



Regional Greenhouse Gas Initiative, Inc.
90 Church Street, 4th Floor
New York, NY 10007

For Immediate Release

Contact: Jason Brown
RGGI, Inc.
212-417-3179
jason.brown@rggi.org

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2012 Annual Market Monitor Report: In Fifth Year, RGGI CO₂ Allowance Market Remains Competitive

NEW YORK, NY—No evidence of anti-competitive conduct has been found in the market for Regional Greenhouse Gas Initiative (RGGI) CO₂ allowances, according to the independent market monitor's 2012 *Annual Report on the Market for RGGI CO₂ Allowances*, released today. The independent market monitor, Potomac Economics, continues to find no material concerns regarding the auction process, barriers to participation in the auctions, competitiveness of the auction results, or in the competitiveness of the secondary market for RGGI allowances.

The report evaluates activity in the market for RGGI CO₂ allowances in 2012, focusing on allowance prices, trading and acquisition of allowances in the auctions and secondary market, participation in the market by individual firms, and market monitoring.

Compliance entities consistently acquired the majority of CO₂ allowances in each auction in 2012, purchasing 98 percent of the allowances sold.

According to the independent market monitor, the average auction clearing price was \$1.93 in 2012. CO₂ allowances have cleared at the reserve price in each auction since September 2010 through December 2012, reflecting the excess supply of first control period allowances. The price of CO₂ allowance transfers in the secondary market were stable and remained close to the auction reserve price of \$1.93 throughout 2012. Monthly average prices ranged from a high of \$2.01 in February to a low of \$1.93 in October.

Additional details are available in the report at:
http://www.rggi.org/docs/Market/MM_2012_Annual_Report.pdf

About the Regional Greenhouse Gas Initiative

The Northeast and Mid-Atlantic states participating in the second RGGI control period (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) have implemented the first mandatory market-based regulatory program in the U.S. to reduce greenhouse gas emissions. Power sector CO₂ emissions are capped at 165 million short tons for 2013.

RGGI is composed of individual CO₂ budget trading programs in each state, based on each state's independent legal authority. A CO₂ allowance represents a limited authorization to emit one short ton of CO₂, as issued by a respective state. A regulated power plant must hold CO₂ allowances equal to its emissions to demonstrate compliance for each three-year control period. RGGI's second control period began on January 1, 2012 and extends through December 31, 2014. For more information visit www.rggi.org

About Regional Greenhouse Gas Initiative, Inc.

Regional Greenhouse Gas Initiative, Inc. (RGGI, Inc.) was created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative. RGGI, Inc. is a 501(c)(3) nonprofit organization. For more information, visit: www.rggi.org/rggi

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