



Acadia
Center

Advancing the Clean Energy Future

Regional Greenhouse Gas Initiative (RGGI)

A Model for Successful Multi-State
Collaboration on Emissions Reductions,
Energy Efficiency, and Affordability

September 17, 2025

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Boston, MA • Hartford, CT • New York, NY • Providence, RI • Rockport, ME



WHO IS ACADIA CENTER?



MISSION

Acadia Center's mission is to advance bold, effective, and equitable clean energy solutions for a livable climate and a stronger, more equitable economy.

PROGRAMS

Acadia Center focuses on eight areas of climate and clean energy, within which we prioritize consumer benefits, public health, economic growth, and equitable distribution of benefits:

- Energy Efficiency and Building Decarbonization
- Clean Energy and Grid Reform
- Utility Innovation and Accountability
- Transportation and Mobility
- Climate, Energy, and Equity (CLEAN-E) Analysis
- State and Regional Climate Policies
- Equity, Environmental Justice, and Outreach
- Public Engagement and Communications

SUPPORT

Acadia Center is funded by foundation grants and individual donations. It does not accept corporate or government funding.

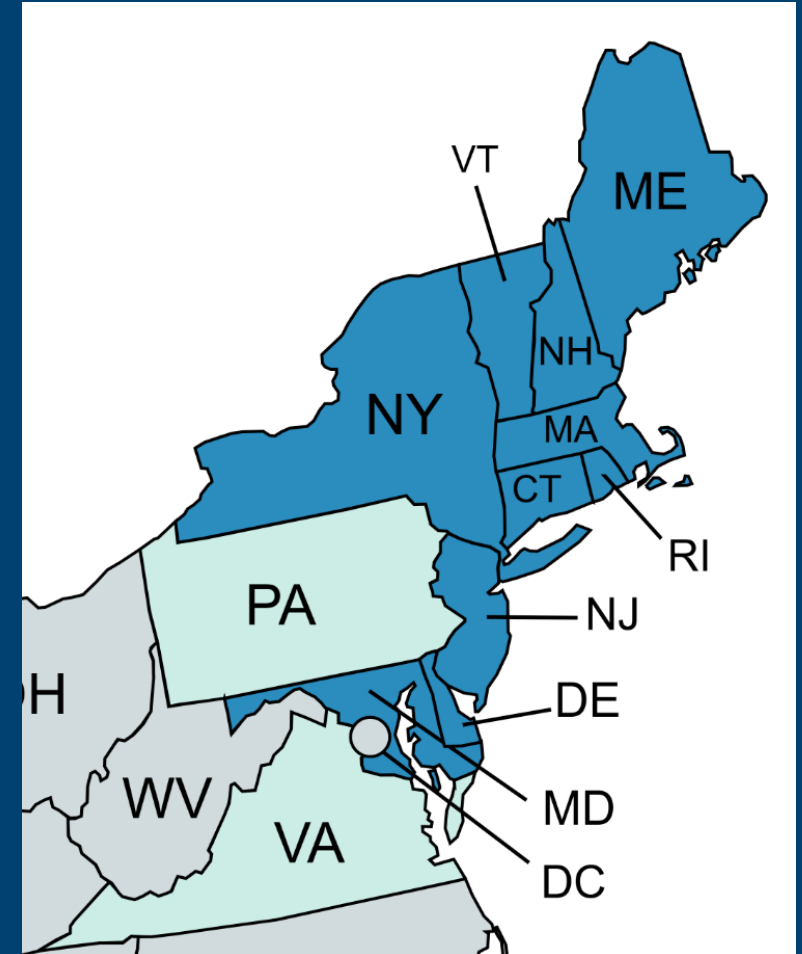
REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) A BRIEF HISTORY

Why It Started

- Early 2000s: Rising concern over climate change and lack of federal action
- Northeast governors sought a *practical, market-based solution* to cut power-sector CO₂
- First-in-the-nation effort
- Each state has independent regulations for their CO₂ Budget Trading Program based on the RGGI Model Rule

