



***Regional Greenhouse Gas Initiative:
Driving Efficiency in the Northeast***



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Climate Science

We know enough to act now



Joint National Academies of
Science Statement
June 2005

*“The scientific understanding of
climate change is now sufficiently
clear to justify nations taking
prompt action.”*



New York's Climate

Understanding What's at Stake



New York City's Coastal Infrastructure



Long Island Coastline





***Warming Threatens
the Maple Tree, Maple
Syrup and Fall
Foliage***



***Potential Flooding Due to More
Frequent Intense Storms***



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New York's Oil & Gas Consumption Means Billions Leave the State Each Year

***NY Spent
\$55 Billion
on Energy
in 2005***



New York Climate Policies

Climate and Energy Policy Options

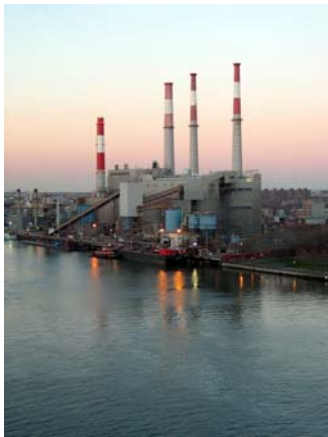
Reduce Energy Consumption

Promote Non-Carbon-Emitting Energy

De-Carbonize Fossil Fuel Energy

Increase Sequestration in Carbon "Sinks"

Regional Greenhouse Gas Initiative



*The Nation's First
Mandatory
Cap-and-Trade Program
for Carbon Dioxide*

*Launch Date:
Jan. 1, 2009*



Background

- April 2003 Invitation from New York Governor Pataki
- 3 Year Design Process
- December 2005 Agreement (7 States); + MD
- Model Rule Complete August 2006



Reduction Requirements

- Stabilize emissions at current levels through 2014;
- then reduce by 10% by 2019
- **~13% below 1990 levels**
- **~35% below business as usual**



Key Program Features

- Project-based reductions (or “Offsets”)
 - From anywhere in the U.S.
 - 5 types initially allowed, including fossil-fuel end-use efficiency
 - Limit on use by sources
- Some allowances to be set aside, auctioned for public benefit



Promoting Energy Efficiency

- Energy Efficiency Incentives
 - The carbon price incentivizes efficiency (and abatement) at the power plants
 - Revenue from the sale of emission allowances/permits likely to be used to fund energy efficiency investments
 - Energy efficiency offset credits



RGGI Hits All the Bases

Climate and Energy Policy Options

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