

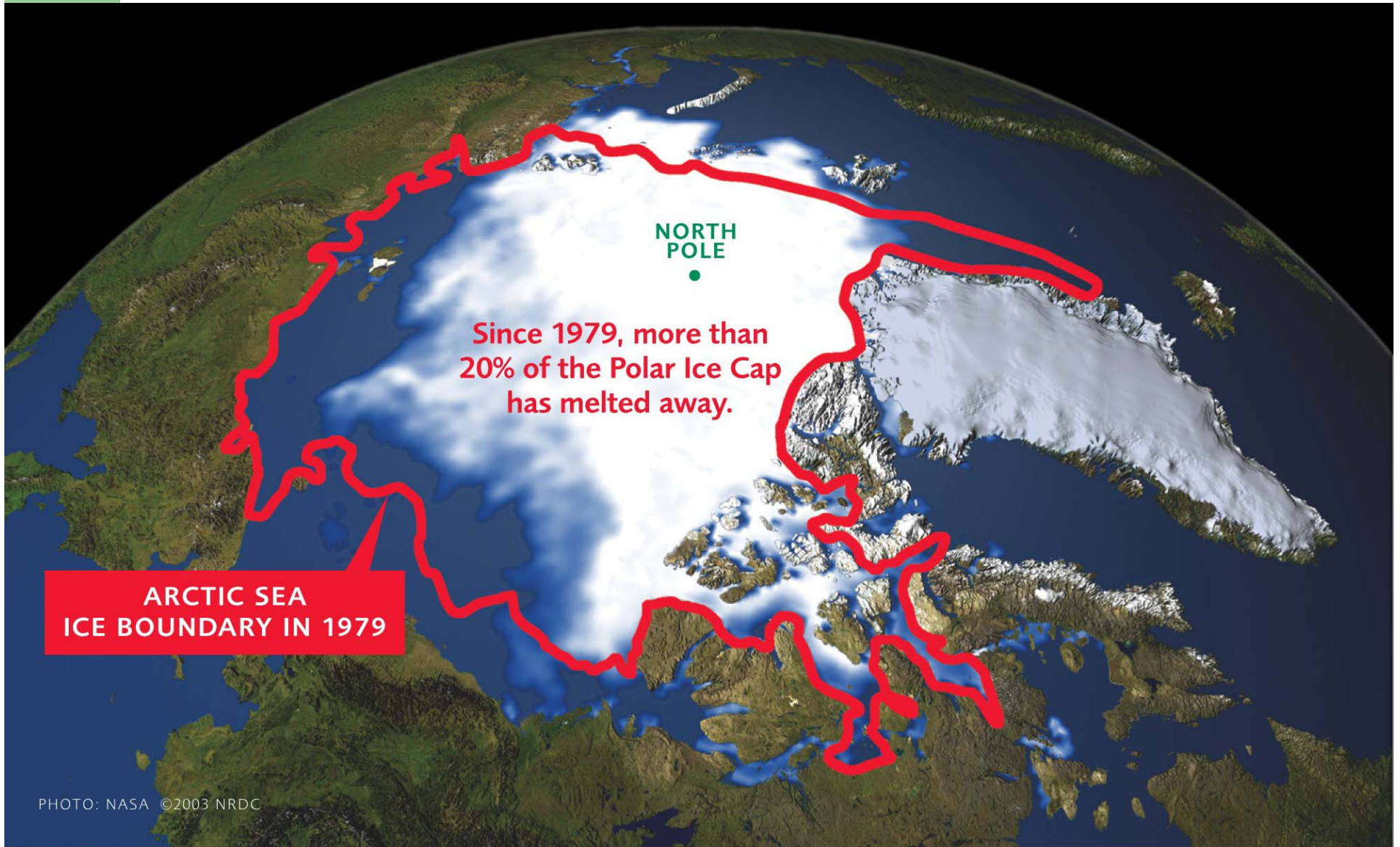
The DC Area and the Regional Greenhouse Gas Initiative