Key Milestones

- **2009** – RGGI launches across 10 states
- **2012** – First Program Review: cap tightened, market strengthened
- **2014** – Proceeds top **\$1B**, invested in efficiency, clean energy, consumer savings
- **2017** – Second Program Review: new market features (CCR & ECR)
- **2020s** – Proceeds exceed **\$6B**, growing EJ & low-income focus
- **2025** – Third Program Review: charting the path forward



Acadia Center's RGGI Reports



RGGI Funds in Action:

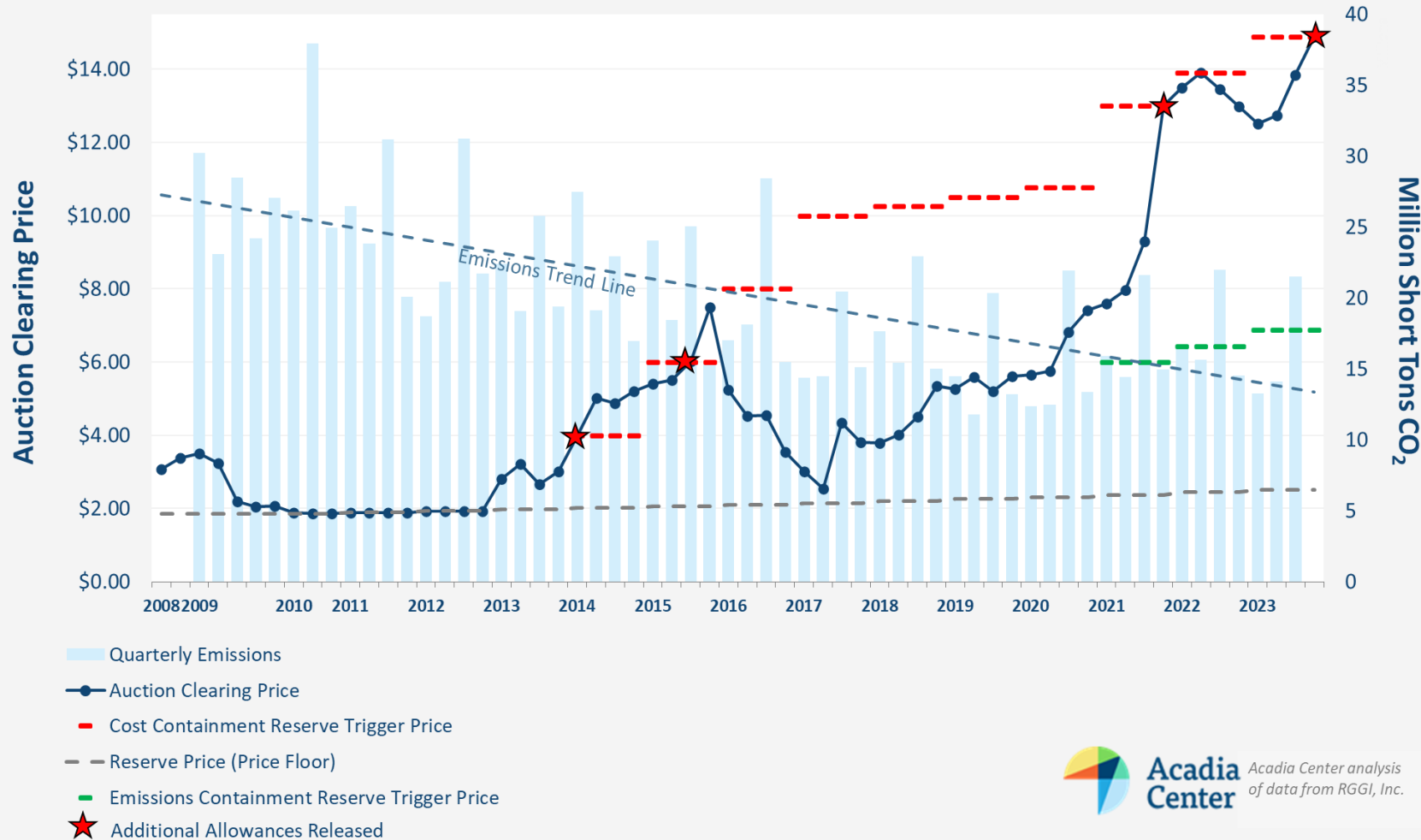
Insights into the Allocation of RGGI Proceeds
Winter 2024



