

Regional Greenhouse Gas Initiative: Getting (at least) Half Way to IMAPP

NEEPOOL

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Context

Deep Decarbonization Commitments

➤ State Requirements

RGGI State	2030 Economy-Wide GHG Target	2050 Economy-Wide GHG Target
Connecticut	35-45% below 1990	80% below 2001
Delaware	30% below 2008	-
Maine	35-45% below 1990	75-85% below 2003
Maryland	40% below 2006	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	75-80% below 2002
Vermont	35-45% below 1990	75% below 1990

➤ Massachusetts GWSA ruling

2016 Program Review

➤ Cap

- Decline
- Duration

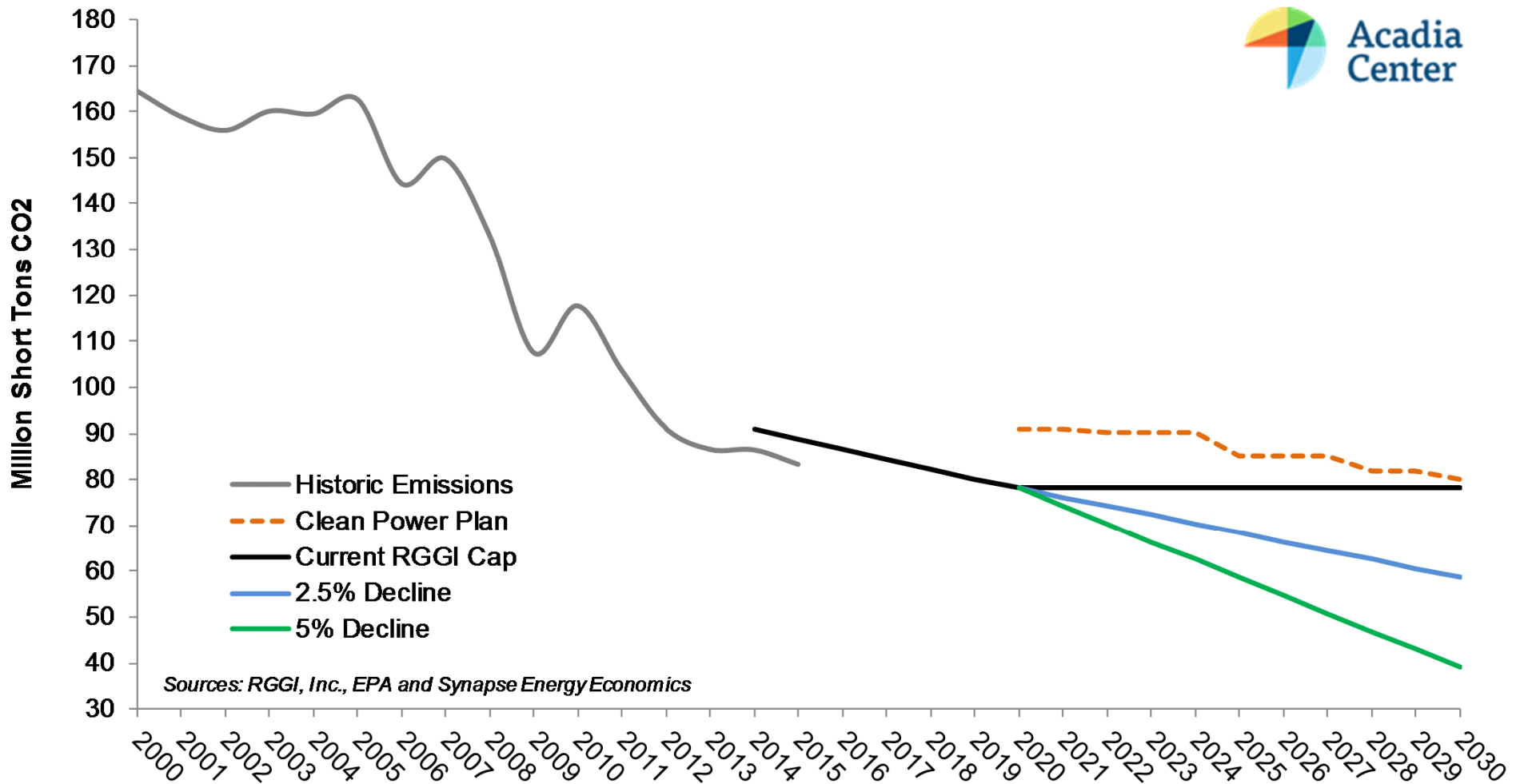
➤ Allowance supply

- Adjustment for bank
- Cost containment

➤ Timeline

- Final rule by year-end
- Stakeholder presentation in Fall
- Near-term decision...?

