RGGI Inc.

April 9, 2018
For Immediate Release

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RGGI States Submit Comments on Proposed Virginia Regulation for Emissions Trading

The nine states participating in the Regional Greenhouse Gas Initiative (RGGI) today submitted joint comments to Virginia regarding the compatibility of Virginia's proposed regulation with the RGGI states' existing 2017 Model Rule.

The RGGI states applaud Virginia's continued progress towards implementing a market-based program to reduce greenhouse gas emissions. Participation in RGGI has helped the nine states create jobs, save money for consumers, and improve the public health, while reducing power sector emissions and transitioning to a cleaner energy system. If implemented successfully, expanded RGGI participation will serve to amplify these benefits.

The RGGI states' comments submitted today focus primarily on regulatory compatibility, and are important for Virginia to meet the definition of a RGGI Participating State as set forth in the 2017 Model Rule. According to the Model Rule, a RGGI Participating State must have established a corresponding CO_2 Budget Trading Program regulation. The revisions within these comments will help ensure that any final Virginia regulation may be considered a corresponding regulation from a regulatory standpoint, and that allowances will be fully fungible between Virginia and the current RGGI states.

The RGGI states also recognize the importance of Virginia's allowance budget in establishing the stringency of Virginia's program, and its impact on the overall stringency of the regional program. The RGGI states have a track record of successfully reducing emissions faster than expected at the time of RGGI's initial program design, and Virginia is likely to have similar opportunities to achieve greater emissions reductions than expected.

The RGGI states are excited by the prospect of Virginia's potential participation in the RGGI program, and applaud Virginia's plans for investment in complementary programs such as energy efficiency and clean and renewable energy. We see an opportunity for Virginia to realize a measure of climate leadership by adopting a lower starting allowance budget than currently set forth in Virginia's proposed regulation.

The RGGI states' comments have been informed by productive conversations with Virginia state staff and Agency Heads. States hope to continue the discussions in the future as Virginia makes further refinements to this proposed rule, and are available to assist Virginia in addressing these comments as the state's process continues.

For more details, view the full comments available at the link:
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About the Regional Greenhouse Gas Initiative (RGGI)

The Northeast and Mid-Atlantic states participating in the fourth RGGI control period (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) have implemented the first mandatory market-based regulatory program in the U.S. to reduce greenhouse gas emissions. The 2018 RGGI cap is 82.2 million short tons. The RGGI states also include interim adjustments to the RGGI cap to account for banked CO_2 allowances. The 2018 RGGI adjusted cap is 60.3 million short tons.

RGGI is composed of individual CO_2 budget trading programs in each state, based on each state's independent legal authority. A CO_2 allowance represents a limited authorization to emit one short ton of CO_2, as issued by a respective state. A regulated power plant must hold CO_2 allowances equal to its emissions for each three-year control period. RGGI's fourth control period began on January 1, 2018 and extends through December 31, 2020. For more information, visit rggi.org.

About Regional Greenhouse Gas Initiative, Inc.

Regional Greenhouse Gas Initiative, Inc. (RGGI, Inc.) was created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative. RGGI, Inc. is a 501(c)(3) nonprofit organization.
For more information, visit rggi.org/rggi-inc/contact.