



November 30<sup>th</sup>, 2010

Regional Greenhouse Gas Initiative, Inc.  
90 Church Street, 4th Floor  
New York, NY 10007  
Sent by email to: [info@rggi.org](mailto:info@rggi.org)

**Re: Comments on Issues Relating to Modeling and the 2012 Program Review**

Dear RGGI Agency Heads and Staff,

On behalf of the state organizations that are members of the Environment America federation in the Northeast and Mid-Atlantic states<sup>1</sup> we welcome the opportunity to offer comments on the modeling and other issues relating to the 2012 review contained in the RGGI memorandum of understanding (MOU). The Governors, environmental and energy agencies and Legislatures in the RGGI states deserve tremendous credit for having created this program.

The RGGI program is the first mandatory cap and auction program. All of the states participating in the program committed to auctioning all or most 100 percent of their pollution allowances and investing the revenues in measures that will help achieve the goals of the program at the lowest cost, such as helping citizens and businesses save energy, and promoting renewable energy. For the most part, states have held to their commitment to reinvesting in the goals of the program.

RGGI also has a well designed program for ensuring the integrity of offsets so that the public can be confident that emission reductions from outside the power sector are real, surplus, verifiable, permanent and enforceable. The transparency of the program's auction program is also worth noting. There has been an effective allowance tracking mechanism and the market monitoring program is designed to prevent gaming or manipulation of the system.

As you know, the emissions in the region have fallen well below the levels predicted several years ago, so the cap must be tighter to create sufficient certainty for investors in clean energy and energy efficiency measures. Additionally, the latest argues we need to be getting much greater reductions.

With 2012 rapidly approaching, Environment America strongly urges you to substantially adjust the original cap below the current levels. Accordingly, we urge you to 1) ratchet down the cap to start at actual 2009 emissions of 123.7 tons rather than those projected in 2005; 2) based on that

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<sup>1</sup> *Environment Maine, Environment New Hampshire, Environment Massachusetts, Environment Rhode Island, Environment Connecticut, Environment New York, Environment New Jersey, and Environment Maryland.*

baseline, establish RGGI reduction targets of 20% by 2020 and 40% by 2030; and 3) further adjust the cap to account for the large volume of already banked allowances.

We also ask that you investigate other ways to tighten the cap, including expanding the cap to other sectors and investigating opportunities to link with other greenhouse gas emissions programs being developed in other regions (WCI and MGA).

As you develop your modeling strategy and the scenarios to model, we urge you to:

- 1) Include the cap levels we suggest above,
- 2) Consider the impacts of the local, state and federal energy policies that are in the pipeline, including; building codes, utility energy efficiency programs, renewable energy standards and other mandatory policies that will lead to reduced emissions from the power sector,
- 3) Do economic analyses, such as REMI modeling, so that that the macro-economic benefits can be identified, and
- 4) Calculate the value of the environmental and public health benefits of the program.

RGGI has laid the groundwork for a true clean energy transition in the region that will make the RGGI states well-positioned to meet the environmental and economic challenges we'll face in the coming decades. We look forward to working with state officials and key stakeholders to build on the program's successes and to secure even greater environmental and economic benefits for the region in the second phase of the program.

Please do not hesitate to contact me if you have any questions.

Sincerely,

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