



MERCURIA

ENERGY AMERICA, INC.

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VIA EMAIL

February 13, 2017

Regional Greenhouse Gas Initiative, Inc.
90 Church St., 4th Floor
New York, NY 10007

RE: Request for Comment on 2016 Program Review

Mercuria Energy America, Inc. (“Mercuria”), a Delaware corporation, is an independent energy marketing and trading company. Mercuria is a long-time participant in the RGGI market and appreciates the opportunity to submit these comments, pursuant to RGGI’s request, regarding the 2016 Program Review.

As was stated in our previous comments submitted in November 2016, Mercuria believes the program redesign in 2012 contained some thoughtful design elements that were poorly executed. With hindsight, one major flaw was the setting of the CCR trigger at “low” prices (\$4 in 2014 and \$6 2015), which resulted in 15 million additional allowances of RGGI being awarded – tons that were **not fundamentally needed** by the market and have increased the allowable amount of carbon pollution in the region. Mercuria believes that an immediate bank adjustment of at least 15 million tons is warranted to correct for this faulty market design element.

Along with the above adjustment, Mercuria believes that: (i) the addition of the ECR concept; (ii) adjustments to the floor; and (iii) CCR pricing to reflect better market design principles will go a long way towards creating a healthier, more properly functioning market.

Thank you for your consideration of these comments. Mercuria looks forward to continuing participation in the RGGI program and markets.

Very truly yours,

Mercuria Energy America, Inc.