Regional Greenhouse Gas Initiative
an Initiative of the Northeast and Mid-Atlantic States of the U.S.

For Immediate Release

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RGGI States Welcome EPA Release of Proposed Carbon Pollution Rules for Existing Power Plants

The nine states participating in the Regional Greenhouse Gas Initiative (RGGI), the nation's first market-based regulatory program to reduce greenhouse gas (GHG) pollution, welcome the release of the Environmental Protection Agency's proposed guidelines for state programs to reduce carbon dioxide (CO_2) emissions from power plants under Clean Air Act section 111(d).

The RGGI states' experience demonstrates that market-based carbon reduction programs achieve the most cost-effective emission reductions, enable a transition to a low-emitting, reliable, and efficient power sector, and build state economies while growing jobs.

The RGGI program, in conjunction with market responses and other state clean energy polices, has helped the RGGI states reduce carbon dioxide emissions by approximately 40 percent since 2005. In addition, proceeds from the sale of RGGI CO_2 allowances have enabled the RGGI states to invest over $700 million in RGGI proceeds in energy efficiency, clean and renewable energy, and other strategic energy programs. To date 3 million households and more than 12,000 businesses are participating in RGGI funded programs.

A Proven Model

The RGGI states will continue to review the proposed rule, and applaud EPA's recognition of regional market-based programs. There are several reasons why RGGI is an effective system of emission reduction for carbon emissions from the power sector.

- *It is a proven model*. RGGI's regional market-based model has helped the New England and Mid-Atlantic states make dramatic reductions in GHG emissions.

- *It is extremely cost-effective.* RGGI enables compliance through market mechanisms that seek out the least expensive emission reductions across the region.

- *It provides economic benefits.* According to an independent analysis, the RGGI states' investment of auction proceeds from just the first three years of the program (2009-11) is creating thousands of jobs, reducing energy bills by more than $1 billion and adding a net of $1.6 billion to the economies in the RGGI states.

- *It aligns with the regional nature of the electricity grid and fosters regional cooperation.* The nation's regional electricity grids allow electricity to flow from the cheapest, most efficient producer to meet consumer demand, wherever located. The RGGI cap ensures that emissions decrease across the region, even as it allows increases in some locations in order to reap the benefits of more efficient sources in those locations.

- *It provides a simple, transparent, verifiable compliance system.* Under RGGI, the emissions are limited by the allowances that are distributed, providing certainty that the projected emission reductions will be achieved, including reductions attributable to energy efficiency and renewable energy.

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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. The 2014 RGGI cap is 91 million short tons. The RGGI cap then declines 2.5 percent each year from 2015-2020.

RGGI is composed of individual CO_2 budget trading programs in each state, based on each state's independent legal authority. A CO_2 allowance represents a limited authorization to emit one short ton of CO_2, as issued by a respective state. A regulated power plant must hold CO_2 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

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