

Triple Benefits of RGGI's Design: Environmental, Energy Efficiency and Cutting the Cost of Energy

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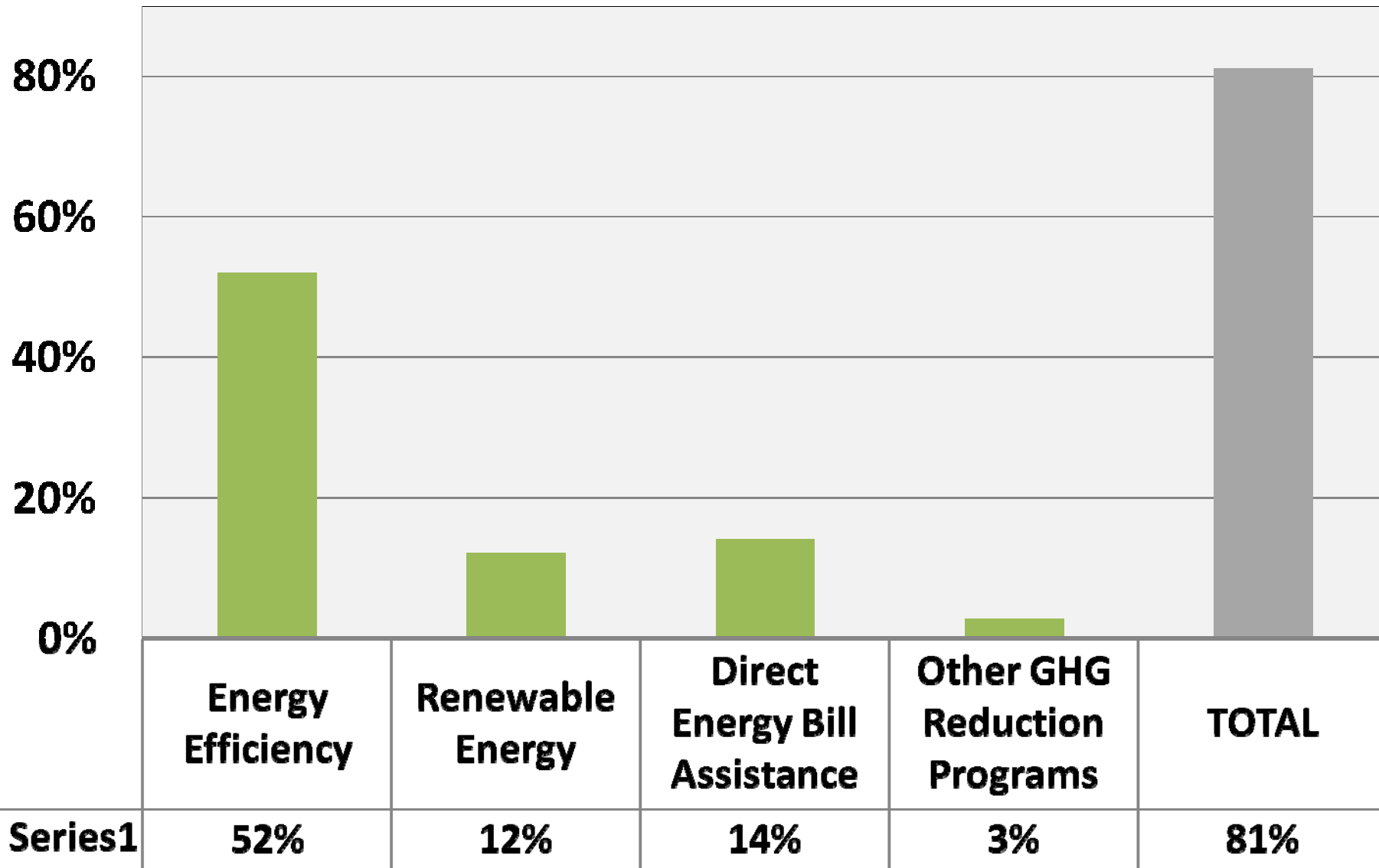
PROGRAM OVERVIEW

<u>Participation:</u>	10 states: CT, DE, ME, MD, MA, NH, NJ, NY, VT, RI
<u>Sector:</u>	Electric generation facilities (25 MW or higher); Currently 209 Facilities across 10 states
<u>Cap:</u>	<u>2009-2014:</u> Stable at 188M tons of CO ₂ per year <u>2015-2018:</u> 2.5% decrease per year <u>By 2019:</u> 10% total reduction
<u>Compliance:</u>	Facilities must possess one allowance / each ton of CO ₂ emitted within a three-year compliance period
<u>Allocation:</u>	Close to 100% auction; More than 80% of proceeds invested in consumer benefit programs

