

[Maryland, RGGI States to Strengthen Emissions Cap](#)

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Governor Larry Hogan Praises Bipartisan Nine-State Agreement to Reduce Carbon Pollution Cap by 30% from 2020 to 2030

ANNAPOLIS, MD – Governor Larry Hogan announced today that Maryland and the eight other states in the Regional Greenhouse Gas Initiative (RGGI) have agreed to reduce the program’s carbon pollution cap by 30 percent from 2020 to 2030. This multi-state initiative will continue the Hogan administration’s longstanding commitment to improving air quality standards while growing Maryland’s economy.

“Maryland is committed to finding real bipartisan, common sense solutions to protect our environment, combat climate change, and improve our air quality,” said Governor Hogan. “By working together, we are showing that it is possible to find consensus to protect our natural resources, promote clean energy, and grow our economy for current and future generations.”

The program’s regional carbon cap will decline by 2,275,000 tons every year starting in 2021, yielding a total reduction of 22,750,000 tons from 2021-2030, or 30 percent of the 2020 cap. In addition, the states will implement a new mechanism called the Emissions Containment Reserve (ECR). The ECR will achieve additional greenhouse gas emission reductions, if it proves cost-effective to do so, by reducing the cap by as much as 10 percent in any year if RGGI allowance prices fall below predetermined levels.

“Maryland is proud of the teamwork among states to achieve consensus for a stronger and broader, balanced and sustainable RGGI,” said Maryland Environment Secretary Ben Grumbles, who also served as Secretary and was recently elected to serve as Treasurer of the RGGI, Inc. Board of Directors. “This consensus agreement is a win for both our environment and our economy. We are particularly enthusiastic about the climate progress we will make through the 30 percent reduction in the emissions cap and the innovative new Emissions Containment Reserve.”

“Today’s announcement illustrates Maryland’s continued commitment to leading by example and demonstrating that economic and climate initiatives are not mutually exclusive. Our ratepayers’ investment in this groundbreaking program continues to reap significant economic, environmental, and health benefits, while serving as a cost-effective, market-based mechanism to reduce carbon pollution,” said Maryland Public Service Commission Chairman W. Kevin Hughes.

The states in RGGI also will begin a bank adjustment in 2021, which will reduce the planned caps from 2021 through 2025 by the full amount of extra allowances remaining in circulation at the beginning of 2021. The proposal will also reaffirm an important safeguard for consumers, the Cost Containment Reserve, while raising its price triggers to ensure that it only releases additional allowances when costs are significantly higher

than expected, and reducing the number of allowances it can release to be equal to 10 percent of the regional cap. Additional details about the proposed changes are at www.rggi.org/news.

The regional compact complements other important climate-related efforts within the state. For example, Governor Hogan enacted the Greenhouse Gas Emission Reduction Act of 2016, which will reduce Maryland's greenhouse gas emissions by 40 percent by 2030, while also supporting a healthy economy and creating new jobs. Governor Hogan also enacted legislation to expand and support the Maryland Climate Change Commission in 2015 and proposed and signed the Clean Cars Act of 2017 to boost the state's efforts to encourage the use of electric vehicles.

In addition to Maryland, the eight other mid-Atlantic and northeastern states in RGGI are Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. RGGI is the first mandatory market-based program in the U.S. to reduce greenhouse gas emissions.

Maryland will host a public meeting with other RGGI states and stakeholders on September 25 at the Maryland Public Service Commission offices in Baltimore about the draft program elements. More detailed materials describing the proposed program elements will be available before that meeting via the Maryland Department of the Environment.

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