

The Regional Greenhouse Gas Initiative

an initiative of Eastern States of the US

Third Adjustment for Banked Allowances Announcement

March 15, 2021

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce power sector CO₂ emissions.

The Participating States conducted a second comprehensive Program Review¹ and released an updated RGGI Model Rule² in 2017. In accordance with each state's independent legal authority, each of the Participating States has revised its CO₂ Budget Trading Program³ to be consistent with the updated Model Rule.

The updated Model Rule contains language to address the private bank of CO₂ allowances through a Third Adjustment for Banked Allowances.

- **The Third Adjustment for Banked Allowances (TABA)** is a reduction in the states' CO₂ allowance base budgets equivalent to the private bank of CO₂ allowances (allocation years 2009-2020).
- The TABA is made over the five-year period 2021-2025.⁴
- The TABA is 95,451,650 CO₂ allowances.
- The following table provides an annual breakdown of the TABA from 2021 through 2025.

| Third Adjustment for Banked Allowances | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Total State CO₂ Allowance Base Budgets | 119,767,784 | 116,112,784 | 112,457,784 | 108,802,784 | 105,147,784 |
| Third Adjustment for Banked Allowances⁵ | 19,090,330 | 19,090,330 | 19,090,330 | 19,090,330 | 19,090,330 |
| Total State CO₂ Allowance Adjusted Budgets⁵ | 100,677,454 | 97,022,454 | 93,367,454 | 89,712,454 | 86,057,454 |

¹ For more information on the second RGGI Program Review, see <https://www.rggi.org/program-overview-and-design/program-review>.

² The Model Rule is available at https://www.rggi.org/sites/default/files/Uploads/Design-Archive/Model-Rule/2017-Program-Review-Update/2017_Model_Rule_revised.pdf.

³ For more information on state CO₂ Budget Trading Programs, see <https://www.rggi.org/program-overview-and-design/state-regulations>.

⁴ Due to current allocation provisions in state regulations, an estimated 1,471,322 pre-2021 allocation year CO₂ allowances in state accounts may be distributed after the TABA. These allowances would not be included in the TABA.

⁵ State-by-state allowance budgets can be found in the individual allowance distribution trackers at <https://www.rggi.org/allowance-tracking/rggi-coats>.