Acadia Center RGGI Report Series



RGGI MARKET OVERVIEW



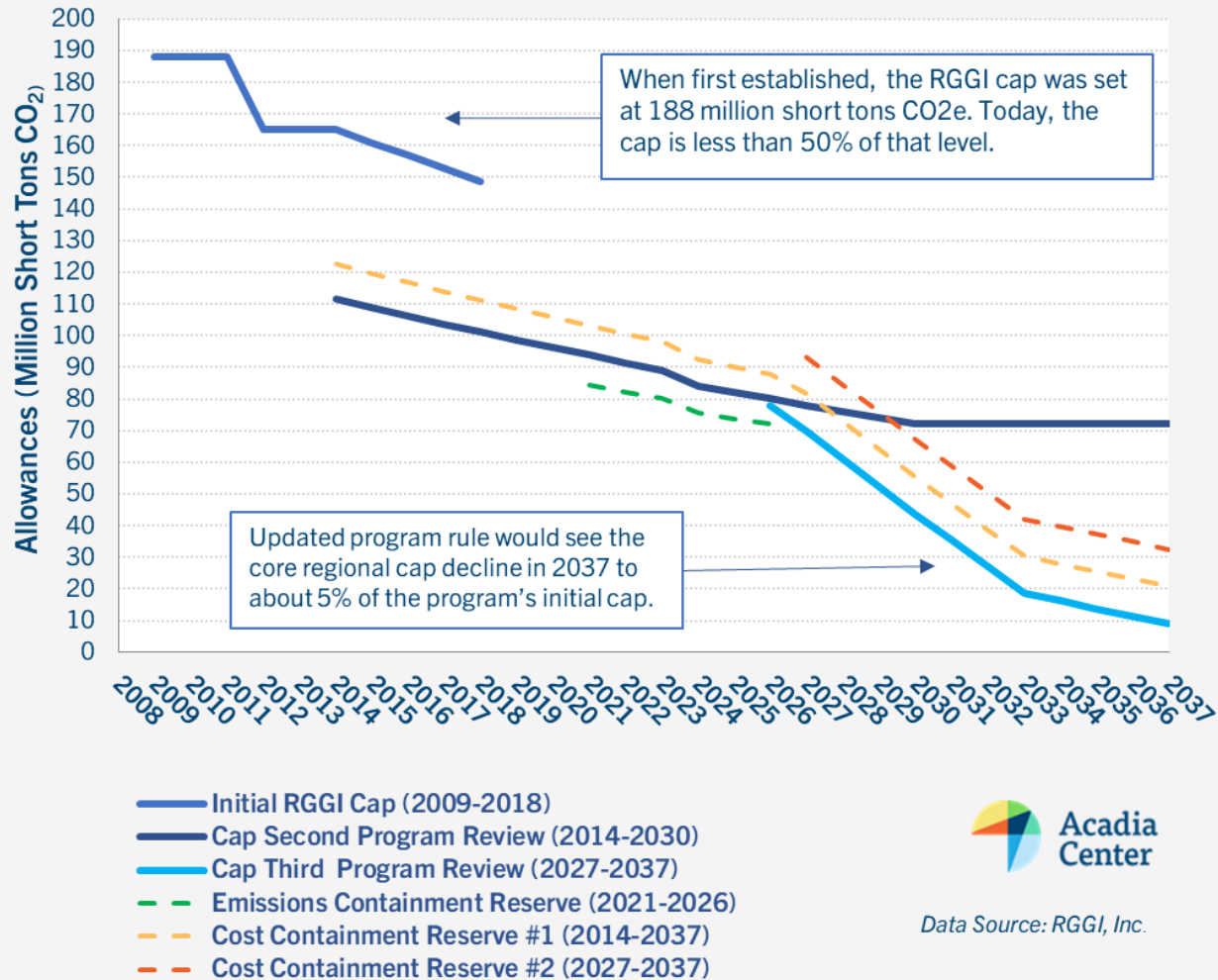
How It Works:

- RGGI States establish a regional CO₂ cap on emissions which declines over time
- Power plants must purchase enough RGGI allowances at quarterly auctions to cover their CO₂ emissions
- RGGI states invest their proceeds from auctions back into their communities.

