Stakeholder Comments on the RGGI Program Review
Waterkeepers Chesapeake
Maryland Environmental Health Network

We welcome the opportunity to submit joint stakeholder comments on the Regional Greenhouse Gas Initiative (RGGI) program review. Both Waterkeepers Chesapeake (WKC) and the Maryland Environmental Health Network (MdEHN) appreciated the chance to participate in the May 27th Stakeholder Meeting, and look forward to staying engaged in the process as Maryland and other states consider next steps for RGGI's implementation.

We applaud RGGI states for cutting power sector CO2 emissions by 45% while maintaining strong economic growth throughout the region. Maryland, in particular, has used more than $500 million generated by the program for residential, agricultural, and community-based energy efficiency projects, lower electric bills for consumers, and training for jobs in the renewable energy sector. Grants provided from RGGI proceeds have also been important for low-income families who need financial assistance to make home energy efficiency improvements and pay their electric bills. Maryland should continue its participation in RGGI, a program with clear environmental and economic benefits.

I. RGGI States Should Model a 5% Annual Cap Reduction from 2021 through 2030

In addition to modeling a 2.5% annual cap reduction and the minimum reduction needed to comply with the Clean Power Plan (CPP), RGGI states should also model a reduction in the cap of 5% per year. In 2013, emissions were falling forty percent below the RGGI cap, making the program effectively non-binding.[1] The two planned models will provide useful information for strategies going forward, but they will likely undermine the current emissions trajectory in RGGI states and will prevent states from meeting economy-wide greenhouse gas (GHG) emissions targets for 2030. A 5% annual cap reduction would fall in line with the current emissions trajectory of RGGI states and ensure that RGGI states meet their 2030 climate targets. For these reasons, along with the fact that states tested four models in the 2012 program review cycle, we recommend that states consider a wider range of realistic modeling scenarios, including a 5% annual cap reduction. A wider range of modeling scenarios will ensure that RGGI states are not missing out on additional benefits they could be incurring.

A 5% annual cap reduction, unlike the 2.5% cap or the minimum CPP cap, will take into consideration one of the most critical design flaws of the RGGI program: emissions leakage. According to the Congressional Research Service,

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[1] Marc Legrand, *The Regional Greenhouse Gas Initiative: Winners and Losers*, Columbia Journal of Environmental Law (April 24, 2013) <http://www.columbiaenvironmentallaw.org/articles/the-regional-greenhouse-gas-initiative-winners-and-losers >

emissions leakage “remains unresolved” and “could undermine the effectiveness of the RGGI program.[2] Any CO2 emissions reductions achieved through RGGI will be offset by emissions leakage, when power is imported from states, like New Jersey, that are not utilizing CO2 emission limits for power generation.[3] A higher annual cap, such as 5%, takes into account the fact that states have not figured out an effective means to resolve the problem of emissions leakage. We encourage states to engage in a collaborative effort to address issues of emissions leakage, identify and analyze possible tracking and legal tools for imports from non-RGGI states.

We respectfully request that RGGI states model a 5% annual cap reduction prior to the June 17th webinar in Maryland.

II. Develop and Support Additional Offsets through Strategic Energy Investment Fund Revenues

We applaud RGGI states for using RGGI funds for improved residential and community-based energy efficiency, reduced greenhouse gas emissions, financial assistance for low-income consumers, and training for renewable energy sector jobs. While these goals are important, we support expanding the use of RGGI funds for a wider range of projects that have been proven to reduce carbon in our atmosphere, such as using agricultural lands for carbon sequestration. We also hope that RGGI states will re-evaluate the effectiveness of their programs to assist low-income families in paying their electric bills – a large number of low income families in the northeast region are paying more than $200 a month for electricity, even though the median electricity bill is $114 a month.[4]

Finally, compliance measures must be in place to ensure that RGGI revenues go towards energy related projects that fit with RGGI’s goals. At least three states have used RGGI funds for budget deficits, instead of energy related projects.[5]

III. Increase Meaningful Public Input from Environmental Justice Communities

In developing, implementing, and enforcing energy-related laws and policies, we believe in the fair treatment and meaningful involvement of all individuals, regardless of socio-economic status or race. We support the requirements under the CPP that guarantee meaningful participation from low-income communities

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[2] Congressional Research Service, *The Regional Greenhouse Gas Initiative: Lessons Learned and Issues for Congress*, (April 27, 2016) < https://www.fas.org/sgp/crs/misc/R41836.pdf>
[3] Joseph Allan MacDougald, *Why Climate Law Must Be Federal: The Clash Between Commerce Clause Jurisprudence and State Greenhouse Gas Trading Systems*, 40 Conn. L. Rev. 1431, 1437 (2008)
[4] Patrick Sabol, *From Power to Empowerment: Plugging Low Income Communities into the Clean Energy Economy,* Groundswell Report <http://groundswell.org/frompower_to_empowerment_wp.pd>
[5] Mireya Navarro, *States Diverting Money From Climate Initiative*, The Washington Post (Nov. 28, 2010) <http://www.nytimes.com/2010/11/29/nyregion/29greenhouse.html?_r=0>

and communities of color. For much too long, these communities have experienced a disproportionate share of pollution from power plants – meaning a disproportionate share of the environmental and health hazards associated with power generation, and unequal access to the decision making process for energy related policies. To ensure that environmental justice communities have notice of important meetings related to energy projects, states will have to conduct research on the most effective ways of increasing public input from these communities. We commend the Maryland Department of the Environment and the Maryland Commission on climate Change for seeking input from the Maryland Commission on Environmental Justice and Sustainable Communities to identify areas of the state particularly vulnerable to climate change and encourage further outreach to those communities. Supporting multiple languages, making announcements at community meetings, engaging community leaders, posting notice on a number of news media and online outlets, and creating visually engaging images are just a few ways RGGI states could increase public input from overburdened and underserved communities.

In addition to increased participation in the process, environmental justice should be a tenant in the implementation of RGGI funds. It is important that everyone (including renters) should have access to energy efficiency benefits. We understand that it is more difficult for renters, especially those with less than attentive landlords, to access free energy audits and upgrades. As we consider allocation of funding to energy efficiency programs, which we strongly encourage, we hope that MDE and the PSC, with private and non-profit partners, will work to make these programs more accessible to hard-to-reach populations.

IV. Include Considerations of Health Co-Benefits

When calculating overall benefits accrued from RGGI, please take into account health benefits, including health cost savings. As carbon pollution decreases, so do co-pollutants like sulfur dioxide and particulate matter, which are major health threats. As we see fewer asthma hospitalizations from air pollution, we should monetize these benefits and calculate those health cost savings into overall decision-making processes.

Thank you for your time and consideration.

Sincerely,

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Sincerely,

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