

**TO:** Andrea Lani, Maine Department of Environmental Protection  
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**FROM:** Northeast Regional Greenhouse Gas Coalition<sup>1</sup>

**DATE:** September 20, 2007

**RE:** **Comments on Proposed RGGI Regulations**

### **Introduction**

This memo provides the Northeast Regional Greenhouse Gas Coalition's (GHG Coalition) comments on Maine Department of Environmental Protection's (ME DEP) proposed RGGI regulations Chapter 156, CO<sub>2</sub> Budget Trading Program and Chapter 157, CO<sub>2</sub> Budget Trading Program Waiver and Suspension.

The GHG Coalition members have participated as official stakeholders to the regional RGGI process since its inception, participating in every RGGI meeting and workshop and submitting consensus recommendations throughout the entire process. See [www.ghgcoalition.com/resources](http://www.ghgcoalition.com/resources) for comments submitted to the RGGI process to date.

The GHG Coalition believes that programs to address climate change should be national in scope. The objective of the GHG Coalition throughout the multi year RGGI process has been to provide recommendations so that RGGI could serve as a model for a national program that would have a reasonable likelihood of adoption. The GHG Coalition strongly contends that when a mandatory national climate change program is implemented, the RGGI program must be superseded with a smooth transition for RGGI affected sources and related programs. The regulatory elements of the RGGI program (including implementing regulations at the state level) must be superseded by national regulatory elements so as not to have redundant and possibly conflicting programs.

The GHG Coalition's comments focus on the following elements of the proposed rules: triggers for other states to enact RGGI, and waiver of enforcement; suspension of compliance obligation.

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<sup>1</sup> The GHG Coalition members are BP America, Inc.; Conectiv Energy; Consolidated Edison, Inc.; Constellation Energy; Dominion Energy New England; Public Service Enterprise Group, Inc.; and Waste Management, Inc.

### ***Triggers for other states to enact RGGI***

According to the proposed regulation, ME DEP's RGGI regulation becomes effective only when other states meeting the following criteria have initiated comparable CO<sub>2</sub> budget trading programs:

- (a) such states have wholesale electricity markets that are administered and overseen by the same Regional Transmission Organization as are Maine's; and
- (b) the combined CO<sub>2</sub> emissions budgets from such states total at least 35,000,000 tons per year.

The GHG Coalition interprets this to mean that ME DEP's RGGI regulations would not become effective until at least New Hampshire and Massachusetts (or Massachusetts and Connecticut) adopt similar CO<sub>2</sub> trading programs. The GHG Coalition supports this concept but recommends that ME DEP consider making the effective date of the RGGI regulations dependent on all other New England states adopting RGGI given that NEPOOL encompasses all of the New England states.

### ***Waiver of enforcement; suspension of compliance obligation***

The GHG Coalition commends the ME DEP for including in these proposed regulations the authority for the DEP Commissioner to waive or suspend compliance obligations for CO<sub>2</sub> Budget Sources if there are high allowance prices or if issues not under the control of the Budget Source occur.

However, it appears that this determination would be made on a Budget Source by Budget Source basis and not state wide. The GHG Coalition encourages the DEP to reconsider the structure of the proposed regulatory language so that the whole program would be waived or suspended for all CO<sub>2</sub> Budget Sources and not just for a single CO<sub>2</sub> Budget Source.

We look forward to continued participation in the Maine RGGI process and thank you for this opportunity to provide input.