

Kimberly A. Scarborough
Environmental Policy Manager - Air

PSEG Services Department
80 Park Plaza, T-17, Newark, New Jersey 07102-4194
tel: 973.430.7030 fax: 973.565.0525
kimberly.scarborough@pseg.com



July 20, 2017

Regional Greenhouse Gas Initiative, Inc.
90 Church Street, 4th Floor
New York, NJ 10007

Re: REGIONAL GREENHOUSE GAS INITIATIVE 2016 PROGRAM REVIEW STAKEHOLDER MEETING

PSEG Services Corporation, on behalf of PSEG Power, LLC (collectively "PSEG") hereby submits the following comments regarding the Regional Greenhouse Gas Initiative request for further input on the issues raised at the 2016 Program Review stakeholder meeting held in New York City on June 27, 2017. We appreciate the opportunity for continued participation in the stakeholder outreach process.

The materials distributed for the June 27 meeting indicated that the RGGI States "leaning" to allow the individual States to choose whether to accept offsets. PSEG believes that a patchwork of offset programs across the RGGI States would be disorienting, create unnecessary market uncertainty, and could create competitive disadvantages from one State to another.

In addition, the RGGI States are "leaning" to disallow offsets from SF₆ reductions and reductions from building energy efficiency programs. Eliminating these categories could deprive electric utilities of revenue from repair and replacement projects that reduces SF₆ emissions. Given RGGI's goal to reduce greenhouse gas emissions, we believe RGGI should support the reduction of SF₆ emissions, one of the most potent greenhouse gases.

In the same vein, energy efficiency projects are the most cost-effective ways to reduce greenhouse gases. Energy efficiency represents an enormous investment opportunity. The customers who could benefit most from energy efficiency cost savings are often the ones least able to make the up-front financial commitment. The hurdles to such investments vary, ranging from a lack of energy expertise and awareness, limited access to capital or credit, difficulty finding technical assistance and/or qualified contractors, to skepticism about the payback and competing priorities for investment dollars. Public policy and well-designed programs can help overcome these hurdles and unleash the potential for energy efficiency. Therefore, PSEG believes the RGGI States should continue to allow offsets from building energy efficiency projects.

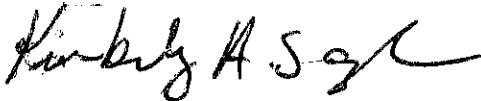
PSEG believes that electrification of the transportation sector is necessary to achieve significant reductions in greenhouse gases, as transportation represents a significant portion of RGGI region emissions and the region has not yet adopted policies to curtail these emissions. Significant air

quality and health benefits could also be achieved with such reductions. Accordingly, RGGI states should aggressively advance vehicle electrification by allowing electric vehicles and/or charger installations to generate offsets as well as using RGGI auction revenues to incent their adoption.

Finally, PSEG supports the expansion of RGGI to new states. PSEG recommends an open and transparent process when establishing any new state's baseline and future cap in order to avoid unintended and unforeseeable market disruptions.

Thank you for your consideration of our comments. Please feel free to contact me if you any questions or need further information regarding our suggested changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly A. Scarborough". The signature is fluid and cursive, with a long horizontal stroke at the end.

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