

THE REGIONAL GREENHOUSE GAS INITIATIVE

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

EPA's Proposed Clean Power Plan & Regional Compliance Options

October 21, 2014

NACCA membership Meeting - Denver CO

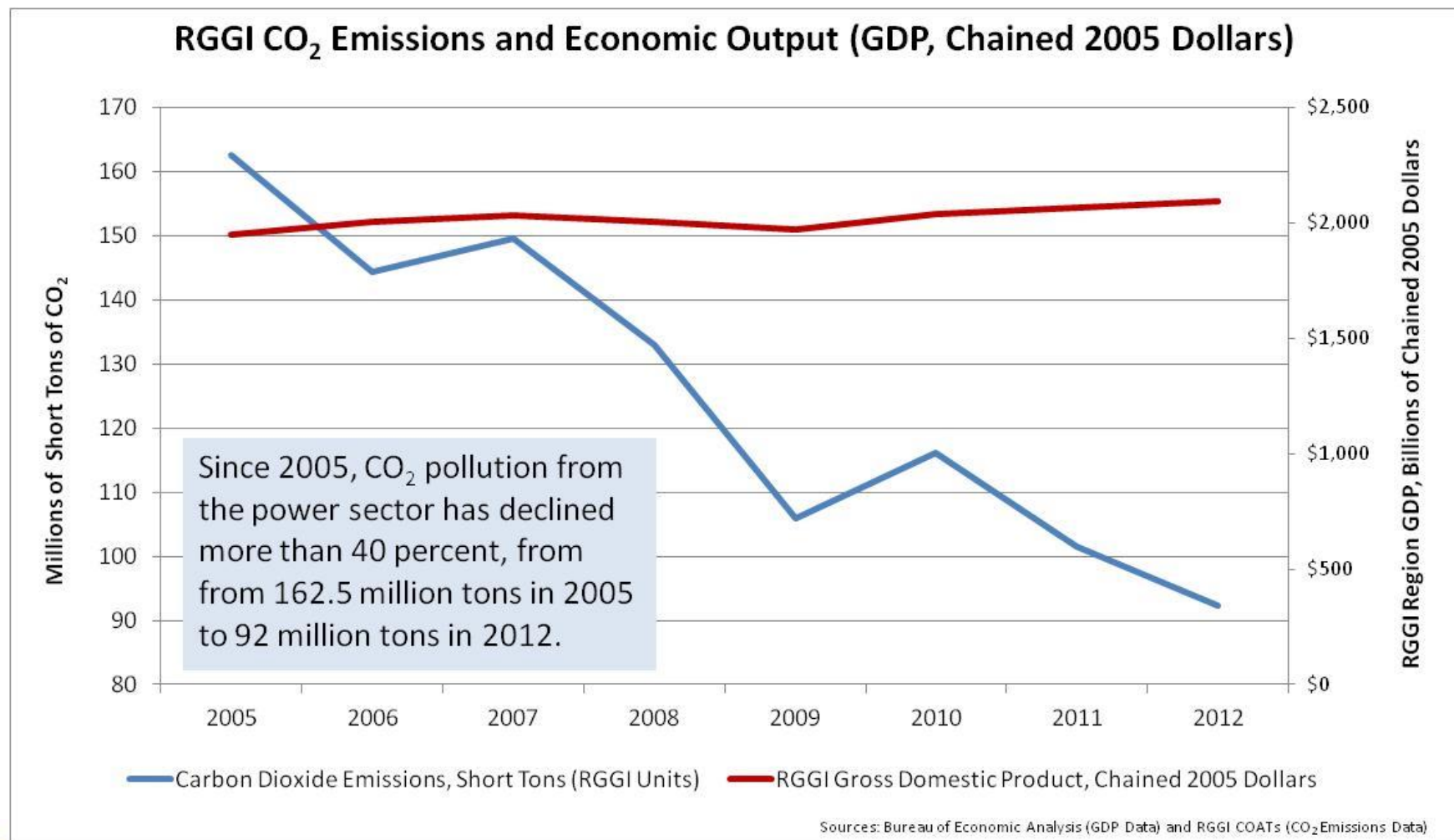
Nancy L. Seidman

Assistant Commissioner, Mass Department of Environmental Protection

www.rggi.org



RGGI States Experience: CO₂ Pollution Reduction and GSP Growth



RGGI States Experience: Economic Benefits

“Several states have already put a price on carbon dioxide pollution and their economies are doing fine”

“Experience shows that states that work together on market based initiatives -- like RGGI in the Northeast -- can provide net economic benefits”

