

April 22, 2016

Office of the Governor

State Capitol
210 Capitol Avenue
Hartford, CT 06106

Dear Governor Malloy,

The undersigned business, environmental, consumer, public health, agricultural, and academic organizations write to encourage you to show bold leadership by utilizing the effective Regional Greenhouse Gas Initiative (RGGI) to put Connecticut on a path to achieving the state's Global Warming Solutions Act (Public Act 08-98) requirements, both by strengthening the existing program and by pursuing steps to add the transportation sector to RGGI.

Climate change is the defining environmental challenge and opportunity facing Connecticut and the world. The historic Paris climate agreement among 195 countries will unleash investment in a low carbon, resilient, and sustainable future. As a clean energy innovation leader, Connecticut is well positioned to be in the forefront of this movement, building on the state's and region's farsighted policies, including RGGI.

RGGI is an effective program that utilizes market forces to reduce emissions at lowest cost. RGGI's flexible approach enables private companies to make investment decisions about how and when to reduce emissions, and the program has produced impressive results over its seven years of operation. Carbon dioxide emissions from power plants covered by RGGI have declined over 35% since RGGI launched,¹ and reduced emissions of hazardous pollutants have helped Connecticut avoid \$13 million in public health impacts.² Revenue raised through RGGI is reinvested in the state's nation-leading energy efficiency and clean energy programs, which boost economic growth in Connecticut, resulting in over \$245 million in value added to the state's economy and almost 2,200 job-years.³

As your Administration evaluates policies through the Governor's Council on Climate Change (GC3) we encourage you to develop a plan that maximizes reductions through RGGI's market-based approach. RGGI provides the most cost-effective and market-friendly means of reducing emissions and meeting mandated targets, while increasing revenue for the state's energy efficiency and clean energy programs to help serve more consumers. Additional emissions reductions are readily available in the electric sector through fuel-switching, efficiency

¹ Emissions data from RGGI, Inc., at:

https://rggicoats.org/eats/rggi/index.cfm?fuseaction=search.rrgi_summary_report_input&clearfuseattribs=true

² See: <http://acadiacenter.org/document/rggi-a-model-program-for-the-power-sector-2015-update/>

³ See Analysis Group reports on RGGI from 2011

(http://www.analysisgroup.com/uploadedfiles/content/insights/publishing/economic_impact_rggi_report.pdf) and 2015

(http://www.analysisgroup.com/uploadedfiles/content/insights/publishing/analysis_group_rggi_report_july_2015.pdf).

improvements, and renewable generation. Developing market-based policy like RGGI for the transportation sector would deliver additional emissions reductions while raising revenue to reinvest in transit, electric vehicles, and other programs that benefit consumers and the climate.

As Connecticut guides states through the 2016 RGGI Program Review with the important leadership position of Chair of the RGGI, Inc. Board of Directors, we encourage you to build on RGGI's proven success. Toward this end, we support consideration of an emissions cap that continues to decline from 2020 to 2030, with annual cap reductions equivalent to 5% of 2020 emissions. In recognition of the need to achieve additional electric sector reductions, a recent presentation to the GC3 noted, "the grid mix has a large impact on the efficacy of vehicle electrification."⁴ A 5% annual reduction in the RGGI aligns with average annual reductions since RGGI's inception, and would help keep Connecticut on track for the 35%-45% reduction by 2030 in economy-wide emissions that the state agreed to in conjunction with other New England Governors and Eastern Canadian Premiers.⁵

We additionally encourage Connecticut to continue showing climate leadership through collaboration with Rhode Island, New York, Vermont, Delaware, and the District of Columbia to developing market-based policies to reduce greenhouse gas emissions and other pollution from the transportation sector.⁶ In order to reflect this leadership at the state level, the GC3's analytical work and reporting should extensively explore market-based climate policies for the transportation sector.

Charting an ambitious yet achievable path for RGGI to 2030 and pursuing an extension of market-based policy to the transportation sector will solidify Connecticut's leadership on climate change.

Supporting Organizations:

⁴ [http://www.ct.gov/deep/lib/deep/climatechange/gc3/\(meeting20160122/gc3_meeting_1_22_2016.pdf](http://www.ct.gov/deep/lib/deep/climatechange/gc3/(meeting20160122/gc3_meeting_1_22_2016.pdf)

⁵ See Resolution 39-1, at: <http://www.cap-cpma.ca/data/Signed%2039-1En.pdf>

⁶ See: <http://www.georgetownclimate.org/five-northeast-states-and-dc-announce-they-will-work-together-to-develop-potential-market-based-poli>

Acadia Center
American Lung Association in Connecticut
Appalachian Mountain Club – Connecticut
Chapter
Center for Energy Security Solutions
ChargePoint
Clean Water Action CT
Connecticut Fund for the Environment
Connecticut Resource Conservation &
Development Area, Inc.
ConnPIRG
CT Forest & Park Association

CT Roundtable on Climate & Jobs
Environment Connecticut
Home Performance Alliance of CT
Institute for Sustainable Energy
Natural Resources Defense Council
Northeast Clean Energy Council
Northeast Energy Efficiency Partnerships
PACE (People's Action for Clean Energy)
RENEW Northeast
Sierra Club
SolarConnecticut, Inc.