Harnessing Allowance Value for Reinvestment

State	Total Auction 10 Proceeds	Cumulative Proceeds (Auctions 1-10)
Connecticut	\$2,371,840.38	\$44,900,580.31
Delaware	\$1,226,165.94	\$18,858,578.06
Maine	\$1,331,726.52	\$23,544,204.45
Maryland	\$8,413,300.80	\$147,530,362.71
Massachusetts	\$7,348,021.14	\$123,229,477.57
New Hampshire	\$1,674,438.96	\$28,215,274.35
New Jersey	\$7,857,073.38	\$90,913,275.27
New York	\$16,914,071.82	\$282,272,683.09
Rhode Island	\$735,475.62	\$12,340,208.64
Vermont	\$352,105.44	\$5,701,535.27
Total	\$48,224,220.00	\$777,506,179.72

\$777.5M – Most of it Devoted to Energy Efficiency



Triple Benefits: Environmental, Consumer, Economic

Cleaner Environment

GHG Cap reduction of 10% by 2019

Efficiency provides more GHGs + air toxins reductions

Energy Savings for Consumers and Business

Efficiency investments reduce consumers costs

✓ \$500 in annual savings per household retrofitted ¹

Economic Growth

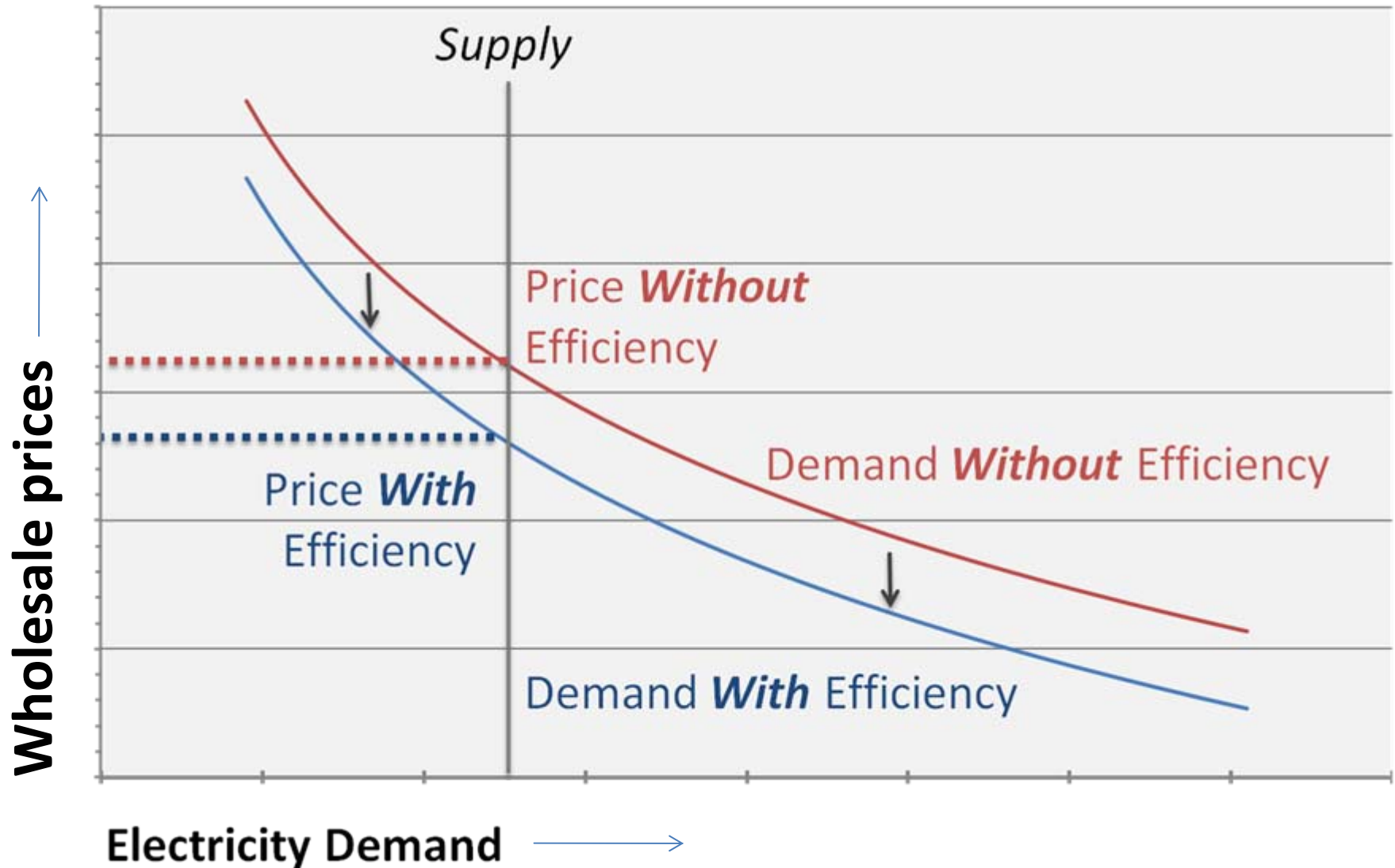
✓ \$2-\$4 in benefits for every \$1 invested in energy efficiency ²

