November 7, 2014

RGGI States Comments Support EPA Proposed Clean Power Plan

Opportunities for States to Reap Economic Benefits While Reducing Emissions; Ways to Strengthen Rule

Citing regional success in reducing carbon emissions by 40 percent, while injecting more than $1.6 billion into state economies, the nine Northeastern and Mid-Atlantic states participating in the Regional Greenhouse Gas Initiative (RGGI), the nation's first market-based emissions trading program to reduce greenhouse gas pollution, submitted joint comments on November 5, 2014 to the United States Environmental Protection Agency (EPA) supporting the proposed Clean Power Plan (CPP).

The RGGI states commend EPA for utilizing its authority under section 111(d) of the Clean Air Act to set the nation on a clear path toward achieving significant carbon reductions from our power sector, while catalyzing innovation and growth of the clean energy sector. The RGGI states support the general framework of the proposal, which allows flexibility for states to build their own best system of emission reductions, including direct power plant technologies, as well as state energy efficiency and renewable energy programs to reduce power sector carbon emissions.

The RGGI states further welcome EPA's endorsement of regional market-based programs, and RGGI in particular, as a cost-effective approach to achieving compliance with the rule. The RGGI states' experience demonstrates that market-based carbon reduction programs achieve cost-effective emission reductions, enabling a transition to a low-emitting and efficient power sector, while supporting grid reliability and state economies. In addition, trading programs, like RGGI, can provide a simple, transparent, and verifiable system for compliance that allows states to work within the existing regional nature of the electricity grid.

The CPP is projected to achieve a nationwide power sector carbon emission reduction of 30 percent from 2005 levels by 2030. Today, power sector carbon emissions in the RGGI region are more than 40 percent below 2005 levels, while the regional economy has grown by 7 percent. Under RGGI's existing program, regional emissions are projected to decline by 50 percent by 2020. The significant reductions achieved in the RGGI states over a shorter period of time demonstrates that under the CPP more substantial cost-effective emission reductions are possible, particularly from those states that have not yet developed robust energy efficiency and renewable energy programs.

In the comments on the CPP, the RGGI states provide information supporting the position that more cost-effective reductions can be made nationwide. The RGGI states also recommend a number of revisions to the CPP to ensure that early action to reduce carbon emissions from the power sector is recognized, and that the state targets are verifiable, transparent, equitable and enforceable.

Regional Greenhouse Gas Initiative

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

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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 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

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