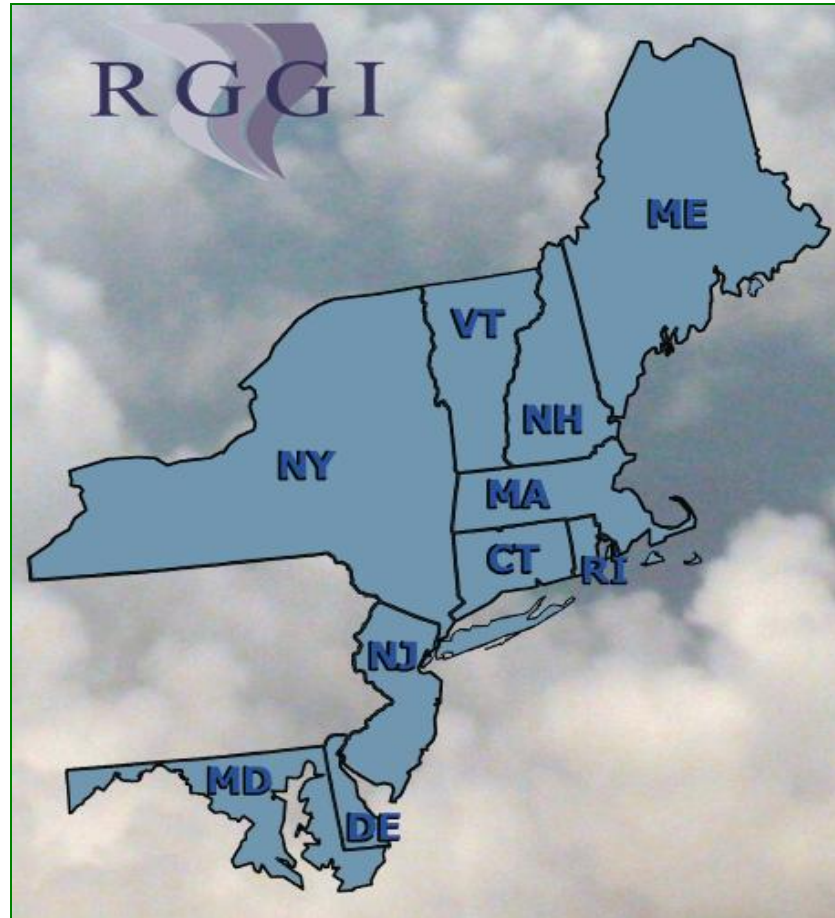

Regional Greenhouse Gas Initiative (RGGI; “Reggie”)

Will Space
Shenzhen, China
March 12, 2012

Regional Greenhouse Gas Initiative



- Cap and trade for carbon dioxide emissions from power plants in 10* US states
- First compliance deadline: March 1, 2012 (for 2009 – 2011 emissions)

*NJ is not participating in the second compliance period

RGGI: History and Timeline

- 2005: States agree on RGGI design features
- 2006 – 2007: Model rule development
- 2008: State rulemaking processes
- 2009 – 2011: First compliance period
- 2012 – 2014: Second compliance period
- 2012: Program review

RGGI: Key Program Features

- Stabilize then reduce emissions:
 - 2009 – 2014: 188 million short tons per year
 - 2015 – 2018: reduce by 2.5% per year
- Coverage and scope: power plants 25 MW+
- Offsets:
 - Five protocols
 - Limits on use; price triggers
- Allowance auctions
- Unlimited allowance banking by facilities

RGGI: First Compliance Period

- Emissions:
 - 2009: 124 million short tons
 - 2010: 138 million short tons
 - 2011: 124 million short tons
- Auctions:
 - Clearing prices: \$1.86 – \$3.51 per short ton
 - Over 400 million allowances sold; nearly \$1 billion
 - Most revenue used for efficiency and renewable energy
 - Unsold allowances to be retired
- No offset allowances created

RGGI: Program Review



- Comprehensive review covering:
 - Program impacts
 - Additional reductions
 - Imports and emissions leakage
 - Offsets
- Economic modeling underway to evaluate:
 - Adjustments to cap level
 - Cost containment allowance reserves
- Information: www.rggi.org