✓ Industry and businesses more competitive

✓ 52 construction jobs and another 10-20 manufacturing jobs for every \$1 million invested in weatherization. ³

System-Wide Benefits

Reduced Demand = Lower Wholesale Electricity Prices and Lower RGGI Allowance Prices



Maine: Helping Industry Control Energy Costs



- In 2009 and 2010 the **Large Project Grant Program** has invested \$7.1 Million in 19 RGGI-funded grants for large-scale efficiency projects
- The projects will save 533,876 MWh, and prevent 459,817 metric tons of CO₂

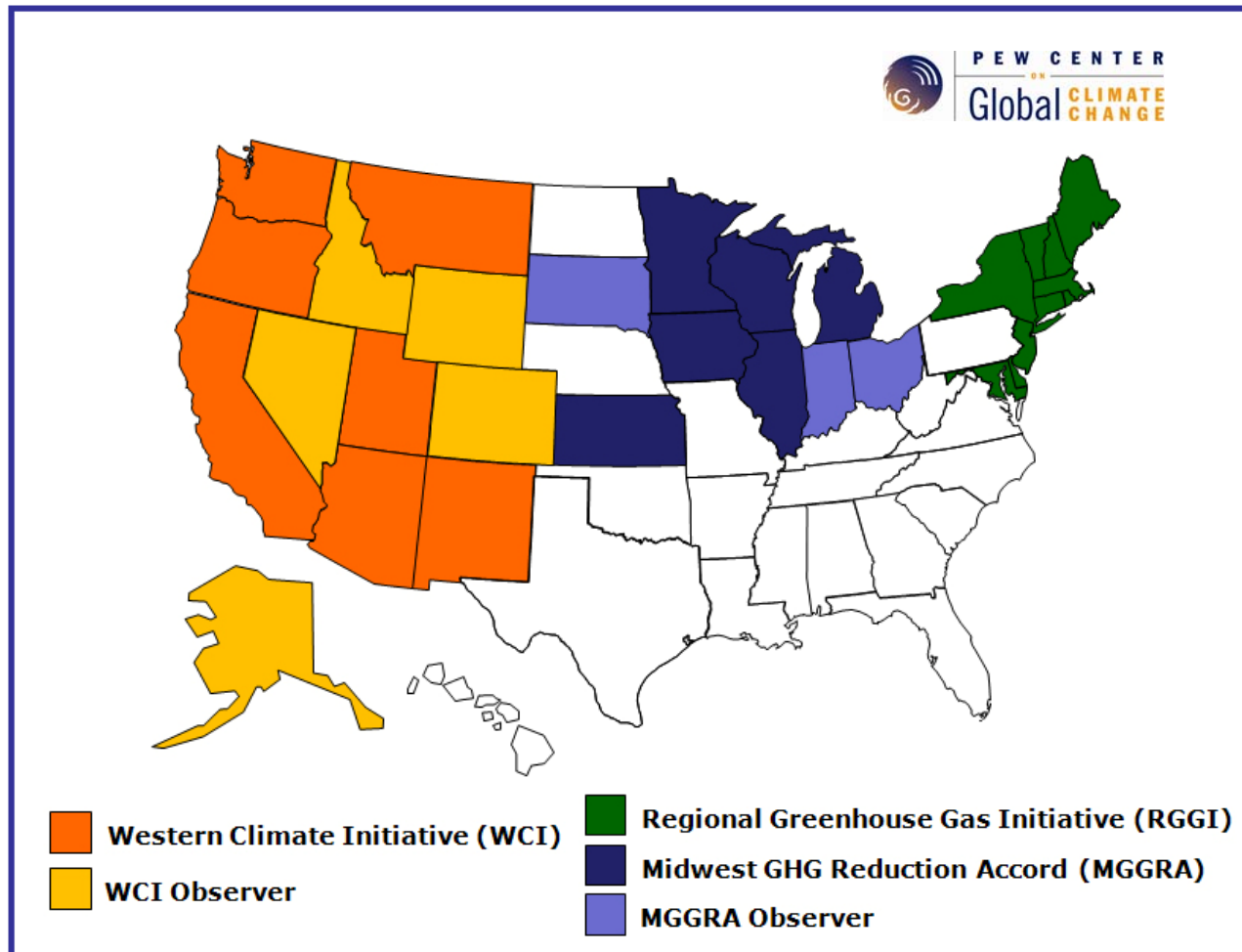
Madison Paper Industries (MPI), will save more than \$2 million each year - enough to support the retention of 18 jobs.