MWCOG
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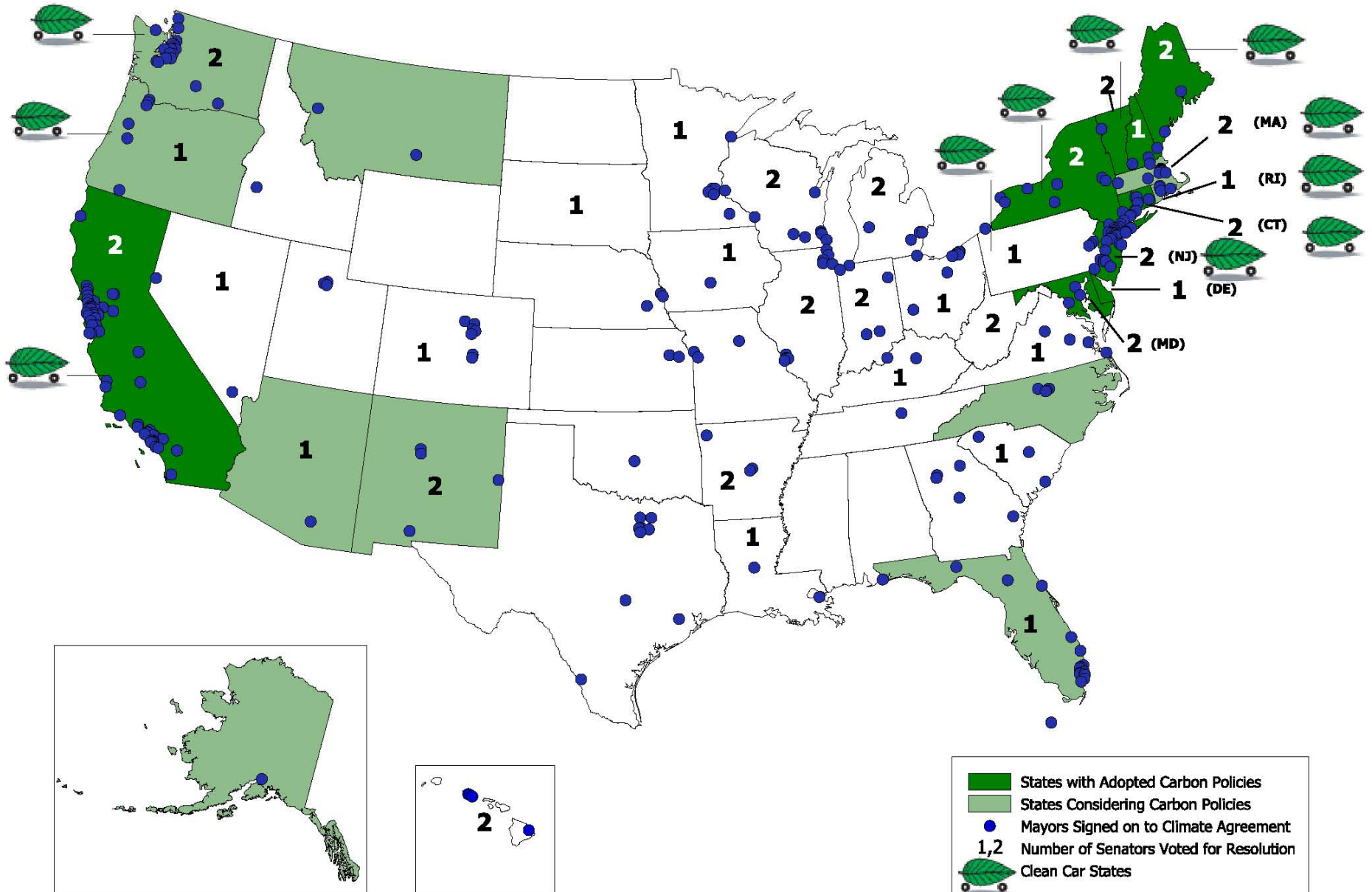
It's easy to see why we're doing this...



Especially as we peer into the future...



The Rising Tide for Global Warming Solutions



Goals of the Regional Greenhouse Gas Initiative (RGGI)

- Reduce global warming pollution
- Maximize economic development
- Drive technological innovation
- Maintain reliability and fuel diversity
- Minimal cost to consumers

RGGI States

- Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, Vermont, Massachusetts.
- Legislation was signed in April, 2006, that requires Maryland to become a full participant in the process by June 30, 2007.
- In addition, the District of Columbia, Pennsylvania, Rhode Island, the Eastern Canadian Provinces, and New Brunswick are observers in the process.

