

April 21, 2023

**BY ELECTRONIC FILING ONLY**

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Subject: RGGI Third Program Review  
Equity-Focused Comments Regarding Assumptions and Framework for  
Electricity Sector Analysis

Dear Mr. McKeon and Members of the RGGI Board,

On behalf of the undersigned persons, we hereby submit the enclosed comments for the Third Program Review of the Regional Greenhouse Gas Initiative. On March 29, 2023, RGGI, Inc. held two public meetings to present its revised framework and assumptions for electricity sector analysis. At these meetings, RGGI, Inc. requested comments regarding stakeholders' comfort with assumptions included in modeling; assumptions which may be missing; improving the distinction the cases; and which scenario results stakeholders believe merit further consideration. As laid out below, it is imperative that equity and environmental justice considerations be more thoroughly integrated into modeling, rather than treated as a separate issue for resolution. Accordingly, this letter focuses on the areas in which equity can and should be better incorporated into RGGI's electricity sector analysis.<sup>1</sup>

**Modeling and Analysis in the Third RGGI Program Review Must Center on Equity**

At the March 29, 2023 presentations, RGGI, Inc. noted that state activities relating to equity and environmental justice matters included air quality monitoring and pollutant emissions reductions and noted that several RGGI participant states have environmental justice and equity advisory boards. However, there is significantly more opportunity for RGGI, Inc. and the participating states to center environmental justice and equity issues in the current program review and moving forward. We urge RGGI, Inc. and the participating states to adopt and implement a holistic approach to modeling and program design that incorporates findings from engagement with environmental justice and climate justice stakeholders to help ensure the development of adequate solutions from both the climate and equity perspectives.

More specifically, the RGGI program and the RGGI Program Review process must be reformed to improve the amount and quality of public participation, develop and conduct equity analyses, and increase investments in overburdened communities. These reforms should draw in part on the findings of the 2019 report from Rutgers and the RGGI Project Series entitled "Field Notes: Equity and State Climate Policy," which assessed the challenges and opportunities faced by the

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<sup>1</sup> Please note some of the signatories to this letter are also submitting separate letters as organizations or coalitions.

RGGI region in directing program benefits to disadvantaged communities and individuals in equitable ways.<sup>2</sup>

We must ensure that environmental justice communities, tribal groups, the labor sector, and other equity groups have access to the financial and technical resources they need to meaningfully participate in the RGGI Program Review process. RGGI, Inc. can accomplish this by publishing public notices of RGGI Program Review meetings and comment periods more widely, including by social media and using physical notices in high-traffic gathering places such as grocery stores and community centers. Public notices should also be translated into non-English languages and posted in non-English media and aired on non-English radio. Further, RGGI, Inc. should facilitate greater public engagement by providing clear, accessible information in notices that contain plain-language information about the format and content of the hearing and the issues at hand. However, plain-language does not mean limiting the amount of information that is shared, only the verbiage that is used to describe the work. The public needs to know and understand the detailed aspects of the Program, particularly during this modeling phase, to be able to provide meaningful input.

In addition to ensuring that public hearings for the RGGI Program Review are conducted in a just and equitable manner, revisions should be made to the design of the program, its mechanisms and its investment specifications to ensure that the program benefits communities most burdened by environmental and climate injustices. For example, the program should require that at least 50% of investments of funds derived from the RGGI program should be made in environmental justice communities, which are typically overburdened and underserved. The program should also conduct equity analyses to show both prior investments and demographics of beneficiaries and for which power plants emissions have increased or decreased, as well as the demographics of the communities in which the power plants are located. Whereas historically certain communities have been forced to bear the brunt of environmental issues relating to air and water quality, natural resources, and climate change, any program seeking to remedy these issues should seek to ensure that these communities are the first to benefit.

Although aspects of participation are left to the states' discretion, including allocation of revenue received through the RGGI program, the program administrators can and should recommend certain uses which would help to compound the beneficial effects of participation in RGGI. These funds can be used to subsidize residential energy efficiency measures for low- and moderate- income customers, as well as retrofitting and electrifying these homes. Funding received from participation in RGGI can be used to aid low- and moderate- income residents through programs designed to provide financial assistance to help offset increased energy bills,

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<sup>2</sup> Herb, Jeanne and Marjorie Kaplan, "Field Notes: Equity and State Climate Policy," September 2019, available at: <https://drive.google.com/file/d/1mB-12SYJHQV4VjFe4OltZFfvQPdLB-cz/view> ("States and stakeholders are realizing that a transition to a low-carbon future by mid-century will require significantly increased participation of disadvantaged communities and households in the benefits of climate and clean energy programs."); See also Comments from Conservation Law Foundation on Third RGGI Program Review, available at: [https://www.rggi.org/sites/default/files/Uploads/Program-Review/2021\\_Comments/Session2/Conservation\\_Law\\_Foundation\\_Public\\_Comment\\_2021-11-29.pdf](https://www.rggi.org/sites/default/files/Uploads/Program-Review/2021_Comments/Session2/Conservation_Law_Foundation_Public_Comment_2021-11-29.pdf) and [https://www.rggi.org/sites/default/files/Uploads/Program-Review/2021\\_Comments/Session3/CLF\\_Public\\_Comments\\_2022-01-12.pdf](https://www.rggi.org/sites/default/files/Uploads/Program-Review/2021_Comments/Session3/CLF_Public_Comments_2022-01-12.pdf)

associated with including providing subsidies, paying off back-due amounts, and bringing accounts current, to low- and moderate- income customers who enroll in home weatherization, efficiency, and retrofit programs. RGGI revenues should also be invested in weatherization, energy efficiency, and retrofit measures for facilities that serve low- and moderate-income customers, including Title I schools, health clinics, food pantries, and public transit. By taking the funds received from RGGI and reinvesting them in communities most unduly burdened by lack of resources, unequal access to energy infrastructure, and who pay a disproportionate amount of their income to necessities such as utility bills, these monies can have an additive effect that will help to accelerate state and federal decarbonization goals in a just and equitable manner.