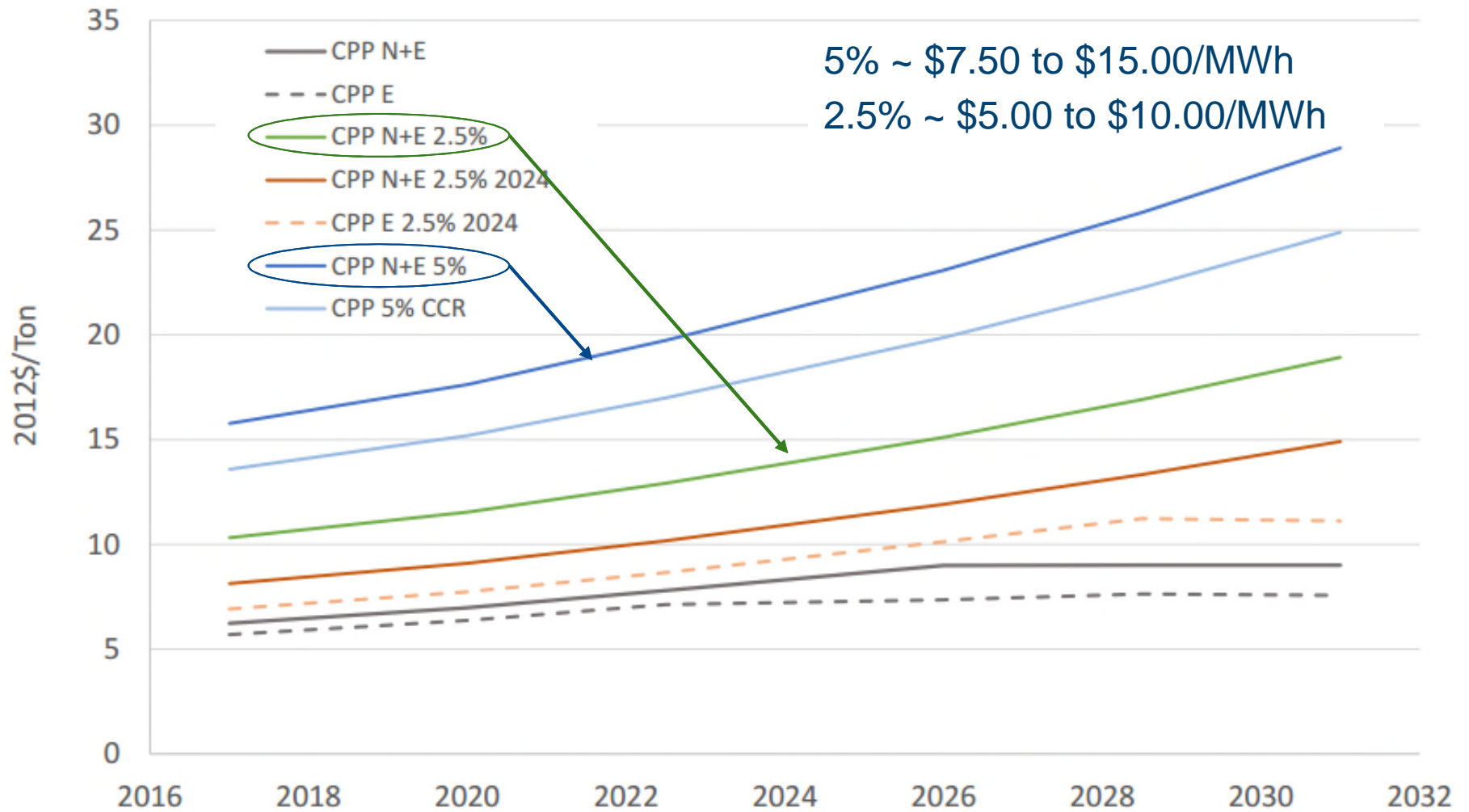
Cap Options



Allowance Supply

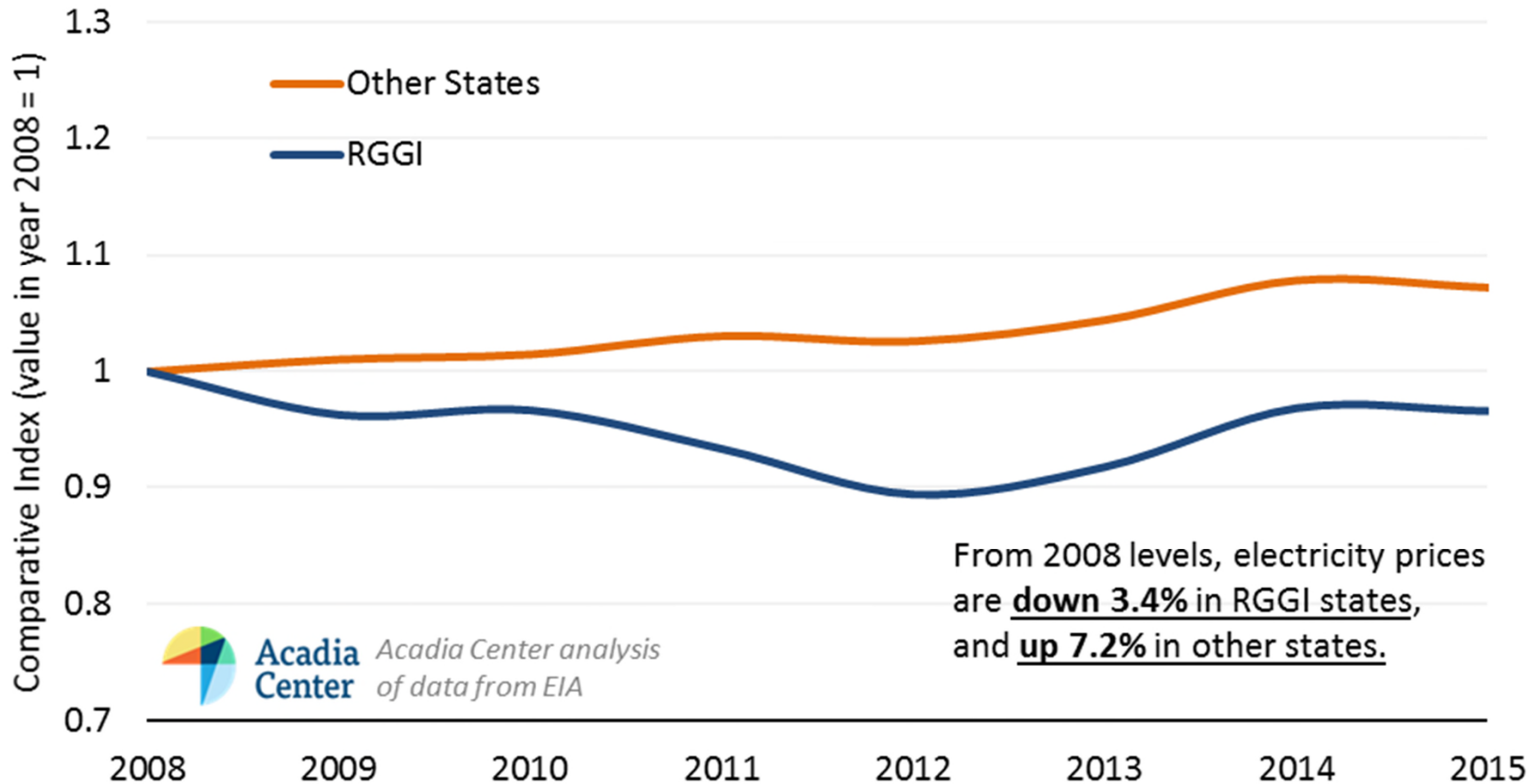
- Adjustment for Bank – 2012 Program Review
 - 140 million ton bank => 140 million ton cap reduction
- New Bank Accumulating
 - Emissions below cap: 4.7 million (2014), 5.6 million (2015)
 - Cost Containment Reserve: 5 million (2014), 10 million (2015)
 - Current total = 25.3 million
 - 50 million Reserve allowances available to 2020
- Cost Containment
 - Reserve @\$8/ton
 - Proposed increase to \$15-\$22 in 2021, \$24-\$36 in 2031

Allowance Price Impact



Viability

Electric Prices



http://www.rggi.org/docs/ProgramReview/2016/06-17-16/2016_PR_IPM_Modeling_Draft_Results_Overview.pdf

Economic Benefits



The report, "[The Economic Impacts of the Regional Greenhouse Gas Initiative on Nine Northeast and Mid-Atlantic States](#)," found that implementing RGGI from 2012-2014 adds \$1.3 billion in economic value to the nine-state RGGI region, leads to the creation of more than 14,000 new jobs, and cuts electricity and heating bills, saving consumers \$460 million. Each individual state sees economic benefits as the region cuts annual carbon emissions by more than a third from 2008 (133 million tons) to 2014 (86 million tons).

<http://www.analysisgroup.com/news-and-events/press-releases/new-data-show-states-that-limit-carbon-emissions-through-markets-are-seeing-economic-benefits/>

Take-aways

➤ Strengthen RGGI

- Successful, existing mechanism
- Prevent greater challenges (i.e. more carbon-intensive generation)

➤ Appeal of cap and invest

- Market-based
- Flexible
- Funding for complementary programs



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