Auction Results:

- \$9.71 billion generated through RGGI auctions since 2008
- \$531.56 million generated for CT
- Auction Results 2024: \$1.45 B
- Auction Results 2025: \$1.10 B

LATEST RGGI NEWS

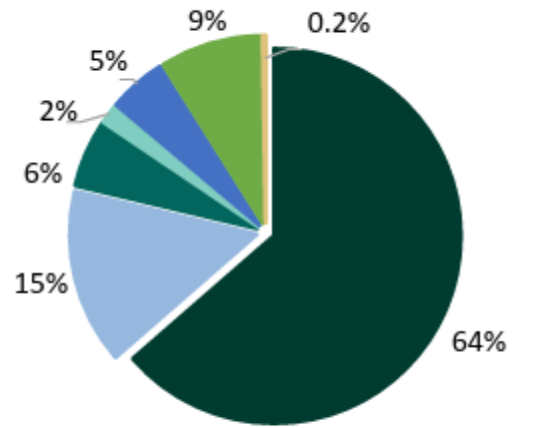


Every few years, RGGI states review the program. RGGI States finalize updates through 2037.

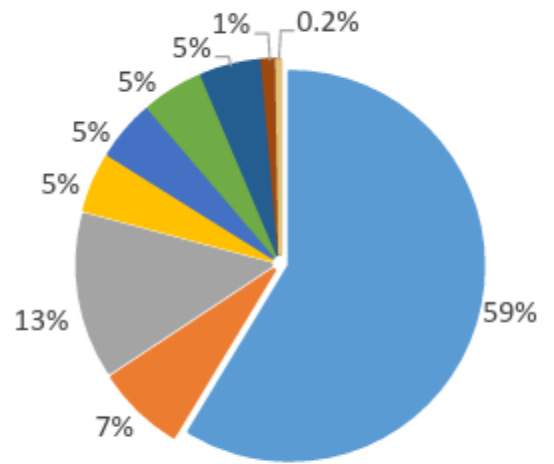
- Stronger Emissions Cap
 - From 82M tons today → just under 10M tons by 2037
- Offsets Eliminated
 - Focus shifts to direct power-sector reductions only
- Market Mechanisms Update
 - Two-tier Cost Containment Reserve;
 - Higher minimum price floor and removal of Cost Containment Reserve
- Next Steps
 - Updates implemented by Jan 1, 2027; Fourth Program Review no later than 2028

CURRENT PROCEEDS SPENDING REGIONALLY

Charts 2 and 3: 2023 RGGI Investments by Category and Recipient Type



- Energy Efficiency
- Direct Bill Assistance
- Clean & Renewable Energy
- Greenhouse Gas Abatement & Climate Change Adaptation
- Administration
- Beneficial Electrification
- RGGI, Inc.



- Residential Efficiency & Clean Energy
- Municipal, State, & Community
- Low-Income Rate Relief & Efficiency
- Business Efficiency & Clean Energy
- General Rate Relief
- Administration
- Clean Transportation
- Research & Technology Development
- RGGI, Inc.