Year after year, climate scientists warn the public of the ever-increasing risks associated with climate change and the consequences of failing to limit warming to 1.5 degrees Celsius. It is known that the worst of these impacts will be borne by those who have historically shouldered the burdens associated with environmental degradation, including energy siting and pollution from dirty fossil fuel resources. Historically, BIPOC, low-income, and limited English-speaking persons have been saddled with dirty energy generation, poor air and water quality, lack of access to green space, and poor energy quality.<sup>3</sup> Accordingly, achievement of significant reductions in polluting greenhouse gas emissions is a necessary measure of equity; we must work to protect our most vulnerable populations from the severe harm they face if we fail to limit warming to 1.5 degrees Celsius. According to the IPCC, it is necessary to implement a deep, sustained, and rapid decrease in emissions of greenhouse gases. To aid in achievement of this, the RGGI program should be strengthened by lowering the RGGI cap to encourage more aggressive emissions reductions. Further, lowering the cap will increase revenues and provide funding that states can invest into clean energy programs and financial aid for energy customers who need assistance with bill payment.

One aspect of the current program review which warrants raising and should be addressed in a timely manner is the long hiatus in the Program Review process. Although several participating states have undergone important changes over the past year – including elections and legal proceedings implicating states’ participation in RGGI – for those states who remain dedicated to maintaining this successful and well-supported endeavor, timely continuation of program review is imperative.

### **Additional Modeling and Analysis Considerations**

Consistent with aggressive efforts in multiple RGGI states and at the federal level to cut greenhouse gas emissions targets and avoid or mitigate the worst impacts of climate change, the RGGI emissions cap should be designed for a trajectory reaching zero percent electric sector emissions by 2035, and the modeling and analysis must include runs and scenarios that reflect such a design. The March 29, 2023 presentation suggests potential modeling around zero by

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<sup>3</sup> See, e.g. United States Enviro. Prot. Agency Press Office “EPA Report Shows Disproportionate Impacts of Climate Change on Socially Vulnerable Populations in the United States” (Sep. 2, 2021), available at: <https://www.epa.gov/newsreleases/epa-report-shows-disproportionate-impacts-climate-change-socially-vulnerable#:~:text=Key%20findings%20of%20the%20report,to%20all%20other%20demographic%20groups>.

2040. The RGGI states should include this and other scenarios, including zero by 2035 assumptions and scenarios in the ongoing modeling.

Modeling and analysis should also include inputs and assumptions around various levels of change to the Cost Containment Reserve (CCR) and the Emissions Containment Reserve (ECR) trigger prices, and inputs and assumptions around the elimination of offsets from the RGGI program. These additions to the modeling will help RGGI, Inc. and the RGGI states better assess the impacts of modifications to these elements of the program design. In December 2021, RGGI, Inc. indicated that modeling projections will include emissions – this commitment should be fulfilled, and the projections should include emissions of carbon dioxide and of co-pollutants.

The modeling undertaken by RGGI, Inc. and the participating states should assess unit specific co-pollutant data, including avoided public health costs of reduced co-pollutants. RGGI and the RGGI states should also assess how its policy decisions will affect air quality and public health, especially in environmental justice communities. RGGI and the RGGI states should develop assumptions and modeling with the primary goal of achieving state climate mandates and reducing greenhouse gas emissions and improving air quality in environmental justice communities. These assumptions and the results of any modeling should then be used to develop guidance for RGGI member states as to the number and sites of retirements needed to reduce emissions, which in turn will be replaced with clean energy resources and distributed energy resources.

To increase the accessibility and transparency of the modeling and analysis in the Third Program Review, RGGI, Inc. and the RGGI states should provide stakeholders with all the various inputs and assumptions that feed into all modeling runs and scenarios. Without greater transparency, the modeling and analysis will continue to be a black box process that is inaccessible to interested stakeholders, including those who wish to review the modeling and those who wish to perform their own modeling of the inputs and assumptions.

## **Conclusion**

When reviewing and finalizing the inputs and assumptions to be used in modeling for the Third RGGI Program Review, equity considerations need to be at the center of all decision-making. Modeling to develop upcoming programming and auction rules must not occur in a separate silo from review of equity issues; rather, equity must be woven throughout the modeling process. Input from environmental and climate justice groups should be given significant weight. As noted above, the IPCC has urged rapid and sustained reductions in greenhouse gas emissions to limit, to the best extent possible, the impacts of climate change. Whereas these impacts will be borne mostly by our most vulnerable community members, it is imperative that we use every tool possible – including RGGI – to protect these environmental justice populations from facing additional harm.

Thank you for your time and attention to this matter. We look forward to continuing to engage on RGGI issues and working together to strengthen the RGGI Program. Please reach out to Priya Gandbhir ([pgandbhir@clf.org](mailto:pgandbhir@clf.org)) with any comments or questions arising from this letter.

*SIGNATURE PAGE FOLLOWS*

Very truly yours,

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