

FOR IMMEDIATE RELEASE

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RGGI States Make Major Cuts to Greenhouse Gas Emissions from Power Plants

Approach Serves as a National Model for Addressing Climate Change

States Release March 5, 2014 CO₂ Allowance Auction Notice

NEW YORK, NY— Having completed revisions to their state CO₂ Budget Trading Programs, the nine states participating in the Regional Greenhouse Gas Initiative (RGGI) today announced that the 2014 RGGI cap is 91 million tons. This represents a 45 percent reduction to the RGGI CO₂ cap. To further build on this progress, the RGGI cap will decline 2.5 percent each year from 2015 to 2020. By 2020, power plant CO₂ pollution in the nine RGGI states is projected to be half of 2005 levels.

The first CO₂ allowance auction under the new cap, and the twenty-third RGGI auction overall, will take place on March 5, 2014. The RGGI states released the Auction Notice for CO₂ Allowance Auction 23 today.

Having strengthened their successful carbon pollution reduction program, the RGGI states have submitted extensive [comments](#) to the United States Environmental Protection Agency (EPA) describing why regional cap-and-trade programs, like RGGI, offer a simple, cost-effective way for states to comply with upcoming EPA regulations to cut CO₂ pollution from existing power plants.

“RGGI has once again proven that state leadership provides the laboratory for innovation,” said Kenneth Kimmell, Commissioner of the Massachusetts Department of Environmental Protection and Chair of the RGGI, Inc. Board of Directors. “RGGI is a cost-effective and flexible program that can serve as a national model for dramatically reducing carbon pollution for other states throughout the nation.”

“RGGI’s market-based program takes a key step forward with the implementation of these 2014 program changes,” said Commissioner Daniel C. Esty of Connecticut’s Department of Energy and Environmental Protection and Vice-Chair of the RGGI, Inc. Board of Directors. “The cap reduction and accompanying RGGI program improvements will help ensure RGGI’s continued effectiveness – strengthening its position as a carbon pollution reduction model for the nation.”

“The RGGI cap reduction, along with other changes to the program, will help the RGGI states further reduce carbon emissions while fueling clean energy economic development by funding investments in energy efficiency and renewable energy,” said Collin O’Mara, Secretary of the Delaware Department of Natural Resources and Environmental Control and Vice-Chair of the

RGGI, Inc. Board of Directors. “Last year, each of the nine states pledged to propose regulatory changes to lower the cap. Each state stepped up to the plate and got the job done.”

First Interim Adjustment for Banked Allowances

In conjunction with the release of the Auction Notice, the RGGI states are announcing the first of the interim adjustments to the RGGI cap. This adjustment will help account for the private bank of allowances held by market participants before the new cap was implemented.

The RGGI states include two interim adjustments to the RGGI cap to account for banked allowances. The first control period interim adjustment for banked allowances is a reduction to the RGGI cap equivalent to the private bank of first control period allowances (2009-2011). The adjustment is applied to each state’s annual CO₂ allowance budget for 2014-2020.

The first control period adjustment is 57.4 million allowances and the adjustment to the RGGI cap for 2014 is 8.2 million. The 2014 RGGI adjusted cap for the nine-state region is 82.8 million.

The RGGI states are scheduled to announce the second control period interim adjustment on March 17, 2014. The second adjustment is applied to each state’s annual CO₂ allowance budget for 2015-2020.

Additional details are provided in the First Control Period Interim Adjustment Announcement available at <http://www.rggi.org/docs/FCPIABA.pdf>.

Auction 23 Notice

The Auction Notice for CO₂ Allowance Auction 23 provides potential auction participants with the information needed to submit a Qualification Application and intent to bid in Auction 23. As indicated in the Auction Notice for CO₂ Allowance Auction 23, the states will offer for sale 18.6 million CO₂ allowances. The states will use a reserve price of \$2.00 for the March auction.

There will also be a five million allowance cost containment reserve (CCR) available for this auction. This reserve will be accessed if the interim clearing price exceeds the CCR trigger price of \$4.00.

Auction 23 Details	
Key Dates	<ul style="list-style-type: none">• January 14: Prospective Bidder Webinar Materials available• January 15: Prospective Bidder Webinar (2:00-3:00 PM ET)• January 21: Prospective Bidder Webinar Recording available• January 28: Intent to Bid and/or Qualification Application Due by 5:00 PM ET• February 26: Financial security due by 5:00 PM ET• March 5: Auction 23 (9:00 AM - 12:00 PM ET)• March 7: Auction results posted to www.rggi.org

The January 15, 2014 prospective bidder webinar is a free, public webinar, but registration is required. Visit <https://www3.gotomeeting.com/register/599582246> to register for the webinar. Additional registration details are available at www.rggi.org/docs/Auctions/23/Auction_23-Webinar-Instructions.pdf. Further details on the auction are provided in the Auction Notice for CO₂ Allowance Auction 23 available at http://www.rggi.org/market/co2_auctions/information.

About the Regional Greenhouse Gas Initiative

The Northeast and Mid-Atlantic states participating in the second RGGI control period (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) have implemented the first mandatory market-based regulatory program in the U.S. to reduce greenhouse gas emissions. The 2014 RGGI cap is 91 million short tons. The RGGI cap then declines 2.5 percent each year from 2015-2020.

RGGI is composed of individual CO₂ budget trading programs in each state, based on each state's independent legal authority. A CO₂ allowance represents a limited authorization to emit one short ton of CO₂, as issued by a respective state. A regulated power plant must hold CO₂ allowances equal to its emissions to demonstrate compliance for each three-year control period. RGGI's second control period began on January 1, 2012 and extends through December 31, 2014. For more information visit www.rggi.org

About Regional Greenhouse Gas Initiative, Inc.

Regional Greenhouse Gas Initiative, Inc. (RGGI, Inc.) was created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative. RGGI, Inc. is a 501(c)(3) nonprofit organization. For more information, visit: www.rggi.org/rggi.

The RGGI auctions are administered by RGGI, Inc. and run on an on-line platform provided by World Energy Solutions, Inc.

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