- **\$1.26 Billion generated in auctions 2023**
- **\$852 million reported in 2023 RGGI investments**
- **States spend in variety of ways:**
 - Energy Efficiency
 - Direct Bill Assistance
 - Clean & Renewable Energy
 - GHG Abatement
 - Beneficial Electrification
 - *Raided for General Fund*
- **Auction Results 2024: \$1.45 B**
- **Auction Results 2025: \$1.10 B**

PROVEN TRACK RECORD OF SUCCESS

Table 8: All-Time Benefits of RGGI Investments









Category	Lifetime Benefits of All RGGI Investments
 Participating Households	8,282,710
 Participating Businesses	415,766
 Short Tons CO ₂ Avoided	60,170,134
 Megawatt-Hours Saved	101,691,503
 MMBtu Saved	390,329,804
 Energy Bill Savings	\$20,255,827,633

Table 2: Benefits of 2023 RGGI EJ & Equity Investments








Category	Annual Benefits of 2023 Investments	Lifetime Benefits of 2023 Investments
 Short Tons CO ₂ Avoided	86,966	899,562
 Energy Bill Savings	\$24,145,465	\$438,738,845

- Consumers save both directly (bill assistance, efficiency upgrades) and indirectly (lower peak demand prices).
- In 2023, 13% of CT's EE budget came from RGGI

Compared to the \$9.7B from auction proceeds 2008 - 2025

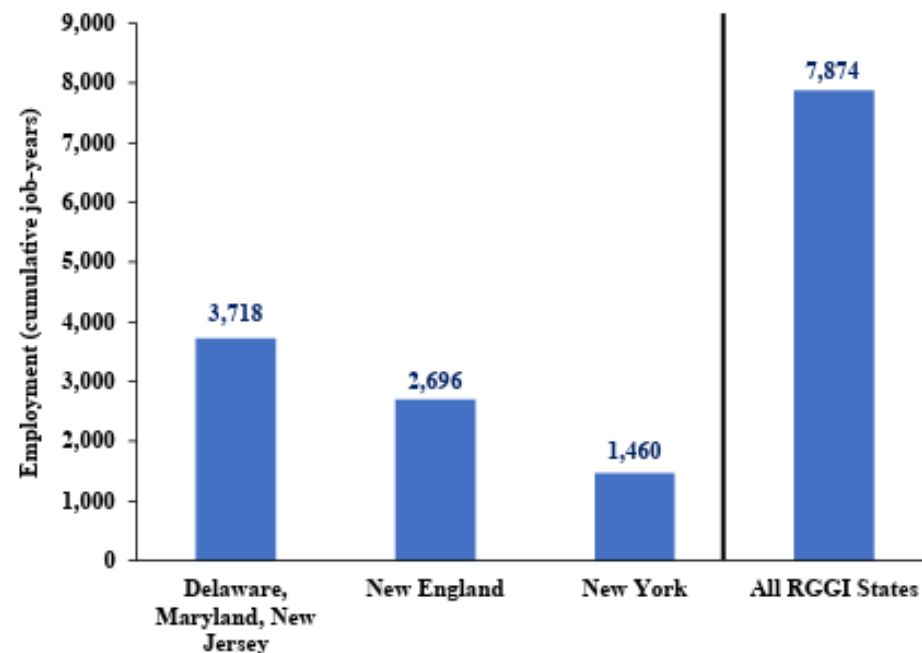
The Many Benefits of RGGI Investments

Table 3: Benefits of 2023 RGGI Investments in Energy Efficiency

Category	Annual Benefits of 2023 Investments	Lifetime Benefits of 2023 Investments*
 Participating Households	181,791	n/a
 Participating Businesses	1083	n/a
 Increased Employment	n/a	1,021 job years**
 Short Tons CO ₂ Avoided	310,096	5,348,806
 Energy Bill Savings	\$122,864,696	\$1,929,454,837
 MMBtu Saved	2,735,485	51,941,998
 MWh Saved	930,506	8,466,879

Source: RGGI Inc. 2023 Proceeds Report

Figure 9. Net Employment Impact to RGGI States as a Result of RGGI Implementation During the 2018-2020 Period



