Third Adjustment for Banked Allowances Announcement

March 15, 2021

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce power sector CO₂ emissions.

The Participating States conducted a second comprehensive Program Review¹ and released an updated RGGI Model Rule² in 2017. In accordance with each state’s independent legal authority, each of the Participating States has revised its CO₂ Budget Trading Program³ to be consistent with the updated Model Rule.

The updated Model Rule contains language to address the private bank of CO₂ allowances through a Third Adjustment for Banked Allowances.

- **The Third Adjustment for Banked Allowances (TABA)** is a reduction in the states’ CO₂ allowance base budgets equivalent to the private bank of CO₂ allowances (allocation years 2009-2020).

- The TABA is made over the five-year period 2021-2025.⁴

- The TABA is 95,451,650 CO₂ allowances.

- The following table provides an annual breakdown of the TABA from 2021 through 2025.

<table>
<thead>
<tr>
<th>Third Adjustment for Banked Allowances</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total State CO₂ Allowance Base Budgets</td>
<td>119,767,784</td>
<td>116,112,784</td>
<td>112,457,784</td>
<td>108,802,784</td>
<td>105,147,784</td>
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<tr>
<td>Third Adjustment for Banked Allowances⁵</td>
<td>19,090,330</td>
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<td>19,090,330</td>
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<tr>
<td>Total State CO₂ Allowance Adjusted Budgets⁵</td>
<td>100,677,454</td>
<td>97,022,454</td>
<td>93,367,454</td>
<td>89,712,454</td>
<td>86,057,454</td>
</tr>
</tbody>
</table>

¹ For more information on the second RGGI Program Review, see [https://www.rggi.org/program-overview-and-design/program-review](https://www.rggi.org/program-overview-and-design/program-review).


³ For more information on state CO₂ Budget Trading Programs, see [https://www.rggi.org/program-overview-and-design/state-regulations](https://www.rggi.org/program-overview-and-design/state-regulations).

⁴ Due to current allocation provisions in state regulations, an estimated 1,471,322 pre-2021 allocation year CO₂ allowances in state accounts may be distributed after the TABA. These allowances would not be included in the TABA.

⁵ State-by-state allowance budgets can be found in the individual allowance distribution trackers at [https://www.rggi.org/allowance-tracking/rggi-coats](https://www.rggi.org/allowance-tracking/rggi-coats).