

February 8, 2008

Michele Totten  
Department of Environmental Protection  
Bureau of Air Management  
79 Elm Street  
Hartford, CT 06106-5127

**RE: Regional Greenhouse Gas Initiative (RGGI) Implementation  
Proposed regulations, section 22a-174-31 (Section 31) and section 22a-174-31(a)  
(Section 31a)**

Dear Ms. Totten,

Citizens Campaign for the Environment (CCE) is an 80,000-member, non-profit, nonpartisan, advocacy organization working to protect public health and the natural environment in New York, Connecticut and the nation. CCE works to build widespread citizen understanding and advocacy for policies and actions designed to manage and protect interdependent land and water resources, wildlife and public health.

CCE actively promotes policies and actions at the local, state, and federal level that reduce greenhouse gases and promote clean, renewable energy solutions. CCE applauds the Connecticut Department of Environmental Protection (DEP) for moving forward with the Regional Greenhouse Gas Initiative (RGGI) process and for taking a necessary step towards reducing greenhouse gas emissions from the electricity-generating sector.

CCE found overwhelming public support for Connecticut's participation in RGGI. The public clearly recognizes that global climate change is a significant problem that requires a strong commitment from our government and regulating community to develop and adopt policies and rules to ensure an overall reduction in greenhouse gas emissions.

*CCE offers the following specific comments on the proposed rule:*

**1. Allocation Issues (Section 31(f))**

**CCE strongly supports the state decision to auction nearly all carbon credits through RGGI.** This method gives Connecticut residents the best opportunity to invest in important energy efficiency, renewable and conservation technologies. Previous distribution schemes in the European Union (EU) gave credits away to polluters for free. The EU distribution scheme effectively allowed regulated companies to charge customers—and increase company profits—since the companies paid nothing for carbon credits. *CCE strongly supports the auction approach proposed by the CT DEP particularly due to the significant*

*benefits to consumers and environment from energy efficiency, conservation and renewable technology program funding.*

**a. Voluntary Renewable Energy Purchasing Exemption (Section 31(f)(4))**

CCE applauds the DEP for reducing the state carbon cap when citizens of the state choose to purchase renewable energy. This provision adds value to the voluntary renewable energy market, an essential component of the burgeoning renewable energy sector. Through this added value, Connecticut residents will be empowered to control their own carbon footprint and contributions to climate change. CCE appreciates the state's involvement in promoting the voluntary renewable energy market.

**3. Auction Proceeds Language Defined (Section 31(a)(32))**

There are several terms used that should be clearly defined, particularly relating to how the auction proceeds can be used.

- a. **“Non carbon-emitting technologies”** should clearly exclude nuclear power. CCE opposes further subsidies to the nuclear industry.
- b. **“Innovative carbon emission abatement technologies”** should be limited to those technologies with proven, verifiable results.

**4. The RGGI Cap May Be Too High**

CCE is concerned that the cap may begin higher than the actual emissions in 2009 and how that could impact RGGI. By flooding the market with credits early credit price will likely be artificially low and the market would suffer from avoidable volatility. More importantly, having too many credits early on will delay RGGI's impact to reduce the state's carbon footprint by giving polluters an opportunity to “bank” credits for use when the cap tightens. The DEP should determine whether Connecticut's RGGI cap is higher than likely actual emissions in 2009, in which case CCE recommends that the state lower the cap. CCE supports the strongest possible cuts in carbon emissions, including withholding some credits from being sold. **To ensure vibrant carbon markets that provide incentives to the regulated community and to reduce greenhouse gas emissions as swiftly as possible, CCE urges the DEP to be conservative with the total amount of carbon credits released for auction.**

In closing, CCE commends all Connecticut officials and staff for their leadership, creativity, persistence, and investment to make RGGI a reality for our region and a model for the nation. CCE appreciates the opportunity to comment on Connecticut's RGGI rule.

Sincerely,

Emmett Pepper  
Connecticut Program Director

Cc: Adrienne Esposito, CCE Executive Director