



Andrew McKeon, Executive Director  
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Dear Director McKeon,

Advanced Energy Economy Institute (AEE Institute) and the Northeast Clean Energy Council (NECEC) jointly thank RGGI Inc. and the participating RGGI states for the opportunity to provide feedback on the 2016/2017 Program Review of the Regional Greenhouse Gas Initiative (RGGI) following the February 8<sup>th</sup> stakeholder webinar. We also appreciate the leadership of RGGI in creating a stable policy environment for advanced energy technologies and solutions to flourish.

The mission of AEE Institute, the charitable and educational organization affiliated with Advanced Energy Economy (AEE), is to raise awareness of the public benefits and opportunities of advanced energy. NECEC's mission is to accelerate the region's clean energy economy to global leadership and to create a world-class clean energy hub delivering global impact with economic, energy and environmental solutions.

We are encouraged that the RGGI states are looking to complete modeling and make policy decisions over the coming months. We have a few minor comments based on the most recent webinar. First, we are supportive of the use of an emissions containment reserve (ECR) in the RGGI program. We believe the ECR will keep allowance costs at a meaningful price while still allowing generators to continue the practice of banking credits as needed. Second, we want to express our interest in having the recent Maryland renewable portfolio standard update modeled. While this is a small change, we recognize the impact this new legislation may have on emissions in the forthcoming years is likely to be significant.

AEE Institute and NECEC appreciate RGGI's work on updating the modeling with the most recent data from the Energy Information Administration. While we support the use of the average projected natural gas price in forecasts, we want to caution against correlating low natural gas prices with low carbon emissions and high natural gas prices with high emissions. While this may have been a fair assumption while coal-fired power was a key component of the RGGI footprint's generation mix, low-priced natural gas may ultimately prevent greater adoption of zero-carbon technologies, such as renewable energy, thus leading to higher carbon emissions.

Finally, we believe it is sensible for RGGI to continue modeling scenarios that include the U.S. EPA's Clean Power Plan (CPP). Although it is unlikely that the current Administration will administer the CPP as envisioned by the Obama Administration, the CPP is still on the books as existing policy with a compliance period beginning in 2022 and extending throughout the RGGI program period. In addition, even if the CPP itself is significantly changed, U.S. EPA has an obligation to regulate carbon, meaning that some kind of policy would serve as the CPP's replacement in the future. Therefore, it behooves RGGI to continue analyzing scenarios that include the CPP or some other kind of national carbon emission reduction program, in addition to economy-wide emission reduction targets set in eight of the nine participating RGGI states.

RGGI has helped grow a robust advanced energy industry in the nine participating northeastern states, delivering ratepayer savings while driving economic development in the power sector through technologies and services such as including energy efficiency, demand response, wind, solar, nuclear, energy storage, natural gas-fired generation, and hydropower. In order for the RGGI program to continue providing these benefits, it is essential that states use the 2016/2017 program review to set a strong market signal that will drive market participation and deliver strong auction results. Considering

these more aggressive but still achievable scenarios will uncover further opportunities to grow the region's advantage of advanced energy industry without binding states to adopt any particular pathway.

Doubling down on RGGI goals will accelerate this progress and build upon the \$2.7 billion in net economic benefits achieved through the program to date. AEEI and NECEC look forward to engaging with the RGGI states as they move into the next phase of the program review process.

Sincerely,



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