



Regional Greenhouse Gas Initiative, Inc.  
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**Regional Greenhouse Gas Initiative, Inc.  
Minutes of Board of Directors' Meeting  
October 19 and October 20, 2011**

The Annual Meeting of the Directors of the Regional Greenhouse Gas Initiative, Inc., a Delaware non-profit corporation (the "Corporation"), was held on October 19, 2011 and October 20, 2011 at the CT DEP Office, Phoenix Auditorium, 79 Elm St., Hartford, CT, pursuant to written notice sent to each Director.

The meeting was called to order by Chair David Littell at approximately 1:05 pm.

**Persons in Attendance**

The following Directors, constituting a quorum, were present in-person for the meeting:

Dan Esty, CT  
John Betkoski, CT  
Collin O'Mara, DE  
David Littell, ME  
Melanie Loyzim for Patricia Aho, ME  
Robert Summers, MD  
Miles Mitchell for Douglas Nazarian, MD  
Ken Kimmell, MA  
Mark Sylvia, MA  
Thomas Burack, NH  
Joanne Morin, NH  
Garry A. Brown, NY  
Joseph Martens, NY  
Frank Stevenson for Janet Coit, RI  
Justin Johnson, VT  
James Volz, VT

In addition, consulting Agency Head  
Francis J. Murray, NY

Melanie Loyzim was appointed to serve as an alternate director on behalf of Ms. Aho. Miles Mitchell was appointed to serve as an alternate director on behalf of Mr. Nazarian. Frank Stevenson was appointed to serve as an alternate director on behalf of Ms. Coit. The written designations of the alternates were duly received and are attached to the minutes of this meeting.

Also present by invitation were the following people: Jonathan Schrag (CT), Tracy Babbidge (CT), Paul Farrell (CT), Valerie Gray (DE), Caroline Snyder (DE), John Brautigam (ME), Diane Franks (MD), Rachel Evans (MA), Bill Lamkin (MA), Bob Scott (NH), Joe Fontaine (NH), Jared Snyder (NY), Jon Binder (NY), Dave Coup (NY), Lois New (NY), Allison Rose (NY), John Williams (NY), Dick Valentinetti (VT); Lisa DeVito, RGGI, Inc.; Kelly Ziegler, RGGI, Inc.; and Nicole Singh as Acting Executive Director. Marissa Paslick (MD) and Katie Ho, RGGI, Inc. participated via teleconference.

### **Welcome and Introductions**

Chair Littell opened the meeting and thanked all participants for joining. Introductions were made and the Chair stated that a quorum of the Directors was present. Chair Littell stated the purpose of the meeting was to discuss ongoing preparations for the 2012 RGGI program review. Chair Littell highlighted the need for discussion among the states during this meeting and over the coming months as program review proceeds.

### **Program Review Progress Report**

Ms. Singh reviewed the status of ongoing preparations for program review, highlighting the September 2011 stakeholder meeting, as well as the October Learning Session held on electricity markets and imports. Stakeholder comments received from RGGI following the September session were compiled and provided as preparatory material.

Ms. New presented background information on program review provisions contemplated in the initial RGGI design and reviewed considerations discussed when determining the regional emissions cap.

### **Presentation of IPM Analyses in Preparation for Program Review**

Mr. Coup presented an overview of the RGGI IPM electricity section and emissions analysis being conducted to inform Board discussions highlighting the present state of the RGGI market. Discussion and questions regarding the IPM analyses followed.

### **Program Review: Program Design Elements**

Mr. Martens opened a discussion of emissions analysis and current CO<sub>2</sub> allowance budget. In discussion, emphasis was given to the need for a holistic view of when reviewing RGGI since the program elements work together with any potential modification having potential impacts on other areas. Mr. Martens reviewed stakeholder comments on program review and design elements, including but not limited to comments on price collars, offsets, and potential policies to address imports of electricity into the RGGI region.

### **Discussion of Unsold Allowances in First Control Period Auctions**

Ms. Singh presented data on the current number of unsold allowances held by the states. In the discussion that followed, each state considered state requirements for the treatment of unsold allowances and potential future actions concerning those allowances.

**Executive Committee Nominations, Officer Elections**

The following Directors were nominated as members for the 2012 Executive Committee and Officers of the RGGI, Inc.

**Chair:** Secretary Collin O’Mara—Delaware  
**Vice Chair:** Commissioner David Littell—Maine  
**Vice Chair:** Commissioner Daniel Esty—Connecticut  
**Secretary:** Commissioner Ken Kimmell—Massachusetts  
**Treasurer:** Chairman James Volz—Vermont  
**Member-at-Large:** Commissioner Joseph Martens—New York  
**Member at-Large:** Secretary Robert Summers—Maryland  
**Member-at-Large:** Commissioner Thomas Burack—New Hampshire

Mr. Brown moved to elect the nominated 2012 Executive Committee members and Officers of RGGI, Inc. Mr. Betkoski seconded.

