

Environment America Federation Comments on RGGI Program Review

February 19, 2016

We are pleased to submit the following comments on the Program Review for the Regional Greenhouse Gas Initiative; on behalf of the Environment America Federation organizations in the Northeastern and Mid-Atlantic states, and the hundreds of thousands of members, supporters and activists we represent across the region. Thank you for providing the opportunity to provide input following the February 2 stakeholder meeting held in Delaware.

These comments supplement the feedback of the broader advocacy community on the reference case and proposed modeling scenarios, submitted separately with our support. Here, we aim to provide high-level perspective on why we believe the Regional Greenhouse Gas Initiative should aim for a more ambitious cap level in 2030 of 40 million tons of carbon pollution, or less.

In particular, we focus on the implications of the Paris Agreement – a new development since the last Program Review meeting in November 2015 – and on the role of cleaning up the electricity sector in making possible the ambitious economy-wide reductions in carbon pollution that many RGGI states have pledged to reach.

The impacts of global warming are accelerating

With every day, it becomes even more clear that the impacts of global warming are accelerating. 2015 was the <u>hottest year in recorded history</u>, breaking the record last set in 2014. January 2016 is continuing the trend – it was the <u>most abnormally warm month ever recorded</u>, beating out December 2015.

The changes we've seen so far are just the tip of the iceberg. If we continue using coal, oil and gas, the nation could be as much as <u>10° F warmer</u> by the end of the century – with widespread impacts, including more severe weather, inundation of low-lying cities, acidified oceans and damaged ecosystems. <u>Scientists are warning</u> that "The next few decades offer a brief window of opportunity to minimize large-scale and potentially catastrophic climate change that will extend longer than the entire history of human civilization thus far."

It is clear that we need to redouble our efforts to reduce the pollution that is driving global warming – here in the Northeast and Mid-Atlantic states, across the nation, and globally.

The Paris Climate Agreement clearly describes the path forward

In December 2015, nearly every nation in the world gathered in Paris and agreed upon a shared approach to prevent the world impacts of global warming. This agreement clearly signals a global transition to 100 percent clean energy, and implies that we'll need to keep most of our fossil fuel reserves in the ground. Fully 195 nations reached consensus on the text of the agreement – an unprecedented accomplishment. The Obama administration has pledged to sign the agreement this year, regardless of what the Supreme Court may or may not do around the Clean Power Plan.

<u>The Paris Agreement aims</u> to hold "the increase in the global average temperature to well below 2° C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5° C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."

Here's one analysis of what it would take to limit global warming to 1.5 degrees Celsius:

- Yearly global pollution levels would have to <u>peak very soon and start rapidly declining</u>. (See Figure 1.)
- The world would have to reach net-zero carbon emissions between 2045 and 2060.
- In the latter half of the century, the world electricity system would have to become "carbon negative." In other words, we would need to take pollution from the sky and put it back into the ground, and do it at scale.





¹ This figure represents one possible pathway to limit global warming to below 2 degrees Celcius. Piers Forster, http://www.carbonbrief.org/piers-forster-1-5c-is-a-brave-new-world

The faster and more vigorously we act, the better able we will be to limit the impacts of global warming. No matter what our long-term temperature target is, science tells us that halting the increase in global temperatures will require <u>reducing climate pollution to zero</u>. The actions needed to limit warming to 1.5 degrees are similar to what would be necessary to stop warming at 2 degrees, or 2.5 degrees – just faster.

As the nation <u>responsible for more of the climate pollution</u> now in the atmosphere than any other, the United States has a special responsibility to lead the world in the transition to 100 percent clean energy. We must fully replace our use of dirty fuels with safe and clean technologies as soon as possible. And we must help the rest of the world do the same.

Leadership from the Northeast and Mid-Atlantic states is essential

Northeast and Mid-Atlantic leadership will be essential to fulfill the promise of the Paris Climate Agreement. Our states play a critical role in moving the national agenda on climate and clean energy. We have the ability to raise the bar for the national debate and pave a trail for other states to increase their ambitions.

Time and again, our states have served a crucial role in pioneering solutions to big environmental problems, and climate change is no different. For example, Massachusetts was the first state to regulate carbon emissions from its power plants, through the so-called "Filthy Five" law. That helped tee-up the legal case, Massachusetts vs. EPA, that established that federal authority exists to regulate carbon pollution. And at the same time, by banding together to reduce climate pollution from power plants through RGGI, the Northeastern and Mid-Atlantic states demonstrated that it is possible to clean up power plants, to do it quickly, and to generate hundreds of millions of dollars in revenue for clean energy programs at the same time. These steps forward set the stage for the Clean Power Plan – the first national limit on carbon pollution from power plants, and the centerpiece of President Obama's Climate Action Plan – and arguably helped facilitate the world coming together to reach a climate agreement last December in Paris.

Our states are continuing to build on that legacy of leadership. In particular, the Environment America Federation is pleased to see that Governor Andrew Cuomo of New York <u>has pledged</u> to end coal use by 2020 and is moving forward with plans to <u>generate half</u> of the state's electricity from clean, renewable energy sources by 2030.

