

THE REGIONAL GREENHOUSE GAS INITIATIVE

An Initiative of the Northeast and Mid-Atlantic States of the U.S.

RGGI Program Review: April 20, 2017 Stakeholder Meeting

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RGGI Program Review

April 20, 2017

1:00 PM - 3:30 PM ET

Telephone: 888-337-8199

Conference ID: 489613

Webinar: participant-specific link

- Presentation materials posted at the [Program Review Meetings webpage](#)



Meeting Agenda

- 1:00 **Welcome and Meeting Procedures**
- 1:10 **IPM Modeling of Reference Case:
Overview of Assumptions and Presentation of Results**
- 2:10 **IPM Modeling of Reference Case: Questions/Comments**
- 2:40 **Policy Case Proposals: Next Steps for IPM Modeling**
- 2:55 **Policy Case Proposals: Questions/Comments**
- 3:15 **What's Next: Anticipated Outlook**
- 3:30 **Adjournment**



Next Steps for IPM Modeling

Three Policy Case Proposals

- Each to be modeled both with and without the Clean Power Plan (CPP).
- Each to be modeled without the Cost Containment Reserve (CCR) or the Emissions Containment Reserve (ECR).



Policy Scenario #1

- Annual cap reduction: 1.954 million tons
- Bank adjustment: 15 million CO₂ allowances



Next Steps for IPM Modeling: Policy Scenario #1

Policy Scenario #1			
	Base Cap	Bank Adjustment*	Adjusted Cap
2021	76,220,835	5,000,000	71,220,835
2022	74,266,455	5,000,000	69,266,455
2023	72,312,075	5,000,000	67,312,075
2024	70,357,695		70,357,695
2025	68,403,315		68,403,315
2026	66,448,935		66,448,935
2027	64,494,555		64,494,555
2028	62,540,175		62,540,175
2029	60,585,795		60,585,795
2030	58,631,415		58,631,415
TOTAL	674,261,250	15,000,000	659,261,250

*This proposal includes an adjustment of 15 million allowances, which corresponds to the amount of CCR allowances released in 2014 and 2015.



Policy Scenario #2

- Annual cap reduction: 2.275 million tons (with an initial reduction of 3.1 million tons from 2020 to 2021)
- Bank adjustment: 25 million CO₂ allowances



Next Steps for IPM Modeling: Policy Scenario #2

Policy Scenario #2			
	Base Cap	Bank Adjustment*	Adjusted Cap
2021	75,075,000	5,000,000	70,075,000
2022	72,800,000	5,000,000	67,800,000
2023	70,525,000	5,000,000	65,525,000
2024	68,250,000	5,000,000	63,250,000
2025	65,975,000	5,000,000	60,975,000
2026	63,700,000		63,700,000
2027	61,425,000		61,425,000
2028	59,150,000		59,150,000
2029	56,875,000		56,875,000
2030	54,600,000		54,600,000
TOTAL	648,375,000	25,000,000	623,375,000

*This proposal includes an adjustment of 25 million allowances, which represents an estimate of the full post-2020 bank. The estimate of 25 million assumes 2017-2020 emissions are equal to the 2017-2020 RGGI base cap, no additional CCR allowances are released, and there is 100% compliance for 2015-2020.



Policy Scenario #3

- Annual cap reduction: 2.736 million tons
- Bank adjustment: 25 million CO₂ allowances

