October 2023

From: RGGI Advocates Coalition

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

Mr. McKeon,

The undersigned organizations respectfully submit the following comments in response to the Public Meeting on September 26, 2023. We appreciate the RGGI states' efforts to conduct an open and transparent stakeholder process. As we move forward, we urge RGGI Inc. to incorporate the following recommendations in the Third Program Review.

- 1. Third Program Review Timeline: We request a delay in the completion of the program review. Allowing more time for significant participation in the review process will ensure a more comprehensive and thoughtful evaluation of the program. In April of 2023, Acadia Center and the RGGI Advocates Coalition submitted <u>comments</u>. To date, issues including the environmental justice and equity considerations brought up in those comments have not been directly addressed through the RGGI stakeholder process. While we recognize the urgency in addressing climate change and the fact that this process has already extended for a considerable period, it is equally important to 'get it right' instead of rushing to completion at the expense of certain stakeholders. Rushing the completion without acknowledging our comments may not lead to the best outcome for all stakeholders involved. We propose adding another Program Review Public Meeting to the timeline in the first quarter of 2024, where the submitted comments can be addressed. Your consideration of this extension is greatly appreciated.
- 2. Ambitious Emission Reduction Targets: We encourage RGGI to consider setting the most ambitious emission reduction targets modeled during this program review. This means setting the cap to zero by 2035. Given the urgency of the climate crisis, and ambitious state goals, it is essential that the RGGI program reflect the clean energy and economy-wide decarbonization targets participating RGGI states have adopted into law. We are happy to see RGGI modeling a zero emissions cap to 2035. We believe that with an ambitious cap and the banked allowances RGGI can help states meet their climate goals.

Table 1 below outlines the clean energy and economy-wide GHG reduction targets that RGGI states have committed to in law.¹

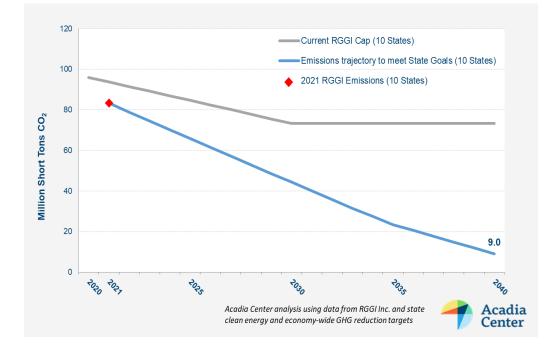


¹ Data on state-level GHG reduction goals and RPS/CES goals compiled by Acadia Center based on state law mandating clean energy and/or economy-wide GHG reduction targets achieved by a specific year. In the case of states that have executive orders that are significantly more aggressive than statute (New Jersey), those executive orders were also incorporated into the table. Center for Climate and Energy Solutions (C2ES) maintains interactive maps that summarize both state-level GHG reduction targets and RPS/CES targets. https://www.c2es.org/document/renewable-and-alternate-energy-portfolio-standards/

State	RPS or Clean Energy Target ²	RPS or Clean Energy Target Year	Economy-Wide GHG Reduction Target	GHG Reduction Target Year
Connecticut	100%	2040	80%	2050
Delaware	40%	2035	N/A	N/A
Maine	100%	2050	80%	2050
Maryland	50%	2030	Net Zero	2045
Massachusetts	80%	2050	Net Zero	2050
New Hampshire	25.2%	2025	N/A	N/A
New Jersey	100% ³	2035	80%	2050
New York	100%	2040	Net Zero	2050
Rhode Island	100%	2033	Net Zero	2050
Vermont	75%	2032	80%	2050

RGGI States Clean Energy and Economy Wide GHG Reduction Targets Adopted in Law

Figure 1 below translates these state-level clean energy and economy-wide GHG reduction laws into an aggregate, regional GHG reduction trajectory for the power sector that will be needed to comply with these laws (blue line). We recommend that, *at a minimum*, the RGGI cap and associated allowance banking rules be designed in such a way to achieve the "State Goals" power sector GHG emissions target of 9 MT CO2 by 2040. Given the presence of banked allowances and given the level of information presented during the September 26th meeting, it is difficult for stakeholders to ascertain what future RGGI cap scenario will achieve the 9 MT CO2 by 2040 target, in terms of actual emissions released from RGGI plants in calendar year 2040. We request additional modeling analysis investigating this specific point.