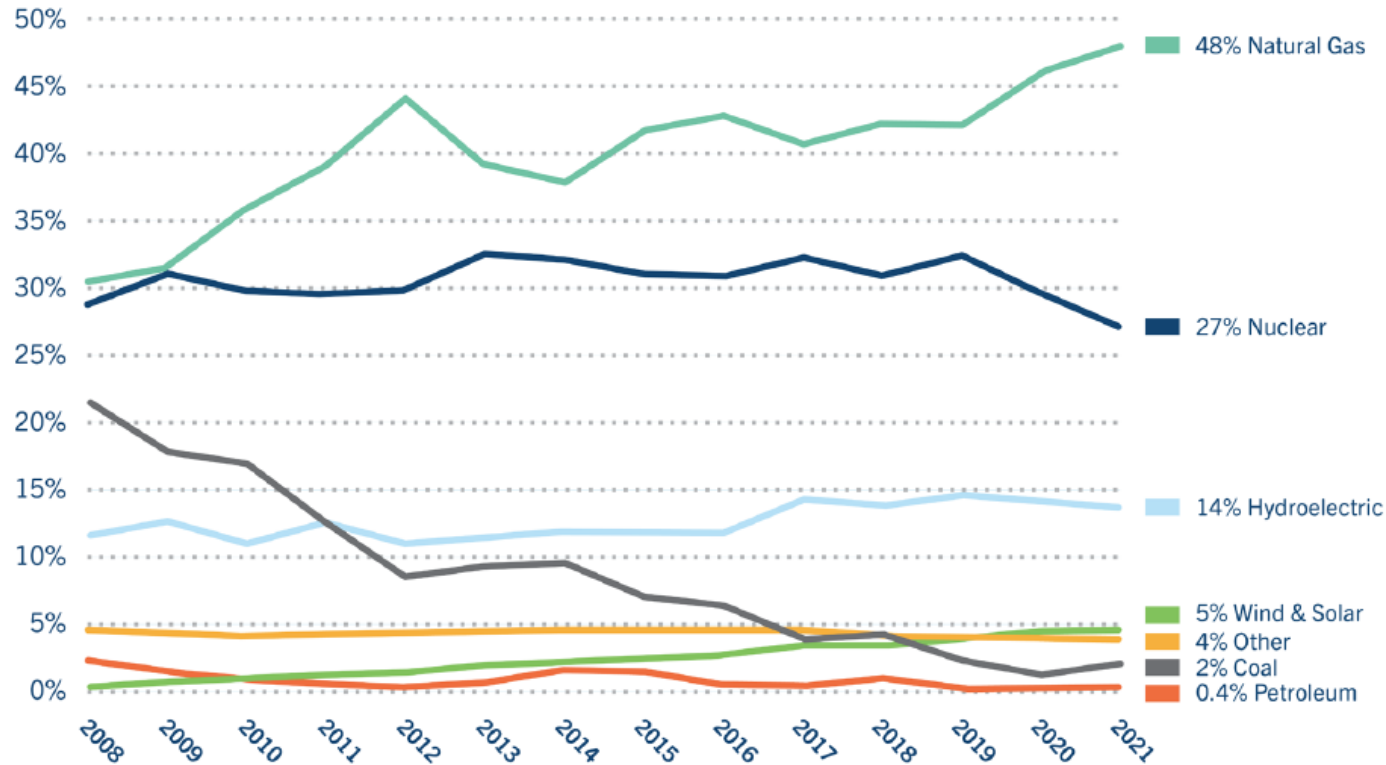
Over the previous twelve years, RGGI has contributed to a 46% reduction in carbon emissions, raised \$3.8 billion in allowance revenues, generated net economic benefits of approximately \$5.7 billion dollars, and added 48,000 incremental job-years

Source: Analysis Group RGGI Economic Impacts Report published May 2023 for the Compliance Period (2018-2020)