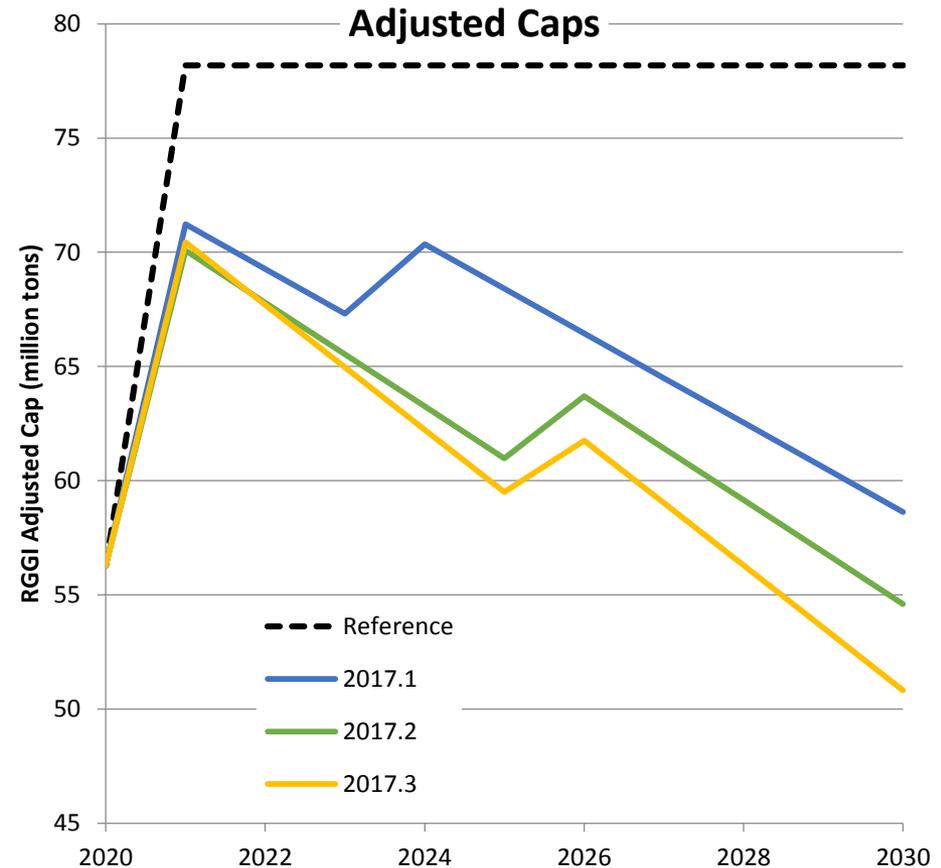
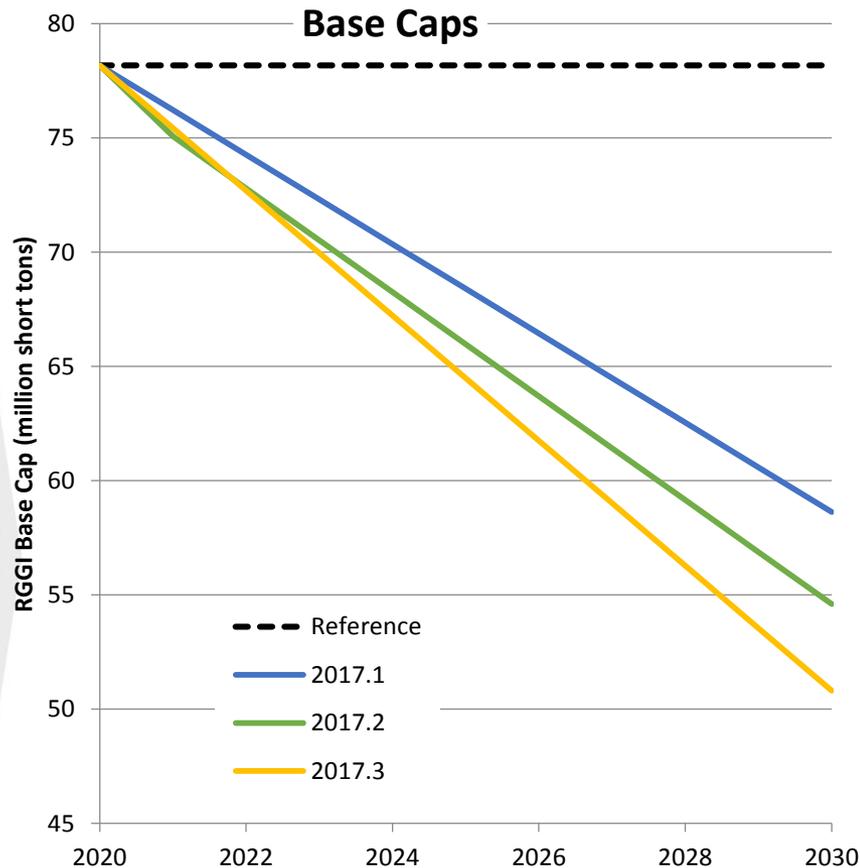
Next Steps for IPM Modeling: Policy Scenario #3

Policy Scenario #3			
	Base Cap	Bank Adjustment*	Adjusted Cap
2021	75,439,082	5,000,000	70,439,082
2022	72,702,949	5,000,000	67,702,949
2023	69,966,816	5,000,000	64,966,816
2024	67,230,683	5,000,000	62,230,683
2025	64,494,550	5,000,000	59,494,550
2026	61,758,417		61,758,417
2027	59,022,284		59,022,284
2028	56,286,151		56,286,151
2029	53,550,018		53,550,018
2030	50,813,885		50,813,885
TOTAL	631,264,835	25,000,000	606,264,835

*This proposal includes an adjustment of 25 million allowances, which represents an estimate of the full post-2020 bank. The estimate of 25 million assumes 2017-2020 emissions are equal to the 2017-2020 RGGI base cap, no additional CCR allowances are released, and there is 100% compliance for 2015-2020.



Next Steps for IPM Modeling: Policy Scenarios #1, 2, 3



Assuming a remaining bank of 25 million allowances at the end of 2020 based on the footnote on slides 8 and 10, the cumulative supply of allowances from 2020 through 2031 would be higher by up to that 25 million (less any cumulative post-2020 bank adjustment amount).



What's Next: Anticipated Outlook

- Stakeholder Engagement (early summer)
 - IPM Policy Case Modeling Results
 - Program Design Elements Proposals
- Stakeholder Engagement (late summer)
 - Final IPM Policy Scenario Modeling Results
 - Economic Analysis
 - Draft Proposed Model Rule Amendments
- Release of Model Rule Amendments

RGGI Program Design Elements

- State considerations on key RGGI program design elements were previously presented on the November 21, 2016 webinar.
- These elements included:
 - Timing of Policy Implementation
 - Reserve Price
 - Emissions Containment Reserve (ECR)
 - Cost Containment Reserve (CCR)
 - Adjustment for Banked Allowances
 - Offsets

Stakeholder Comments

- Written comments are requested by 5:00 PM ET on Thursday, April 27, 2017.
- Please send comments by e-mail to info@rggi.org.
- Written comments will be posted on the [Program Review webpage](#).



Thank you!

