RGGI Inc.

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# RGGI States Release Third Control Period Compliance Report

98.8 Percent of Sources, 99.9 Percent of Covered Emissions in Compliance

June 4, 2018 — The nine states participating in the Regional Greenhouse Gas Initiative (RGGI) today released the *Compliance Summary Report* for RGGI's third three-year control period. As of today, the report finds that 161 of the 163 power plants subject to RGGI requirements, or 98.8 percent, have met their compliance obligations. In terms of emissions, 99.9 percent of covered power sector emissions were in compliance.

The RGGI program requires fossil-fueled power plants 25MW or larger to purchase and hold one carbon dioxide ($CO_2$) allowance for each short ton of $CO_2$ emitted during the three-year control period. The third RGGI control period began on January 1, 2015 and ended on December 31, 2017.

Compliance takes place in stages during each three-year control period. The first two years are interim compliance periods, where entities are required to provide allowances equal to half of their emissions for the one-year period. In this case, during the third control period, interim compliance was conducted for the years 2015 and 2016. After the conclusion of the three-year period, entities are required to provide allowances equal to the remainder of their emissions for the entire three-year period.

To establish compliance, the number of allowances held in each compliance entity's RGGI $CO_2$ Allowance Tracking System (RGGI COATS) compliance account is compared with its $CO_2$ compliance obligation, and then provided to the states for compliance evaluation. The release of the *Compliance Summary Report* marks the conclusion of that evaluation.

Average $CO_2$ emissions for RGGI's third control period were 75.5 million short tons, representing a more than 50% cut in RGGI power sector emissions since 2005.

"The success of the RGGI program serves as a model to any states or jurisdictions interested in reducing greenhouse gases," said Ben Grumbles, Secretary of the Maryland Department of the Environment and Chair of the RGGI, Inc. Board of Directors. "These results highlight the strength of market-based programs in achieving significant emissions reductions, while at the same time incorporating the flexibility to make compliance feasible for our sources."

"The compliance results shown today demonstrate the achievements of power generators in our states, and the RGGI states are looking forward to even more ambitious goals in the future," said Katie Dykes, Chair of the Connecticut Public Utilities Regulatory Authority and Vice-Chair of the RGGI, Inc. Board of Directors. "The RGGI states will be implementing an additional 30% decline in the regional cap between 2020 and 2030, and are also looking forward to the potential for new states to participate in our regional market."

**About the Regional Greenhouse Gas Initiative**

The Northeast and Mid-Atlantic states participating in the fourth 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 2018 RGGI cap is 82.2 million short tons. The RGGI states also include interim adjustments to the RGGI cap to account for banked $CO_2$ allowances. The 2018 RGGI adjusted cap is 60.3 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 fourth control period began on January 1, 2018 and extends through December 31, 2020. 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.