SHIFTING AWAY FROM COAL...BUT WORK REMAINS



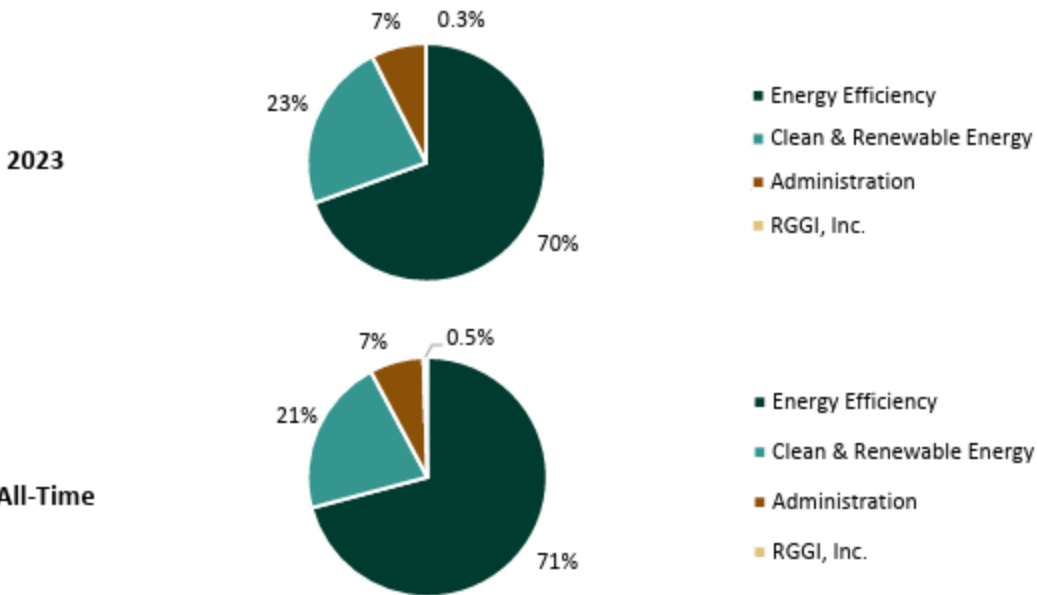
FIGURE 4:
Electricity Generation Mix
9 Consistent RGGI States: 2008-2021



- 91% decline in electricity generated from coal
- 808% increase in electricity generated from wind & solar
- 32% increase in gas generation highlights still work to be done

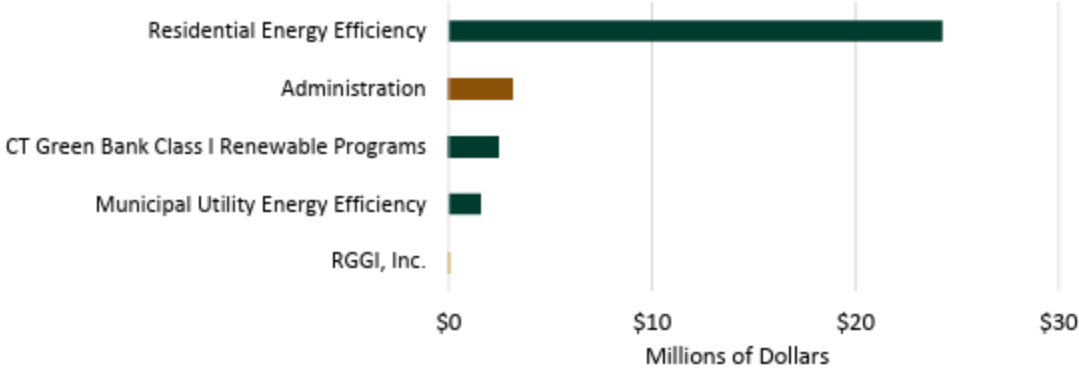
CURRENT PROCEEDS SPENDING - CONNECTICUT

Chart 8: Connecticut RGGI Investments by Category



Connecticut received \$390M in proceeds from 2008-2023. RGGI investments represent \$44M in 2023, and \$297M cumulatively. \$70M is committed to 2024 and future investments.

Chart 9: 2023 Connecticut RGGI Investments by Recipient



Connecticut RGGI investments represent \$44M in 2023.

