Nicole Singh, Executive Director  
RGGI, Inc.  
90 Church Street, 4th Floor  
New York, NY 10007  

May 12, 2016

Dear Ms. Singh and RGGI States:

Thank you for this opportunity to provide comments as the RGGI member states consider various issues within the context of the 2016 program review. RGGI states have an opportunity to make significant progress toward the goal of reducing economy-wide greenhouse gas emissions in the range of 35-45% by 2030 and 80% by 2050. Reaching these goals will not be possible through climate pollution reductions in the electricity sector alone since, in Vermont, the electric sector emits the smallest portion of total GHG emissions. Only by capping additional sources in other other sectors of the region’s economy can carbon dioxide emissions be reduced to meet those aggressive goals.

We see the urgent need for federal action to reduce GHG emissions while recognizing the polarized political climate in the U. S. federal and state legislatures. Indeed, RGGI states are already experiencing the impact of climate change. They have been subjected to extreme precipitation events that surpass that of any other region in the nation. According to the National Climate Assessment the Northeast has seen a 70% increase in the amount of precipitation falling in the heaviest 1% of events between 1958 and 2010. Recent massive tropical storms, in the RGGI region, ravaged portions of Vermont, New York City, New Jersey and Connecticut. Hurricane Sandy killed 75 Northeast residents and caused $60 to $80 billion in damage.

RGGI offers the best hope of avoiding similar and worsening climate events. Its member state regulators have the means to enforce significant reductions of GHG emissions. Legislative initiatives such as a tax on carbon-based fuels proposed in the Vermont General Assembly, in 2016, are subject to fierce industry and citizen opposition to raising fuel prices while the RGGI process relies upon federal mandates such as the recent EPA Clean Power Plan to reduce pollution nationwide. States failing to comply will incur economic penalties. The particular value, from a programmatic approach, of the RGGI program is that it provides an off-the-shelf model well-aligned with the goals and structure of the CPP.

Vermont Energy Investment Corporation shares that value with RGGI members. As our Committee advocates for RGGI to expand its reach to include petroleum fuels we see an opportunity, in this 2016 review, to encourage member States to harmonize basic programs such as low income weatherization, LIHEAP, net metering, transfer of vehicle fleet to electric to assure no State is unfairly disadvantaged. Use VEIC as a model RGGI can utilize to educate regulatory agencies on administrative procedures needed to operate energy efficiency programs when available funding could be several billion dollars if a CO2 cap on petroleum-based fuels is included.

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Using US Department of Energy, Energy Information Agency 2014 data on RGGI States’ consumption of heating oil, kerosene and natural gas, they emitted 94.8 million tons of carbon dioxide as well as soot, fine particles, ozone precursors. RGGI States’ 2014 gasoline consumption emitted 146,846,120 tons of CO2 (11% of U.S. total). Simply combining them and capping with 5% annual reduction would yield 12 million tons of allocations auctioned at $20 per ton for energy efficiency investments in homes and businesses. That is a quarter of a billion dollars in its first year devoted to lowering energy bills by using less fuels.

Lowering energy bills by using less fuels…isn’t that our only realistic response to global warming. Considering public health and environmental benefits to using less petroleum products that emit a chemical soup of aerosols is justification for expanding the RGGI climate change initiative to include a CO2 cap on petroleum fuels. That will be the largest available source of energy efficiency funding State legislatures will not have to appropriate.

Our Committee urges RGGI to utilize the academic and analytical strength of the region’s world-class colleges and universities. Challenge students and faculty to contribute to the modeling and drafting of petroleum CO2 cap. NESCAUM is a valuable resource for RGGI because it is currently involved in sorting out the Northeast response to the CPP. It can quantify the CPP compliance contribution energy efficiency retrofit investments will make to the GHG emission reductions requirement.

Vermont low income households pay more than 25% of their income to heat their dwellings. While the State is committed to an aggressive program to weatherize about 27,000 homes, it is nowhere near reaching that goal and budget cuts are making it nearly impossible. VEIC is a proven leader in the new industry and should be operating with a budget twice as large.

We urge RGGI to take up this matter of capping petroleum fuel CO2 emissions in the name of energy justice.

John L. McCormick  
Executive Director  
Louise Diamond Committee to Protect Next Generations