



Regional Greenhouse Gas Initiative, Inc.  
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New York, NY 10007  
212-417-7329

**Regional Greenhouse Gas Initiative, Inc.  
Minutes of Board of Directors' Meeting  
December 11, 2012**

The Annual Meeting of the Directors of the Regional Greenhouse Gas Initiative, Inc., a Delaware non-profit corporation (the "Corporation"), was held on December 11, 2012 at RGGI, Inc., DPS Board Room, 90 Church Street, New York, NY, pursuant to written notice sent to each Director.

The meeting was called to order by Chair Collin O'Mara at approximately 9:00 am.

**Persons in Attendance**

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

Daniel Esty, CT  
Collin O'Mara, DE  
David Littell, ME  
Patricia Aho, ME  
Robert Summers, MD  
Kelly Speakes-Backman, MD  
Kenneth Kimmell, MA  
Mark Sylvia, MA  
Thomas Burack, NH  
Robert Scott, NH  
Garry A. Brown, NY  
Joseph Martens, NY  
Janet Coit, RI  
Marion Gold, RI  
Justin Johnson, VT  
James Volz, VT

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

Also present by invitation were the following people: Paul Farrell (CT), Valerie Gray (DE), Morgan Ellis (DE), Marc Cone (ME), John Brautigam (ME), Kathy Kinsey (MD), Diane Franks (MD), Marissa Paslick (MD), William Lamkin (MA), Rachel Evans (MA), Nancy Seidman (MA), Joe Fontaine (NH), Jared Snyder (NY), Lois New (NY), Michael Sheehan (NY), Jon Binder (NY), Patty Desnoyers (NY), Dave Coup (NY), Kevin Hale (NY), Frank Stevenson (RI), Barbara Cesaro (RI), Dick Valentinetti (VT), Mary-Jo Krolewski (VT); Jason Brown

(RGGI, Inc.), Lisa DeVito (RGGI, Inc.), Katie Ho (RGGI, Inc.), Anna Ngai (RGGI, Inc.); and Nicole Singh as Acting Executive Director. John Betkoski (CT), Tracy Babbidge (CT), Teddi Ezzo (CT), and Paul Lopes (MA) participated via teleconference. Paul Hibbard (Analysis Group) presented during a segment of the meeting.

**Welcome, Introductions, and Meeting Objectives**

Chair O'Mara opened the meeting and thanked all participants for joining. Introductions were made and it was confirmed that a quorum of the Directors was present. Chair O'Mara noted the success of RGGI in demonstrating the success of a greenhouse gas reduction program and stated the goals of the meeting: review modeling analysis of potential changes to the 2014 CO<sub>2</sub> allowance budget; review recent stakeholder comments on potential revisions to the Model Rule; and update the stakeholder engagement schedule for the remainder of the 2012 program review.

**Update on 2012 Program Review Analysis**

Ms. Singh reviewed the status of ongoing program review activities and stakeholder engagement since the June 2012 Board of Directors meeting in Baltimore, MD. The focus of the modeling was to refine assumptions to the updated RGGI reference case in order to obtain an accurate prediction of emissions and then modeling of four scenarios, each with a different 2014 CO<sub>2</sub> allowance budget. The four scenarios included a 106 cap scenario, a 101 cap scenario, a 97 cap scenario, and a 91 cap scenario. Other analyses include macroeconomic modeling and customer bill analysis of the potential cap scenarios to support decision-making for revisions to the Model Rule.

**Draft Model Rule Items**

Ms. New stated the goal of finalizing decisions regarding revisions to the Model Rule and outlined several items; including but not limited to identifying a 2014 cap, finalizing the structure of a cost containment reserve, and identifying a percentage for interim compliance. Ms. New also raised the importance of having a Model Rule that the states can use as a guide for their own individual state-specific rulemaking and statutory processes. Chair O'Mara concurred on the importance of the Model Rule.

**Briefing on Potential Cap Analysis and Interim Adjustment for Banked Allowances**

Ms. Singh presented an overview of results of the four IPM potential scenarios modeling to date (106 cap, 101 cap, 97 cap, and 91 cap), including projections of emissions, allowance prices, and sources of emissions reductions. The modeling adjusted for the currently held and projected bank of allowances, and Ms. Singh pointed out the model's use of "perfect foresight", which may differ from actual behavior, leading to a potentially alternative impact on allowance prices.

