

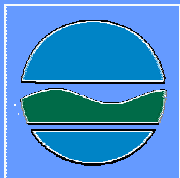


**Regional Greenhouse Gas Initiative**

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

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EPA Climate Leaders Partner Meeting  
Farmington, Connecticut  
October 5, 2004



Franz Litz, Senior Attorney &  
Regional Greenhouse Gas Strategy Coordinator  
New York State Dept. of Environmental Conservation



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## Goal

Design a Regional  
Cap-and-Trade  
Program Initially  
Covering CO<sub>2</sub>  
Emissions from  
Power Plants,  
by April 2005.





# Regional Greenhouse Gas Initiative

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## - 9 Participant States

Maine, New Hampshire,  
Vermont, New York,  
Massachusetts,  
Connecticut, New Jersey,  
Delaware, Rhode Island

## - Observer States

Pennsylvania, Maryland,  
Oregon, District of  
Columbia (California)





## Statistics

- 3rd Largest World Economy
- 14% US GHG Emissions
- 3.2% of World GHG Emissions (≅ Germany)





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## New York's Major Climate Change Actions

- Most Aggressive State Reduction Targets: 5% Below 1990 Levels by 2010; 10% Below 1990 Levels by 2020.
  - Lead by Example Measures:
    - State Gov't to Reduce Energy Consumption by 35%; 20% from Renewable Sources by 2010 ;
    - By 2010, 100% of All Light-Duty Vehicles will be Alternatively Fueled or Hybrid-Electric (Now 89%)
-



## More New York Major Climate Change Actions

- State Energy Authorities Invest More Than \$300 Million Annually in Clean Energy and Energy Efficiency.
- Renewable Portfolio Standard of 25% Renewables by 2013.
- Tax Incentives: First Green Building Tax Credit; \$2,000 Hybrid Vehicle Income Tax Credit, plus Sales Tax Reduction; PV Tax Credit.



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## More New York Major Climate Change Actions

- Commitment to Adopt California GHG Standards for Light Duty Vehicles.
  - MTA with Cleanest Bus Fleet--including 300 diesel-electric hybrid buses, built in NY.
  - NY Already Among the Least Carbon-Intensive States on a Per Capita Basis
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## Background

- New York Governor George Pataki's April 2003 Invitation to Governors from Maine to Maryland;
  - July 2003 Announcement of Positive Responses;
  - September 2003 Adoption of 18-month Action Plan.
-





## Context

- Early Movers on Climate Change:
    - New Jersey First to Take Official Target.
    - New York Greenhouse Gas Taskforce 2001.
    - New England Governors/Eastern Canadian Premiers Plan 2001.
  - History of Regional Cooperation on Air Quality--  
Ozone Transport Commission, NOx Budget/NOx  
SIP Call Cap-and-Trade Programs
-



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## RGGI Progress to Date

- Stakeholder Process
- Technical Groundwork
  - Energy Modeling
  - Economic Modeling
  - Data Assembly
- Resource Panel
- [www.rggi.org](http://www.rggi.org)



## RGGI Progress to Date

- Policy Consultation and Decision Making
  - Applicability
  - Internal Flexibility Mechanisms
  - Offset Credits (External to Cap)
- Regional Greenhouse Gas Registry (RGGR)
- Model Rule Drafting



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## RGGI Home Stretch

- Complete Modeling
- Determine Cap Size and Mechanics
- Determine State Budgets and Allocation Questions
- Plan State-by-State Implementation
- Plan Ongoing Cooperation

**DEMONSTRATE SUCCESS**

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## RGGI Future Goals

- Add States to Emissions Market
- Add Offset Categories to Program Over Time
- Possible Expansion to Major Stationary Sources in Other Sectors

**DEMONSTRATE SUCCESS**

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*“In this new century, Americans will turn to New York to see the truth: environmental protection is the foundation for the quality of life that makes this a great state to live in, to do business in and to create jobs. Not only can we pursue these goals simultaneously, we must.”*

***Governor George E. Pataki  
2000 State of the State Address***

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