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Transmitted via email to Michele.Totten@po.state.ct.us from Margaret Powell for Constellation Energy Group, Inc.

Re: Constellation Energy Group, Inc's Comments on Connecticut's Proposed Regional Greenhouse Gas Initiative Regulations

Constellation Energy Group, Inc. ("Constellation") appreciates the opportunity to comment on the proposed Control of Carbon Dioxide Emissions (Section 22a-174-31) regulations to implement the Regional Greenhouse Gas Initiative ("RGGI") in Connecticut.

Constellation supports the overall goals of the RGGI and appreciates that the program could serve as a valuable stepping stone toward the development of a national program. However, Constellation wishes to emphasize that the timely implementation of a single, US greenhouse gas reduction program is critical. Once implemented, the mandatory national greenhouse gas reduction program must supersede the RGGI program to avoid the difficulties and confusion that redundant and possibly conflicting programs would present.

Specific to the proposed Connecticut rule, Constellation offers comments on (i) the set-aside for voluntary renewable energy purchases, (ii) the auction of allowances, and (iii) a RGGI tracking system.

Constellation is pleased that Connecticut opted to set-aside a small portion of allowances for use with renewable energy sales in the voluntary renewable energy market. This set-aside will help to support an evolving carbon-neutral electricity market. Corporations, institutions, governmental entities, and individual citizens throughout Connecticut have joined various voluntary initiatives to reduce their carbon footprint as well as purchase green power to meet all or portions of their electric load. The set-aside under the RGGI program supports the innovation and environmental commitment of their actions.

Constellation supports the setting aside of a fixed number of tons; however, special attention should be given to confirm that the set-aside amount corresponds to the existing volume of voluntary renewable energy purchases. This need for additional consideration is warranted given the increase of programs among public institutions in Connecticut (e.g. SmartPower). Future growth in voluntary purchases may prompt a re-evaluation of the set-aside amount.

Any later adjustments should be considered solely through a stakeholder process and any increases to the set-aside must be announced well in advance of the change to minimize market disruptions. Constellation also supports returning any set-aside allowances not used in this program to the broader allowance market.

As RGGI is a regional program establishing a common CO₂ allowance currency, Constellation urges Connecticut to participate in a centralized auction regime to avoid the added administrative costs and other challenges for participants in a state-by-state auction schedule. Constellation also wishes to emphasize the importance of focusing auction revenues on the greenhouse gas reduction related purposes.

Finally, Constellation strongly encourages Connecticut and all the RGGI states to establish a robust tracking system designed to track allowances and offsets in both compliance and voluntary markets. The system should accommodate multiple definitions and data. It should be built to accommodate linkage to other systems within the US and ultimately to link internationally. Constellation urges the swift implementation of such a tracking platform.

Thank you for your consideration. Constellation has participated in the regional RGGI stakeholder process and looks forward to continued participation in the process.