Ms. Singh also reviewed how the CCR (size and price triggers) was implemented in the IPM modeling and reviewed results.

Mr. Lamkin presented the proposed interim adjustment for banked allowances, involving a two-step adjustment.

Mr. Esty asked for clarification on the assumptions used in the modeling and requested additional research on the impact of economic growth in the assumptions used for the sensitivities analyses. Mr. Kimmell raised the point that economic growth is not necessarily correlated with emissions growth. The group suggested researching further the possible impact of the economy in the modeling.

**Briefing on Customer Bill Analysis Modeling**

Paul Hibbard of Analysis Group gave a presentation via teleconference on preliminary customer bill analysis of the IPM potential scenarios.

**Adjournment for Lunch**

Chair O'Mara adjourned the meeting for lunch at 11:45 PM and reconvened the group at 12:37 PM.

**Briefing on Stakeholder Comments on Interim Compliance and Offsets**

Ms. Singh presented stakeholder comments on the proposal for interim compliance that has been presented to stakeholders. The proposal required compliance entities to purchase allowances to cover 75%-85% of emissions for each of the first two years of the control period, with final true-up in the third year. Ms. Singh presented stakeholder feedback, highlighting that some stakeholders suggested interim compliance on a case-by-case basis and others suggested a lower percentage for annual compliance.

The group discussed the potential impacts of 75%-85% annual compliance and also discussed analysis of a lower annual percentage.

Chair O'Mara informed the group that stakeholder comment had been very supportive of the proposed U.S. Forests Offset Protocol.

**Next Steps for Program Review and Stakeholder Engagement**

Ms. Singh presented the Program Review Public Schedule that was released in July 2012 and the group discussed updates to provide current information to stakeholders.

**Meeting Minutes**

Chair O'Mara presented the Board Meeting Minutes that were distributed prior to the meeting.

Ms. Aho moved to approve the minutes. Mr. Martens seconded this motion. The motion was approved.

**RESOLVED**, that the Board Meeting Minutes presented for June 11-12, 2012 and November 13, 2012 are adopted with no abstentions.

**Executive Committee Nominations, Officer Elections**

The following Directors were nominated for re-election as members of the 2013 Executive Committee and Officers of RGGI, Inc.

**Chair:** Secretary Collin O'Mara (DE)  
**Vice Chair:** Commissioner David Littell (ME)  
**Vice Chair:** Commissioner Daniel Esty (CT)  
**Secretary:** Commissioner Ken Kimmell (MA)  
**Treasurer:** Chairman James Volz (VT)  
**Member at-Large:** Secretary Robert Summers (MD)  
**Member-at-Large:** Commissioner Thomas Burack (NH)  
**Member-at-Large:** Commissioner Joseph Martens (NY)

Mr. Martens moved to re-elect the nominated 2013 Executive Committee members and Officers of RGGI, Inc. Ms. Speakes-Backman 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 (DE)  
**Vice Chair:** Commissioner David Littell (ME)  
**Vice Chair:** Commissioner Daniel Esty (CT)  
**Secretary:** Commissioner Ken Kimmell (MA)  
**Treasurer:** Chairman James Volz (VT)  
**Member at-Large:** Secretary Robert Summers (MD)  
**Member-at-Large:** Commissioner Thomas Burack (NH)  
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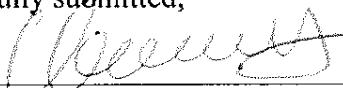
**Business of the Board**

Chair O'Mara recognized Ms. Singh for her time and dedication in the role of Acting Executive Director of RGGI, Inc., announced that an evaluation had been conducted, and the Board voted to approve Ms. Singh as Executive Director of RGGI, Inc.

**Adjournment**

As the meeting came to a close, Mr. O'Mara thanked all participants for their time and recognized the progress made in moving forward with program review. There being no further business of the Board, the Board agreed upon consensus to adjourn at 3:53 PM.

Respectfully submitted,

  
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Kenneth Kimmell