

## RGGI Kicks off 2012 Program Review In September

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RGGI administrators announced today that the first in a series of meetings to discuss whether member states should tighten their greenhouse gas caps will take place on Sept. 19 in New York.

The 2012 program review is expected to examine the Regional Greenhouse Gas Initiative's (RGGI) successes and operations, whether it can achieve additional emission reductions, and whether it has caused higher emissions outside its 10 member states' borders.

Businesses and market participants hope the nine participating northeast US states will choose to [tighten the program's cap](#) during its second control period, which will run from 2012 to 2014.

Because of a drop in GHG emissions due to the economic recession, the electric sector carbon market is oversupplied with allowances, leading to low prices that many believe aren't encouraging a transition to cleaner fuel sources in the region.

At recent auctions, RGGI allowances have [cleared at the lowest price allowed](#), and trading in the secondary market has been sluggish.

In preparation for the review, RGGI states have already published a whitepaper on emissions reductions from 2005 to 2009 and held two stakeholder meetings.

In the fall, the nine states expected to participate in the program going forward will initiate preparations for macroeconomic modeling.

In January 2012, the states will hold at least one stakeholder meeting to receive comments on the assumptions for macroeconomic modeling as well as other elements of the program, with the modeling to commence soon after.

In spring 2012, the states will assemble a comprehensive set of recommendations for each state to consider and present those recommendations to stakeholders.

After receiving comments on the recommendations, states will initiate their own individual public processes, which may include legislative or rulemaking processes, with changes to the RGGI program effective during the second control period of 2012-2014.

Currently, RGGI's 10 member states have agreed to reduce their electric sector GHG emissions 10 percent by 2018.

In May, New Jersey's Republican Governor Chris Christie announced that his state will [withdraw](#)

[from the program](#) by year's end.

Program administrator RGGI Inc. said it is operating under the assumption that only nine states will participate in the second compliance period.

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