Regional Greenhouse Gas Initiative
Program Review:

Listening Session

November 8, 2021
Para escuchar en español, oprima:

To activate closed captions, select:
Meeting Protocols

• This meeting is being recorded and will be shared publicly on the RGGI website.

• Participants will be muted throughout the meeting.

• For technical assistance, use the chat function or send a message to info@rggi.org.

• During the Q&A portion, use the raise hand function to let the host know when you have a question (phone participants dial *9) or use the Q&A function to send a question to the host.

• During the Public Comment portion, use the raise hand function to let the host know that you’d like to make a verbal comment (phone participants dial *9).

• The host will let you know when it is your turn to speak.
Connect and Merge Audio

1. Dial in based on your location
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2. Conference ID: 990 9527 1002#

3. Participant ID: 346736#
Chat for Technical Assistance

Chat

Who can see your messages?

To: All panelists

Type message here...

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Raise Hand to Provide Comment

Welcome to Q&A
Questions you ask the host and panelists will show up here

Type your question here...

Who can see your questions?

Q&A
Chat
Raise Hand
Settings

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Agenda Overview

• Welcome & Introductions
• RGGI Overview
• Program Review Overview
• Question & Answer
• Public Comment
RGGI, Inc.

Provides RGGI states with technical & administrative services to support implementation of each RGGI state’s CO₂ Budget Trading Program

• Nonprofit corporation
• Separate contracts with each state
• Agent on behalf of states
• Not a central authority
• RGGI, Inc. Board comprised of directors from each state
What is RGGI?

- Eastern states cap-and-invest initiative
- Individual state CO₂ budget trading programs
- Regulations aligned with Model Rule
- Power sector: fossil generators 25+ MW*
- State-issued CO₂ allowances
- Regional auctions
- Fungible, bankable, and tradable
- 2021 cap: 119.8 million tons
- Proceeds reinvested

*15+ MW in New York
Why RGGI?

- Early regional bi-partisan recognition of need to reduce GHG emissions
- Opportunity for leadership on climate action
- Continued need to reduce emissions
- Power sector has potential for transformational GHG reductions
- Regional nature creates economic efficiencies
- State sovereignty over proceeds/investments
RGGI CO$_2$ Emissions Cap

- NJ ceases RGGI participation
- Cap reduction following First Program Review
- NJ resumes RGGI participation
- VA begins RGGI participation
- 30% cap reduction from 2020-2030 following Second Program Review

Short Tons of CO$_2$ vs. Year (2009-2030)

Base Cap
Regional CO$_2$ allowance auctions
  • Quarterly
  • Notice and application materials

• Centralized registry platform (RGGI COATS)
  • Allowance tracking
  • Emissions tracking
  • Compliance processing
  • Offsets projects

• Independent market monitor
  • Regional auctions
  • Secondary market
RGGI Market Compliance

### Three-Year Control Period Compliance

<table>
<thead>
<tr>
<th>Three-year control periods</th>
<th>Sources must provide allowances = 100% three-year emissions</th>
<th>EPA CAMD data COATS tracks compliance</th>
</tr>
</thead>
</table>

### Interim Control Period Compliance

<table>
<thead>
<tr>
<th>Each of the first two years of a three-year control period</th>
<th>Sources must provide allowances = 50% annual emissions</th>
<th>EPA CAMD data COATS tracks compliance</th>
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</thead>
</table>
RGGI Flexibility Mechanisms

- Three-year control periods
- CO$_2$ offset allowances
- Cost Containment Reserve
- Emissions Containment Reserve
Annual RGGI Reports

• Proceeds Investment Report
  • Tracks investment by states of RGGI proceeds
  • Reports on benefits realized through investments

• Electricity Monitoring Report
  • Tracks electricity demand in RGGI region
  • Associated generation, imports, emissions, emission intensity
  • Reports on changes from established base period
What is RGGI Program Review?

• Opportunity to evolve RGGI policy by considering:
  • Latest climate science
    • *IPCC Sixth Assessment Report* (2021): “Global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas emissions occur in the coming decades.”
  • Current *state environmental policies*
  • Program impacts
  • Equity and environmental justice
  • Recent electricity data/trends and modeling projections
What is RGGI Program Review?

Public engagement held throughout Program Review

State goals & ambitions informed by the best available science

Technical modeling & analyses to examine electricity market, emissions, economic impacts

Updated RGGI Model Rule & accompanying program recommendations

Launch of state rulemaking processes
Objectives

- Engage communities, affected groups, general public
- Examine historical successes and impacts
- Review program design elements
- Evaluate regional emissions cap
- Conduct technical analyses
- Consider potential program changes
## Preliminary timeline (may be revised over time)

<table>
<thead>
<tr>
<th>Third Program Review</th>
<th>Third Program Review</th>
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<tbody>
<tr>
<td><strong>Summer/Fall 2021</strong></td>
<td>Gather IPM* assumptions</td>
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<tr>
<td><strong>Fall 2021</strong></td>
<td>Listening Sessions</td>
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<td></td>
<td>Public Meeting: IPM assumptions</td>
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<tr>
<td><strong>Winter 2021-22</strong></td>
<td>Finalize IPM assumptions</td>
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<td><strong>Winter 2021-22</strong></td>
<td>IPM base case modeling</td>
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<tr>
<td><strong>Spring 2022</strong></td>
<td>Public Meeting: IPM base case results</td>
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<tr>
<td><strong>Spring/Summer 2022</strong></td>
<td>IPM policy case modeling</td>
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<tr>
<td><strong>Summer 2022</strong></td>
<td>Gather economic modeling assumptions</td>
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<tr>
<td><strong>Summer 2022</strong></td>
<td>Public Meeting: IPM policy case results</td>
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<tr>
<td><strong>Fall 2022</strong></td>
<td>Economic modeling</td>
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<td><strong>Fall 2022</strong></td>
<td>Draft updated Model Rule</td>
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<tr>
<td><strong>December 2022</strong></td>
<td>Public Meeting: Review updated Model Rule and modeling results</td>
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<tr>
<td><strong>January 2023 and onward</strong></td>
<td>Conclude Program Review</td>
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<td>States initiate rulemaking</td>
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*Integrated Planning Model used for electricity sector analysis*
Topics for Public Consideration

• Regional CO₂ emissions cap
  • Adjustment for banked allowances
• Environmental justice and equity
• Auction mechanisms
  • CCR, ECR, minimum reserve price
• Compliance
• Offsets
• Additional topics welcome
How to Provide Comment

1. **Submit verbal comments during public meetings:** Meetings throughout Program Review will include opportunities for verbal comment from members of the public.

2. **Submit written comments during open comment periods:** Public meetings will be paired with comment periods, during which comments may be sent to info@rggi.org.

*Submit written comments for this meeting by **November 29** with the subject line “RGGI Program Review Comment.”*
Clarifying Questions

- Use the raise hand function to let us know you have a question (*phone participants dial *9).
- The host will let you know when it is your turn to speak.

Or

- Use the Q&A function to send a question to the host.

Send additional questions to info@rggi.org
• Individuals who reserved time to comment will provide comment first.

• Use the raise hand function to let us know you would like to comment.
  
  (phone participants dial *9)

• The host will let you know when it is your turn to speak.

• Speakers will have 3 minutes to provide comment.

**Speaker Queue:**

Current Speaker: --

Up Next:
  1. --
  2. --

**Note:** *This meeting is being recorded. If you prefer, you may submit a written comment to info@rggi.org*
Next Steps

• Submit written comments to info@rggi.org by November 29.

• Use the subject line “RGGI Program Review Comment.”

• Next public meeting planned for December.
Thank You!