-Sue Tierney & Paul Hibbard

1.6)
BILLION
in net economic
benefit to region¹

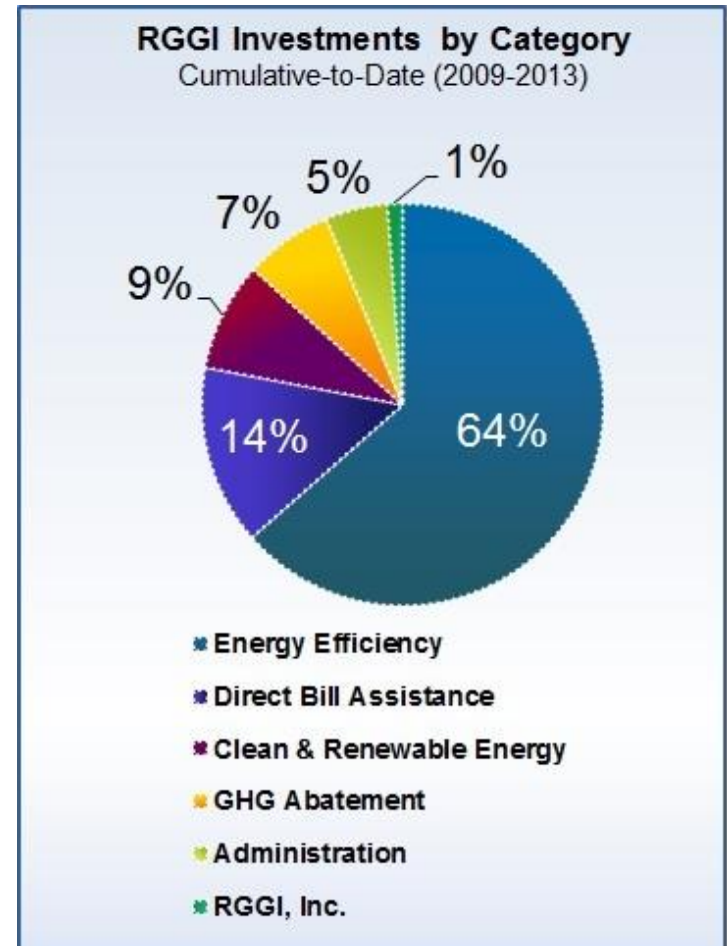
16)
THOUSAND
job-years created¹

1.3)
BILLION
in energy bill
savings across
the region¹



RGGI Proceeds Investments

- Invested more than \$950 million of auction proceeds for clean energy, direct bill assistance, GHG abatement, and climate change adaptation programs
- More than 3 million households and 12,000 businesses participated in RGGI-funded programs
- Benefits to business and families - reduce energy bills, create jobs, reduce harmful pollutants
- Reduce demand for electricity, reduce market price of electricity



RGGI States: EPA Proposed 111(d) Rule

- RGGI states reviewing and analyzing details of the proposed rule, including the proposed state rate goals and the applicability of building blocks in our states and region
- RGGI states particularly interested in converting rate goals to mass-based emissions targets
- RGGI states working to ensure that RGGI is an effective compliance mechanism
- RGGI states planning on providing comments on the proposed rule during the comment period



EPA Proposed 111(d): Why Regional Mass Based Compliance?

- Proven model
- Extremely cost-effective
- Provides economic benefits
- Closely aligns with the regional nature of the electricity grid
- Fosters regional cooperation
- Simple, transparent, and verifiable tracking and compliance system



EPA Proposed 111(d) Rule-Initial Comments

- Basic architecture is sound
- Offers the flexibility that states requested
- Recognizes the cost effectiveness and benefits of regional market based programs such as RGGI
- Recognizes and supports grid reliability and resiliency
- Building block structure builds on what states have shown is feasible and practical
- Building blocks represent one possible path for compliance



EPA Proposed 111(d) Rule-Questions for Consideration

- RGGI experience demonstrates that cost-effective reductions are feasible beyond the 30% reduction proposed by EPA.
- Are there opportunities or strategies available that would achieve greater cost-effective carbon pollution reductions?
- Does the proposed rule provide for a transparent, verifiable, equitable and enforceable emissions reduction compliance targets for all states?

RGGI materials available

- State MOU - http://rggi.org/docs/mou_final_12_20_05.pdf
- RGGI Model rule - [http://rggi.org/docs/ProgramReview/FinalProgramReviewMaterials/Model Rule FINAL.pdf](http://rggi.org/docs/ProgramReview/FinalProgramReviewMaterials/Model_Rule_FINAL.pdf)
- RGGI bylaws - http://rggi.org/docs/RGGIinc/Docs/Legal/rggi_bylaws_12_12_07.pdf
- Auction procedures and forms - http://rggi.org/market/co2_auctions
- RGGI CO2 Allowance Tracking system (COATS) - <http://rggi.org/market/tracking>



THE REGIONAL GREENHOUSE GAS INITIATIVE

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

**Questions, comments?
Thank you!**

Nancy L. Seidman

Assistant Commissioner, Mass Department of Environmental Protection

Nancy.Seidman@state.ma.us

617-556-1020

www.rggi.org

