May 12, 2023

Andrew J. McKeon
Executive Director
RGGI, Inc.
90 Church Street
New York, NY 10007

Dear Mr. McKeon,

Thank you for the opportunity to submit comments regarding the Regional Greenhouse Gas Initiative for this third program review. The undersigned represent statewide faith communities from the states that participate in RGGI.

Every faith tradition speaks about the importance of caring for the planet. Appreciation and reverence for the beauty and bounty of the earth can be found in the scripture of every religion. In addition, all faith traditions speak of caring for poor and oppressed people, as working for justice is a key tenet of living out one’s faith. In every religion, these texts speak of not only our responsibility to care for Earth and its inhabitants, but also of the love our Creator has for the planet as well.

It is in this spirit that we, as representatives of our religious organizations, urge you to adopt new policies that will strengthen RGGI’s ability to reduce greenhouse gas emissions and aggressively address climate change, while also addressing environmental justice concerns that leave overburdened communities behind. Below are recommendations to improve the RGGI program both as a mechanism to reduce greenhouse gas emissions and as an avenue to address environmental injustice.

ADDRESS ENVIRONMENTAL JUSTICE CONCERNS

As people of faith, we are deeply concerned about justice and it is clear that, while RGGI has successfully reduced greenhouse gas emissions since its inception in 2008, those benefits have not been felt equally across communities. Overburdened communities that have larger percentages of
people of color, people with low-income, or people who are medically vulnerable, experience more severe impacts from climate change and air pollution. Changes must be made to RGGI to ensure that these communities also experience the significant benefits that RGGI offers, both in emissions reductions and air quality improvement.

**Lower the Threshold for Participation for Power Plants**

We urge the Board to lower the threshold for participating power plants to 15MW or higher. A study by the Acadia Center found that 91% of smaller power plants are located within 3 miles of a high asthma community. As you know, asthma is a significant health issue for overburdened communities and impacts every area of life. For example, asthma is the top medical reason for chronic school absence and is linked to poorer school performance. Lowering the threshold for participation to include smaller power plants would greatly improve the air quality in those communities, while also generating $26M in revenue.

**Mandate RGGI Revenue for Environmental Justice Communities**

We also urge the Board to require that at least 40% of the RGGI revenue be directed to environmental justice communities. Currently, RGGI funds are not mandated to be directed to energy or climate programs; the funds are also not mandated to address environmental justice concerns. Only New York State has this requirement; this should be extended to all the participating states. This requirement should be stable with the funding unaffected by outside actions, such as the raiding of RGGI revenue for general budget purposes. We urge RGGI to engage meaningfully to engage members of these communities, providing them with a significant role in the decision-making process.

**Implement Air Quality Monitoring and Reporting**

Finally, we urge RGGI to implement better air quality monitoring and reporting for the affected EJ communities. Air quality monitoring is lacking in both urban and rural communities and reporting is insufficient. Improvement should be made to RGGI that will allow for the public to assess whether programs targeted for environmental justice communities are meeting their stated goals.

**INCREASE CLIMATE GOALS**

**Increase the RGGI cap to match Statewide Climate Goals**

Since the current RGGI cap levels were established in 2017, participating states, such as New York and Massachusetts, have passed much more aggressive climate laws. In light of these new laws, RGGI should account for and expect the emission reductions as a result of those new mandates.

We recommend that RGGI goals be aligned with the most aggressive emission reductions and renewable energy targets established by individual states. In fact, if RGGI does not align with
the climate goals of participating states, the program not only risks undermining the ambitious climate goals of those states, but RGGI will miss an opportunity to aggressively reduce greenhouse gas emissions. A study by the Acadia Center found that tying the RGGI cap to statewide climate goals will result in significantly higher reduction of 89%-95% in greenhouse gas emissions.

**STRENGTHEN THE FINANCIAL MECHANISMS**

The pricing structures and mechanisms of RGGI are out-of-date to the point that they are verging on irrelevance and do not aggressively push for GHG reductions. As such, unless these mechanisms are updated, they will benefit the polluters more than the environment and overburdened communities.

**Increase the Emissions Containment Reserve Trigger Price**

The Emissions Containment Reserve was created assuming a lower market price. Triggering the ECR happens when the market price drops below a certain rate, resulting in withholding ten percent of allowances from the program. This reduces the number of allowances that are sold at low prices. However, the market price has remained high and the ECR has not been triggered, which means that the allowances remain in the program. We urge you to increase the ECR, which will help states achieve the aggressive emissions reductions set forth by RGGI.

**Increase the Cost Containment Reserve Trigger Price**

Similarly, we urge you to raise the price of the Cost Containment Reserve. Originally created to ensure that outside forces would not cost allowance prices to skyrocket, the CCR releases allowances when prices reach a certain point. However, the CCR trigger price is too low and the CCR is now being triggered by normal market conditions. Increasing the trigger price will better serve the purpose of the CCR of protecting the electricity market from unforeseen outside events, while also driving emissions reductions.

**Increase the Price Floor**

We urge you to increase the price floor. This mechanism was designed to ensure that allowances were not sold below a certain price, however, that price hasn’t been reached since 2012 – eleven years ago. At this point, the price floor is so low that it lacks relevance – increasing both the price and the rate of increase will do more than just keep pace with inflation, it will reflect the social cost of carbon as well.

**End Banked Allowances**

In addition, we urge you to end the policy of banked allowances, which permit polluters to store up allowances (some from when the program was started in 2008) for use in later years. These banked allowances effectively greenwash the program by making emitters appear cleaner than they are, and may lead participating RGGI states to believe that they are meeting
their goals, when in reality, the progress is only on paper. We recommend announcing a sunset date for all unused allowances from past years that are still in circulation, with the requirement that they be used within three months of the announcement. We also recommend that any future allowances sold in the future have an expiration date of 12 months from the auction date.

Thank you for the opportunity to submit these comments. While RGGI has helped make significant strides in reducing greenhouse gas emissions, more action can and must be taken for the program to realize its goals, provide benefits for communities that are already suffering, and effectively address the climate crisis.

Very best regards,

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Ron McGarvey, President, Vermont Interfaith Power & Light

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Rev. Jane Fields, Executive Director, Maine Council of Churches

Aaron Sharp, Executive Director, Delaware Interfaith Power & Light

Interreligious Eco-Justice Network inspires and equips Connecticut’s religious communities and spiritual allies to protect our planet through education, engagement, and advocacy. Interreligious Eco-Justice Network is a 501(c)3, non-profit organization.