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RGGI States' Comments Highlight Opportunities for EPA in Federal Plan

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, have submitted joint comments to the United States Environmental Protection Agency (EPA) on the Federal Plan (FP) and Model Rules (MR) proposed as part of the Clean Power Plan (CPP). The RGGI states welcome EPA's continued recognition that well-designed multi-state, market-based programs like RGGI can deliver cost-effective emissions reductions.

Through the FP and the MR, EPA has the chance to encourage emission reduction approaches that have already proven successful. The RGGI states have seen benefits to the economy, consumer savings, and public health, while reducing power sector carbon pollution and supporting grid reliability. In joint comments the RGGI states highlight key opportunities for EPA based on this track record of success, including:

- Mass-based approaches are the most cost-effective, transparent, and reliable way to achieve emission reductions. EPA should adopt a mass-based program for the FP and encourage states to adopt a mass-based program in their compliance plans.

- EPA should adopt a trading platform that is flexible and customizable to encourage broader trading markets.

- EPA should encourage auctioning and reinvestment of auction proceeds, given the RGGI states' demonstration of the benefits of the reinvestment of auction proceeds.

- Including new sources in a mass-based program is the most effective means of preventing leakage from existing sources to new sources, and alternative methods of allocation must be equally effective.

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

Media Contacts

Connecticut
Dennis Schain
dennis.schain@ct.gov

Delaware
Carol Anders Riggs
carol.riggs@state.de.us

Maine
David Madore
david.madore@maine.gov

Maryland
Jay Apperson
jay.apperson@maryland.gov

Massachusetts
Edmund Coletta
edmund.coletta@state.ma.us

New Hampshire
Jim Martin
james.martin@des.nh.gov

New York
Lori Severino
lori.severino@dec.ny.gov

Rhode Island
Gail Mastrati
gail.mastrati@dem.ri.gov

Vermont
Deb Markowitz
deb.markowitz@state.vt.us

About Regional Greenhouse Gas Initiative (RGGI)

The Northeast and Mid-Atlantic states participating in the third 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 2015 RGGI cap is 88.7 million short tons. The RGGI cap declines 2.5 percent each year until 2020. The RGGI states also include interim adjustments to the RGGI cap to account for banked CO_2 allowances. The 2015 RGGI adjusted cap is 66.8 million short tons.

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 for each three-year control period. RGGI's third control period began on January 1, 2015 and extends through December 31, 2017. For more information visit www.rggi.org