

Customer Bill Analysis

Analysis Group, Inc.
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Methodology

- Analysis Group calculated consumer bills under the RGGI program update and status quo policies for different state policy and reinvestment scenarios over the 2028-2037 modeling period:
 - ICF modeled wholesale electricity prices and allowance proceeds for the RGGI program update and status quo policies. The status quo policy assumes that RGGI allowance prices equal a volume-weighted average of the twelve most recent auctions.
 - AG collected state-level data from EIA on electricity consumption and transmission and distribution (T&D) rates by customer class. We use ICF's state-level projections of load growth to model changes in electricity consumption over the modeling period.
 - We model the net bill impacts of changes in wholesale electricity prices on state-level indexed renewable energy credit (REC) payments.
 - We model two state policy scenarios. Case A assumes that only currently contracted renewables are brought online, and Case B assumes that all on-the-books state policies are in effect over the modeling period.
 - Using state-level projections of proceeds reinvestment, we model three reinvestment scenarios:
 1. No reinvestment;
 2. Bill assistance only, and;
 3. Bill assistance, energy efficiency spending, and beneficial electrification.

Results

1. Adopting the program update would not increase electricity bills compared to the current price environment and may even result in slight savings.
2. Bill impacts are small in magnitude (under $\pm 1\%$) across modeled scenarios even prior to considering the reinvestment of auction proceeds (accounting for reinvestment further attenuates bill impacts).
3. Bill impacts from the program update are not significantly driven by success of other state decarbonization policies – successful state decarbonization results in greater bill savings, but slower decarbonization does not result in bill increases.

RGGI Average Bill Impacts

Case A*

Monthly Bill - No Reinvestment of RGGI Proceeds				
Customer Class	Case A (Policy Scenario)	Case A (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$96.26	\$95.86	\$0.40	0.41%
Commercial	\$618.40	\$614.82	\$3.58	0.57%
Industrial	\$9,055.15	\$8,994.51	\$60.64	0.66%

Monthly Bill - Projected State-Level Bill Assistance				
Customer Class	Case A (Policy Scenario)	Case A (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$96.07	\$95.77	\$0.30	0.31%
Commercial	\$616.61	\$613.93	\$2.68	0.42%
Industrial	\$9,047.86	\$8,990.89	\$56.97	0.62%

Monthly Bill - Projected State-Level Bill Assistance, Energy Efficiency Spending, and Beneficial Electrification Spending				
Customer Class	Case A (Policy Scenario)	Case A (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$95.15	\$95.31	-\$0.16	-0.20%
Commercial	\$608.31	\$613.93	-\$5.61	-0.99%
Industrial	\$8,897.79	\$8,990.89	-\$93.10	-1.14%

Case B*

Monthly Bill - No Reinvestment of RGGI Proceeds				
Customer Class	Case B (Policy Scenario)	Case B (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$97.90	\$98.49	-\$0.59	-0.61%
Commercial	\$611.65	\$616.96	-\$5.32	-0.88%
Industrial	\$9,533.59	\$9,611.21	-\$77.62	-0.84%

Monthly Bill - Projected State-Level Bill Assistance				
Customer Class	Case B (Policy Scenario)	Case B (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$97.84	\$98.42	-\$0.58	-0.61%
Commercial	\$611.08	\$616.30	-\$5.22	-0.86%
Industrial	\$9,531.25	\$9,608.46	-\$77.21	-0.84%

Monthly Bill - Projected State-Level Bill Assistance, Energy Efficiency Spending, and Beneficial Electrification Spending				
Customer Class	Case B (Policy Scenario)	Case B (Current RGGI Price)	Monthly Difference (\$2022)	Percent Difference
Residential	\$97.53	\$98.06	-\$0.52	-0.55%
Commercial	\$608.34	\$613.03	-\$4.69	-0.79%
Industrial	\$9,479.44	\$9,546.32	-\$66.88	-0.75%

Notes: All results are load-weighted.

* Case A and Case B represent different sets of assumptions regarding clean energy deployment. More information can be found here:

https://www.rggi.org/sites/default/files/Uploads/ProgramReview/2024/Third_Program_Review_Update_9-23-2024.pdf

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