We are also pleased to see that six of the nine governors in the region <u>have signed on to a global</u> <u>agreement called the "Under 2 MOU</u>" – signaling an intention to join the world in limiting the impacts of global warming. ("Under 2" refers to 2 degrees Celsius. The Paris Climate Agreement sets a goal of limiting global warming to well below 2 degrees above pre-industrial temperatures.) These governors include:

- <u>Andrew Cuomo, New York</u>
- Dannel Malloy, Connecticut
- Charlie Baker, Massachusetts
- Maggie Hassan, New Hampshire
- Gina Raimondo, Rhode Island

• Peter Shumlin, Vermont

In addition, we are grateful that <u>Governor Paul LePage joined</u> the other New England Governors, plus Eastern Canadian Premiers, in signing a <u>recent pledge</u> to cut climate pollution economywide 35 percent to 45 percent below 1990 levels by 2030.

We appreciate that <u>Governor Markell of Delaware joined</u> with New York, Connecticut, Rhode Island and Vermont to announce a new effort to develop new policies to tackle warming pollution from the transportation sector – an absolutely critical effort to supplement the progress driven by RGGI. And we are thankful that the Maryland Commission on Climate Change <u>has</u> <u>endorsed</u> a target of 40 percent emission reductions economy-wide by 2030.

Finally, we note that all of the RGGI states have either statutory requirements or stated targets to limit global warming pollution, with benchmarks for 2030, 2050 or both:

State	2030 Target	2050 Target
Connecticut	35-45% below 1990	80% below 2001
Delaware	36% below 1990*	No target
Maine	35-45% below 1990	75-80% below 2003
Maryland	35% below 1990**	Up to 90% below 2006
Massachusetts	35-45% below 1990	80% below 1990
New Hampshire	35-45% below 1990	80% below 1990
New York	40% below 1990	80% below 1990
Rhode Island	35-45% below 1990	80% below 1990
Vermont	35-45% below 1990	75% below 1990

 Table 1. State greenhouse gas emission reduction targets, 2030 and 2050

(see Appendix E. of the linked report for citations.)

With the 2016 RGGI Program Review, our states should set the next precedent and continue to build momentum toward achieving the promise of the Paris Climate Agreement and meeting our economy-wide targets for reducing carbon pollution.

RGGI is a key tool the Northeast and Mid-Atlantic States can use to meet and exceed economy-wide climate targets and help the nation meet our Paris Climate Agreement pledge

RGGI – in concert with other clean energy policies, including efficiency standards, renewable electricity standards, incentives, etc. – is an important tool that can ensure that we realize our ambition to protect our communities from the worst impacts of climate change.

The next important step forward on climate is to strengthen the Regional Greenhouse Gas Initiative to reduce more power plant pollution, faster. Our region should reduce power plant emissions to less than 40 million tons of carbon dioxide per year by 2030 – or more than 55 percent below today's levels. That rate of progress is similar to what the RGGI states have impressively achieved since 2009.

Moving quickly to clean up power plants is a critical ingredient in achieving our economy-wide climate targets. <u>Clean electricity is the key to unlock progress</u> in other parts of our economy, such as from <u>cars and trucks</u>. Strengthening RGGI will send an important signal to energy providers that investing in zero-emission resources is a smart move, and ensure that we prevent or minimize stranding investment dollars in polluting infrastructure that will have to be retired in order to meet our climate targets.

We should also continue to prioritize capturing the local benefits of power plant cleanup – including healthier air, better energy efficiency and a stronger clean energy business sector. We've proven that capturing the value of emissions allowances and putting the money to work to advance clean energy is not just good policy – it is also good politics. As states across the country implement the Clean Power Plan, they will continue to look to our example.

We can do this – and more. For example, <u>a recent study showed</u> that the United States as a whole can cut power plant pollution by more than 80 percent in the next 15 years using existing technology, including wind turbines, solar panels and long-distance power lines. Our region <u>has</u> <u>more than enough clean energy resources</u> to meet all of our energy needs for all purposes with zero pollution. We can and must accelerate this transition, and RGGI is an important tool that we should fully utilize.

Conclusion and Recommendations

In conclusion, we believe that we have an opportunity and a responsibility to elevate our ambition. We hope that you will consider the big-picture context around the 2016 RGGI program review, and incorporate the new addition of the Paris Climate Agreement into your thinking.

Key recommendations to highlight are:

- Please model a scenario of a cap declining at a fixed rate of 5% of the 2020 cap level through 2030 (ie cap emissions at 40 million tons or less in 2030).
- Eliminate offsets, which only serve to delay our transition to clean energy
- Eliminate the cost-containment reserve (preferred), or modify it such that it borrows emissions from under the cap in future years to maintain the overall integrity of the limit on carbon pollution
- Consider how the RGGI targets under consideration fit with the economy-wide climate targets the states have set;
- Account for co-benefits in evaluating potential policy changes, including co-benefits for public health and climate.
- In modeling, account for clean energy policies that are already in place, including state efficiency programs, and clean energy standards such as New York's 50 percent by 2030 target.
- In modeling, account for progress in the costs of key clean energy resources, including the impact of the December extension of the ITC and the PTC by Congress.

• Take steps to ensure the meaningful participation of fenceline communities in this stakeholder process and provide modeling results meaningful to diverse constituencies.

This input is in addition to the broader advocacy community's detailed input on the reference case assumptions and on policy scenarios. We have signed onto and support those comments.

Thank you for making this an inclusive, transparent process and for the opportunity to participate. We look forward to continuing to help you limit the impacts of global warming for our communities and our children.

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

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