating resources; regardless if states agree to adopt the 20 percent public benefit set-aside as proposed in the current package. The development of renewable resources provides the dynamic benefits of both diversifying the region's electricity-generation portfolio and reducing emissions of CO₂.

A number of states have already recognized the merits of a set-aside of allowances for renewable resources in their State Implementation Plans (SIP) for NO_x emission reductions. We urge the states to build on this foundation in their agreement on RGGI. The model should provide appropriate and distinct direction, assisting states in allocating allowances to renewable energy. This will create greater flexibility and new avenues for cost-effective compliance without damaging the integrity of the capped emissions.

We are grateful for the opportunity to provide comments and look forward to working with the participating states as this initiative on greenhouse gas reductions moves forward. We would be happy to address and discuss any concerns you may have. Please contact us at rgramlich@awea.org or 202-383-2521.

Sincerely,

A handwritten signature in black ink that reads "Rob Gramlich". The signature is written in a cursive, flowing style.

Rob Gramlich
Policy Director
American Wind Energy Association