² The specific electricity generation resources that qualify as "renewable" or "clean" and the accounting mechanisms around renewable energy credits vary from state to state. This table is only intended to provide a high-level summary of existing state-level renewable and clean energy policies.

³ Executive Order No 315 established New Jersey's target of 100% clean energy by 2035, but the target is not adopted in statute. https://www.nj.gov/governor/news/562023/20230215b.shtml

- 3. Equity and Environmental Justice: The benefits of RGGI, from air quality improvements to job creation, must reach underserved and frontline communities. Implementing both data tracking of investments and a minimum requirement for proceeds allocation to environmental justice communities can ensure that. We recommend that the RGGI states incorporate air quality monitoring into their program review. States should increase funding and enforcement of air quality monitoring, targeting accelerated decreases in emissions at power plants that pose the largest respiratory health risk to these communities. Additionally, lower the capacity that triggers RGGI regulation to include all generating units of 15 MW or higher, and potentially even lower for co-located units, as has been recommended by the Climate Justice Alliance groups⁴. Excluding Pennsylvania and Virginia, Acadia Center found that 93% of the power plants with at least a 15-25 MW generating unit in RGGI states are in proximity to communities that above the 90th percentile for EPA's Environmental Justice Socio-Economic Indicators⁵ or High Asthma⁶. For further details, see our comments from April 2023 that go into greater detail on equity and environmental justice considerations. And for a deeper discussion and research, please refer to Acadia Center's <u>RGGI Findings and Recommendations for the Third Program Review Report</u> for maps and more detailed data.
- 4. **RGGI Dashboard**: The dashboard is a valuable tool, providing insightful information and enhancing transparency with the impact of air pollution from RGGI regulated power plants. It serves as a resource for stakeholders to access relevant data conveniently. However, it would be useful to stakeholders if data from the *map* be made available for download, as this would enable more in-depth analysis and research. We've noticed that there are two missing power plants in the current data set. The two power plants are found in RGGI COATS but not in EPA's CAMD data: Delaware City Refinery (52193) and Birchwood Power Facility (54304). It would be greatly appreciated if these issues could be addressed, as comprehensive and accurate information is essential for sound decision-making and analysis.
- 5. **CCR Market Stability**: In the Third Program review we have three suggestions for modifying the CCR. The states should: (1) Aim to substantially raise the CCR trigger price, (2) Reduce the size of CCR allowances released into the market, and (3) Only release CCR allowances if trigger price is met in consecutive auctions.
- 6. **Price Reserve and ECR:** In the Third Program Review, the states should aim to increase the ECR trigger price and aim for New Hampshire and Maine to plan to participate. Simultaneously, they should consider elevating the minimum reserve price, while also setting a more ambitious rate of increase for both the ECR and Price Reserve that closely mirrors the recent market prices observed in the auctions from the most recent years.

⁴ Northeast Environmental Justice and Climate Justice Region Wide Stakeholder Comments to RGGI, December 3, 2021, p. 6, available at: https://www.rggi.org/sites/default/files/Uploads/Program-Review/2021_Comments/Session2/CJA_Public_Comment_2021-12-03.pdf

⁵ The EPA maintains data on 7 key socioeconomic indicators in their Environmental Justice Screening and Mapping Tool (EJScreen). A power plant was defined as in proximity to an EPA EJSI community if there was any census tract within a 3-mile radius of that plant that scored above the 90th percentile in any of the seven EPA socioeconomic indicators.

⁶ The Council on Environmental Quality (CEQ) maintains a tool called the Climate and Economic Justice Screening Tool (<u>CEJST</u>). The CEQ maintains data at the census tract level on the percent of adults over the age of 18 who have been told they have asthma. A power plant was defined as in proximity to a high asthma if there was any census tract within a 3-mile radius of that plant that scored above the 90th percentile in the CEQ's asthma prevalence indicator.

We appreciate the opportunity to contribute to the Third Program Review and look forward to seeing the program continue to evolve and adapt to the changing climate landscape. We urge RGGI to consider these suggestions and to continue its vital work in addressing climate change.

Signed By,

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