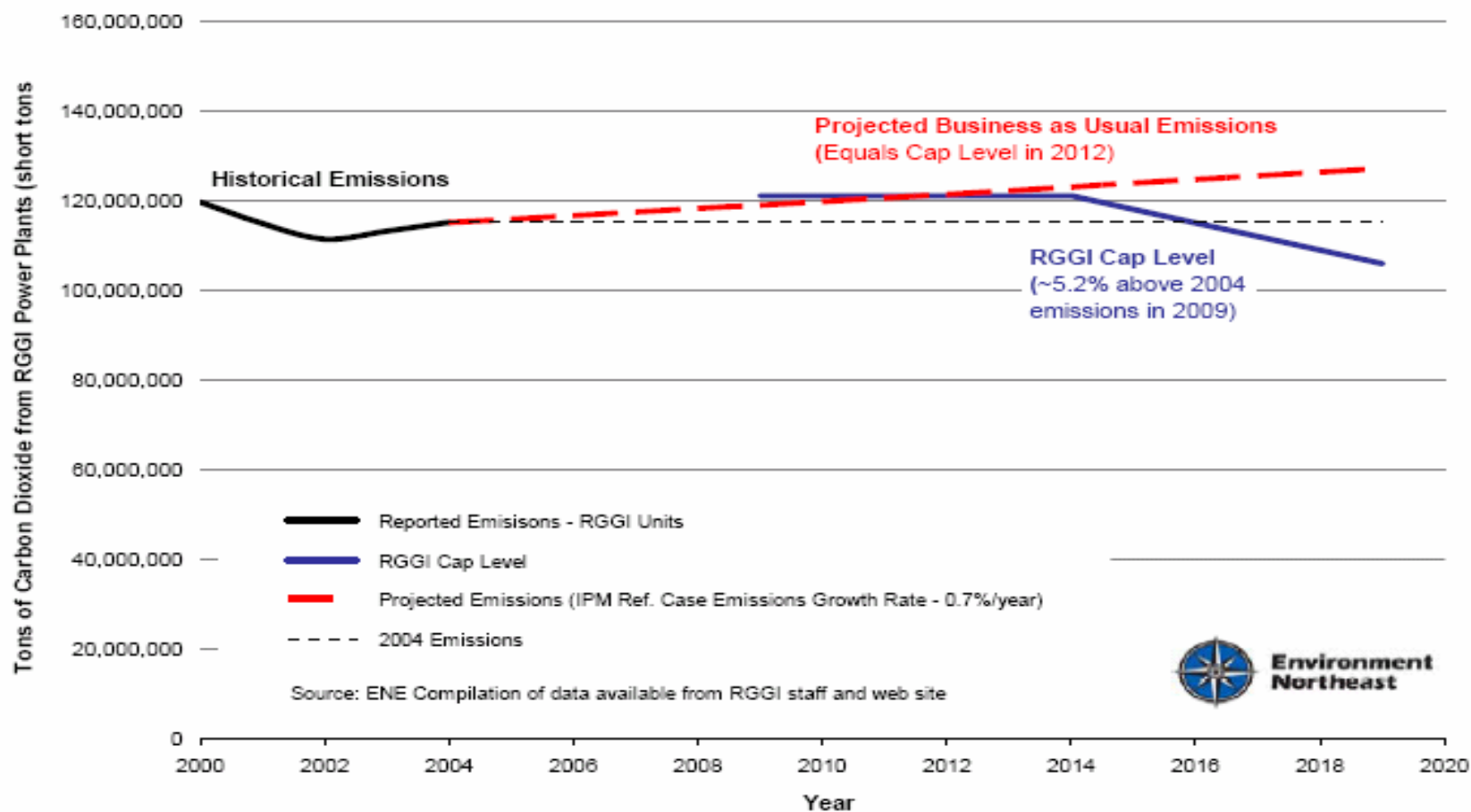


How does RGGI Work?

- Under RGGI a limit or a “cap” is placed on the tons of CO2 emitted from power generators in each state (2002-04 levels). Each ton is assigned an allowance (or right to emit a ton).
- CO2 levels will stabilize until 2014 and then allowances will slowly be retired as the cap lowers by 10% by 2019.
- Power companies can trade allowances to get the most cost effective reductions. This makes lowering emissions more economically efficient.

Cap Level and Design

Figure 1: RGGI Cap Levels v. Actual Emissions



Regional Greenhouse Gas Initiative Timeline

- Memorandum of Understanding signed by 7 Governors December 2005
- Model Rule released August 2006
- VT released rule and NY just released pre-proposal
- Massachusetts signs the model rule!
- NJ and CT are scheduled to release rules next.
- Maryland will sign the RGGI MOU by June 2007.
- RGGI Implementation in January 2009

Congratulations to VT and NY!

- VT released final rule last summer and NY just released it's proposed final rule.
- Both states chose to give the allowances to consumers not generators.
- They have chosen to go beyond the required 25% consumer benefit allocation and have chosen to allocate 100% of allowances to consumers for energy efficiency and clean energy technologies.

Washington D.C. Emissions and Allocation of Allowances (tons CO₂)

- Each state negotiates their own emissions allocation based on an average tonnage from 2002-4
- DC Generators: Buzzard Point and Benning Road = approximately 300,000 tons CO₂
- At \$2-\$7/ton = \$600,000-\$2.1 million for DC
- VT v. DC, almost no CO₂ emissions and similar population.
- DC is approximately 560,000 and VT's population is approximately 620,000
- Like DC, Vermont also does not have significant fossil fuel generation. However, Vermont was invited to join RGGI and received a concession of allowances as an incentive to join which totaled 1.2 million tons.

Why should Washington, DC join RGGI?

- It could mean up to approx. \$2 million in funding for to reduce customer's bills through energy efficiency or funding for clean energy.
- Signatory States have agreed that at least 25% of the allowances will be sold to generators and allocated for a consumer benefit or strategic energy purpose.
- DC will still pay the same PJM prices as MD and New Jersey (who are in RGGI even if they don't join RGGI)

Thank You!

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