

THE REGIONAL GREENHOUSE GAS INITIATIVE

An Initiative of the Northeast and Mid-Atlantic States of the U.S.

January 26, 2018 Stakeholder Meeting

www.rggi.org



Meeting Agenda

- 12:30 **Welcome and Meeting Procedures**
- 12:40 **REMI Modeling of Model Rule Policy Scenario: Overview of Assumptions and Presentation of Results**
- 1:25 **REMI Modeling of Model Rule Policy Scenario: Questions/Comments**
- 1:45 **Virginia Executive Directive 11 and Proposed Carbon Dioxide Trading Program Regulation: Presentation**
- 2:00 **Virginia Executive Directive 11 and Proposed Carbon Dioxide Trading Program Regulation: Questions/Comments**
- 2:15 **Potential Virginia Participation in RGGI: Presentation of Considerations**
- 2:30 **Potential Virginia Participation in RGGI: Questions/Comments**
- 3:00 **Adjournment**



Potential Virginia Participation

- The RGGI states have been reviewing Virginia's draft proposed regulation and believe it appears consistent with the RGGI program in a number of key ways.
- The RGGI states have noted the benefits of a broader trading market in improving economic efficiency, provided that program design is compatible across the market.
 - Key considerations include comparable stringency, as well as consistency with the RGGI improvements announced as an outcome of the program review process.
- The RGGI states now seek insights and feedback from stakeholders on the implications of Virginia's potential participation in RGGI and how to optimize compatibility between Virginia's proposed regulation and the 2017 RGGI Model Rule established through program review.
- Note that while the RGGI states seek feedback specifically about compatibility of the two programs, any recommended changes on Virginia's proposed regulation should be submitted through Virginia's state-specific process.



Use of Consignment Auction

- ◆ Virginia has proposed that compliance entities will consign allowances to auction.
 - Are there any clarification questions on the consignment auction proposal?
 - What factors would need to be considered to integrate the proposed consignment auction with the existing RGGI process?
 - In particular, the RGGI states are considering how the integration of Virginia's consignment process might interact with the CCR, ECR, and reserve price.



Market Dynamics

- Virginia would have a relatively large number of compliance entities with significant emissions under common ownership.
- These entities would comprise a relatively significant portion of the overall regional compliance obligation.
 - Are there any concerns as to how this might affect auction participation and market dynamics?
 - What benefits might there be to having additional participation?



Regulated Power Sector

- Virginia has a regulated power sector, while most RGGI states have a deregulated power sector.
- What considerations specific to regulated entities should the RGGI states be aware of?

Other?

Questions / Comments



Stakeholder Comments

- Written comments are requested by 5:00 PM ET on Friday, February 9, 2018.
- Please send comments by e-mail to info@rggi.org.
- Written comments will be posted on the <http://www.rggi.org/design/meeting-new-participation>.

Thank you!