**RESOLVED**, that the following Directors are appointed to the Executive Committee of the Board of Directors of the Corporation. Officers of the Corporation are hereby appointed as designated:

**Chair:** Secretary Collin O’Mara—Delaware  
**Vice Chair:** Commissioner David Littell—Maine  
**Vice Chair:** Commissioner Daniel Esty—Connecticut  
**Secretary:** Commissioner Ken Kimmell—Massachusetts  
**Treasurer:** Chairman James Volz—Vermont  
**Member-at-Large:** Commissioner Joseph Martens—New York  
**Member at-Large:** Secretary Robert Summers—Maryland  
**Member-at-Large:** Commissioner Thomas Burack—New Hampshire

Mr. Esty thanked Chair Littell for his leadership and dedication during his tenure as Chair.

**Program Review: Program Design Elements**

Mr. O’Mara opened a discussion regarding potential consideration of flexibility mechanisms for the RGGI program. Flexibility mechanisms discussed included a cost containment allowance reserve pool and offsets. Mr. O’Mara reviewed stakeholder comments which expressed a preference for a less complex offset program and an analysis of the changes that have taken in place in the offset markets since RGGI’s inception.

**First Day Adjournment**

Chair Littell adjourned the first day of the meeting at 5:23 PM.

**Second Day Reconvention**

Chair Littell called the meeting to order at 9:11 AM and began the meeting with a short introduction and welcome.

**Financial Report**

Secretary Volz reviewed RGGI, Inc.'s proposed 2012 budget and forecast 2011 year-end financial statement, highlighting savings in 2011 and a projected decrease in RGGI year-over-year expenses. In the discussion that followed, clarifying questions were asked and answered.

Following this review, Mr. Esty moved to approve the organization's 2012 budget and to accept the 2011 year-end forecast. Mr. Betkoski seconded. The motion was subsequently unanimously approved.

**RESOLVED**, that the RGGI, Inc. 2012 Budget is hereby adopted and approved and management authorized to expend funds in accordance with this document.

**Meeting Minutes**

Mr. Kimmell presented the Board Meeting Minutes that were distributed prior to the meeting.

Mr. Sylvia moved to approve the minutes. Mr. Burack seconded this motion. The motion was approved.

**RESOLVED**, that the Board Meeting Minutes presented for June 13, 2011 are adopted with abstentions from Mr. Betkoski, Mr. Martens, Ms. Morin, and Mr. Volz.

**RESOLVED**, that the Board Meeting Minutes presented for August 22, 2011 are adopted with abstentions from Ms. Morin, Mr. Sylvia, Mr. Martens, and Mr. Kimmell.

**Auctioning Future Control Period Allowances in 2012**

Ms. Singh began by highlighting current and projected trends regarding the sales of future control period allowances. The Board reviewed reasons for both offering and not offering future control period allowances and agreed to convene and reach consensus prior to the release of the Auction 15 notice in January, 2012.

**Program Review: Program Design Elements**

Mr. Esty provided a brief summary of the *CO<sub>2</sub> Emissions from Electricity Generation and Imports in the Ten-State RGGI Region: 2009 Monitoring report*.

In the discussion that followed, the group agreed that electricity sector imports and associated emissions are an important issue that will need to be better understood and considered going forward. The group discussed presentations and comments received at the October Learning Session. The Board directed management to learn more about electricity markets and imports by continuing to work with experts and stakeholders.

**IPM Potential Scenarios for Modeling**

Mr. Coup and Mr. Snyder reconvened discussion by presenting a set of design elements that could be modeled to evaluate the effects of potential modifications to the RGGI program structure.

In the discussion that followed, various considerations were addressed and shaped by the group. The Board then asked Msrs. Coup and Snyder to develop IPM potential scenarios for modeling based on the discussion.

**Adjournment for Lunch**

Chair Littell adjourned the meeting for lunch at 12:35 PM and reconvened the group at 1:09 PM.

**Update on Transportation Climate Initiative and North America 2050**

Ms. New provided an update on the Transportation and Climate Initiative—a regional collaboration of 12 Northeast and Mid-Atlantic jurisdictions that seeks to develop the clean energy economy and reduce greenhouse gas emissions in the transportation sector. Ms. New also provided an update to the group on the status of the North America 2050.

**Additional Business of the Board and New Business**

As the meeting came to a close, Mr. O'Mara recognized Mr. Littell for his leadership and service as Chair of the Board. Mr. Littell recognized Mr. Esty as host of the meeting and thanked the group for their participation. There being no further business of the Board, the Board agreed upon consensus to adjourn at 1:31 PM.

Respectfully submitted,