“These savings will help secure the future of an established paper mill facing difficult economic pressures.”

- Joe Clark, MPI Reliability Engineer

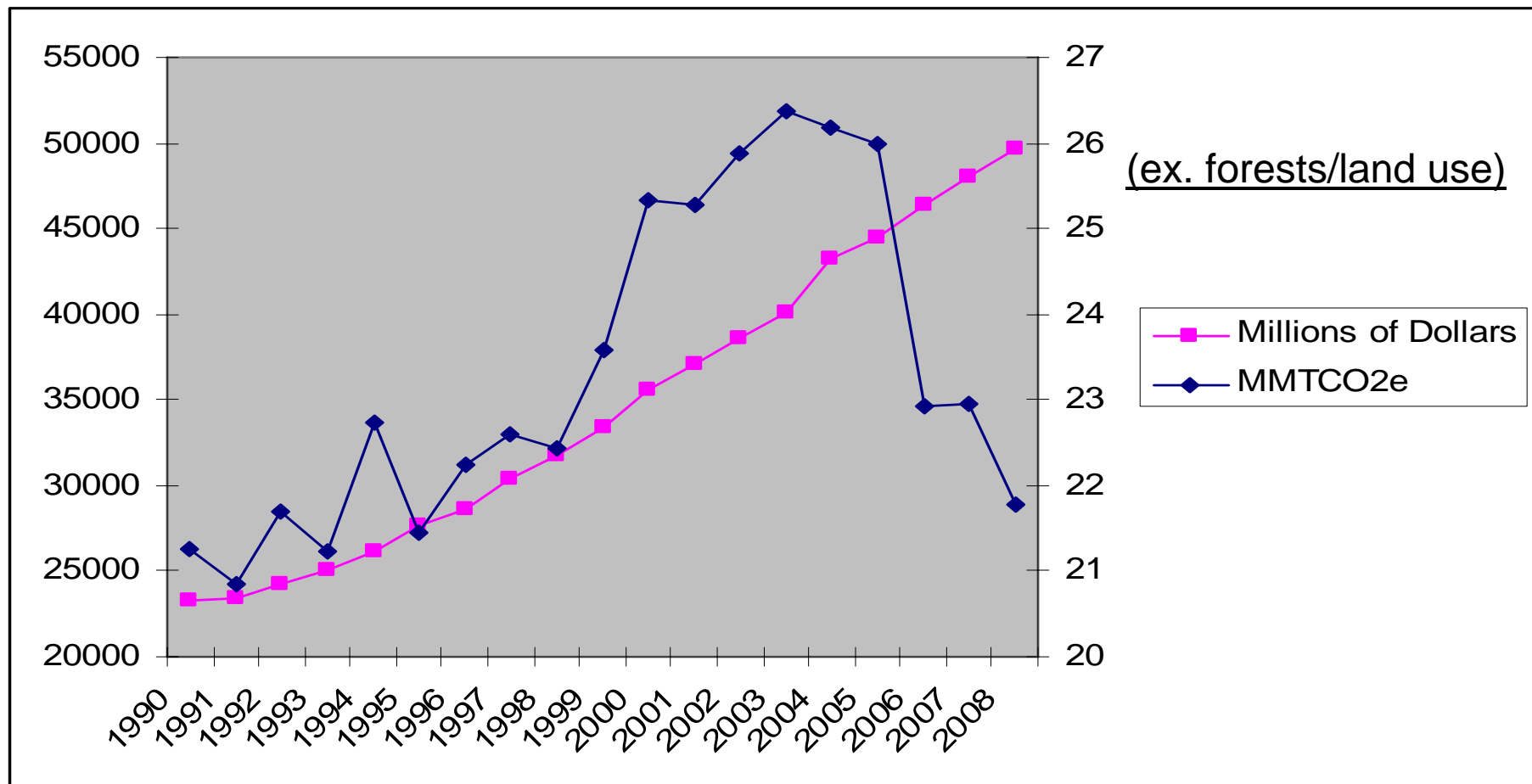
States and EPA are doing the hard work

Energy efficiency has an important role to play in all market-based systems to reduce GHGs



Maine GHG Emissions and State GDP

Maine GHG Emissions and State GDP



Source: U.S. Bureau of Economic Analysis. Regional Economic Accounts, Gross Domestic Product by State

For more information visit:

www.rggi.org