



Regional Greenhouse Gas Initiative, Inc.
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Executive Committee Meeting by Telephone
17 May 2010 4:35 pm

Adopted -- Minutes

The RGGI, Inc. Executive Committee meeting convened at 4:35 pm by conference call on Monday, May 17, 2010. Participants in the call included Clifton Below, Susanne Brogan, Laurie Burt, Pete Grannis, David Littell, Michael Sullivan, Executive Director Jonathan Schrag and Program Committee staff. Chair David Littell convened the meeting and facilitated discussion.

The Committee approved the minutes of the April 19th meeting.

The Committee reviewed the financial statements for the first quarter of the year as prepared by BTQ Financial. The Treasurer and Executive Director presented highlights which included increased market monitor costs due to the drafting of the annual report and increased bank fees for auction financial settlement services. The Finance Committee is broadly examining RGGI Inc.'s banking practices for auction financial security.

The Committee discussed near-term program review. The Executive Director reported on the progress that state agency and RGGI Inc staff have made in developing a draft modeling proposal. The draft proposal has identified the Integrated Planning Model (IPM) for electricity system modeling and Regional Economic Model (REMI) for macroeconomic modeling as components of an overall modeling project. The Committee discussed estimated costs and budget processes with recognition that a significant modeling project would require invoices for additional amounts to be sent to the RGGI states within the 2010 calendar year. The Committee directed RGGI, Inc. staff to continue to develop the modeling proposal and to prepare memoranda for the Committee to review the purpose of near-term program review, the proposed scope and budget for modeling work (including estimates from subcontractors), and a timeline for implementation by the Committee's next meeting. There was additional discussion of whether the modeling effort for near-term program review could contribute to other programmatic discussions, such as linkage with other regions.

Lois New provided an update on the Three Regions Meeting held in Washington, DC May 10-11. Attendance at the meeting included seven RGGI states and RGGI, Inc., with similar representation from Western Climate Initiative and the Midwestern Greenhouse Gas Accord. At the meeting the three regional initiatives approved the release of an offsets white paper and joint statement (subsequently released). Also, at the meeting discussions were held to encourage the collaboration between the three regions through the linkage group. In addition, the three regional initiatives agreed to hold a follow up phone call to discuss federal legislation 60 to 90 days after the May 10th meeting.

The Committee directed RGGI, Inc. staff to begin an internal assessment of the administrative requirements, resources and logistics necessary to supply implementation services to the WCI. It was noted that administrative requirements would also be a subject for discussion by the Three Regions linkage group. Finally, it was agreed that Lois New would draft a letter of support for the NGOs participating in the Three Regions process for review by the Committee.

The Executive Director updated the Committee on the implementation of the auction platform for Auction 8. In particular, RGGI Inc has deployed two new components: a CO2 budget source ownership database to assist state agency staff in the evaluation of ownership and corporate associations of bidders; and deployment of a remote document review platform to facilitate state agency staff's review of auction documents. It was noted that the remote document review platform is a strategic technology which would enable RGGI Inc to serve distant jurisdictions in the future.

The Executive Committee was provided an update on the current market reserve price project. A report from the contractor is expected to be circulated by the end of May.

Lois New briefed the Committee on the upcoming Transportation and Climate Initiative (TCI) Summit to be held June 13-14, 2010, in Wilmington, DE. State staff requested continued outreach to transportation agency heads to help secure their attendance at the Summit. Deputy Secretary of the US Department of Transportation, John Porcari, and Deputy Administrator of the US Environmental Protection Agency, Robert Perciasepe, will be keynote speakers. An MOU between the states will be finalized at the Summit and demonstration projects will be discussed. The TCI have developed a 3 year work plan and have initial funding sources in place. It was reported, by June 7th, TCI will distribute additional material on the Summit. Following the June Summit, a follow up meeting will be scheduled for September 2010.

The Committee discussed media coverage and communications issues surrounding the release of the Kerry Lieberman bill. RGGI, Inc. distributed RGGI specific coverage to the RGGI states. RGGI, Inc. will continue to monitor and distribute information regarding the bill as it becomes available. The Communications Committee will develop talking points for the upcoming auction in June.

The meeting adjourned at 6:30 pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "W. Michael Sullivan".