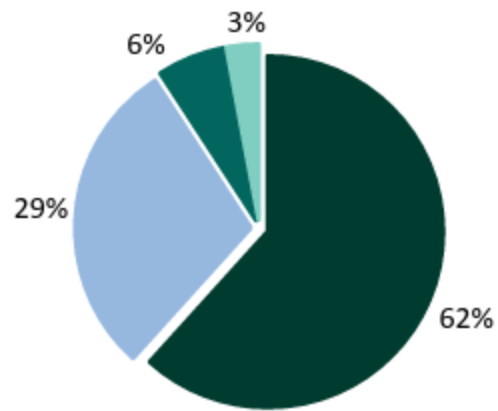


WHAT ABOUT IMPACT ON ENVIRONMENTAL JUSTICE COMMUNITIES?

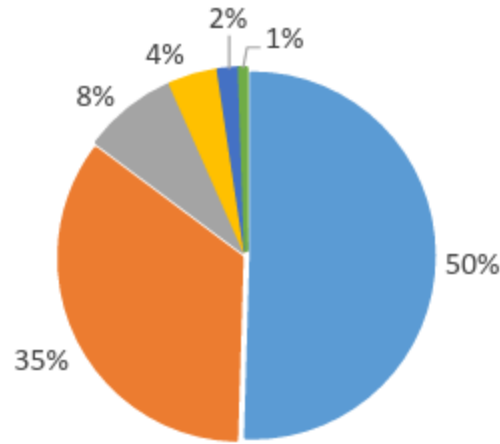
- RGGI has been a success in reducing GHG emissions and supporting economic growth through investment of proceeds. However, impact on EJ communities has not been closely examined.
- Two research questions:
 - Have RGGI proceeds been invested in EJ communities?
 - Have levels of key pollutants declined in EJ communities?
- **New York State lone RGGI state with law requiring a set % of proceeds to be allocated to “disadvantaged communities”**
 - “40%, and no less than 35%” of investment realized in “disadvantaged communities”
 - 40% in 2023 = \$168 million
 - Climate Justice Working Group still defining “disadvantaged communities”
 - NY has robust reporting in their RGGI Operating Plan

CURRENT EJ + EQUITY PROCEEDS SPENDING

Charts 4 and 5: RGGI EJ Investments by Category and Recipient Type



■ Energy Efficiency
■ Direct Bill Assistance
■ Beneficial Electrification
■ Clean & Renewable Energy

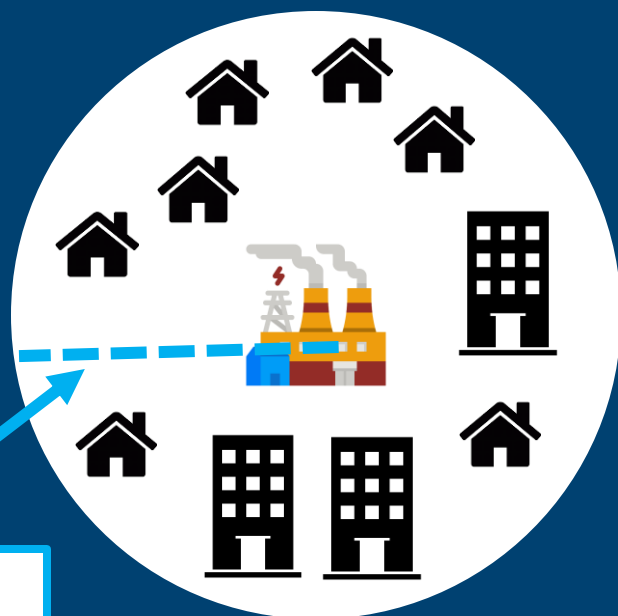


■ Residential Efficiency & Clean Energy
■ Low-Income Rate Relief & Efficiency
■ Municipal, State, & Community
■ Clean Transportation
■ Research & Technology Development
■ Business Efficiency & Clean Energy

- Recent reporting of EJ Proceeds Spending
- 36% of total Proceeds Spending in 2023 invested in EJ and Equity

BUT WHO IS OVERBURDENED AND WHERE?

- Report focused on communities within 3-mile radius of plants



Three-mile radius
around plant

- US EPA's EJScreen 7 Socioeconomic Indicators:

- Income
- Race
- Education
- Unemployment
- Linguistic isolation
- Children under 5 years of age
- Adults over 64 years of age

Above 90th national
percentile

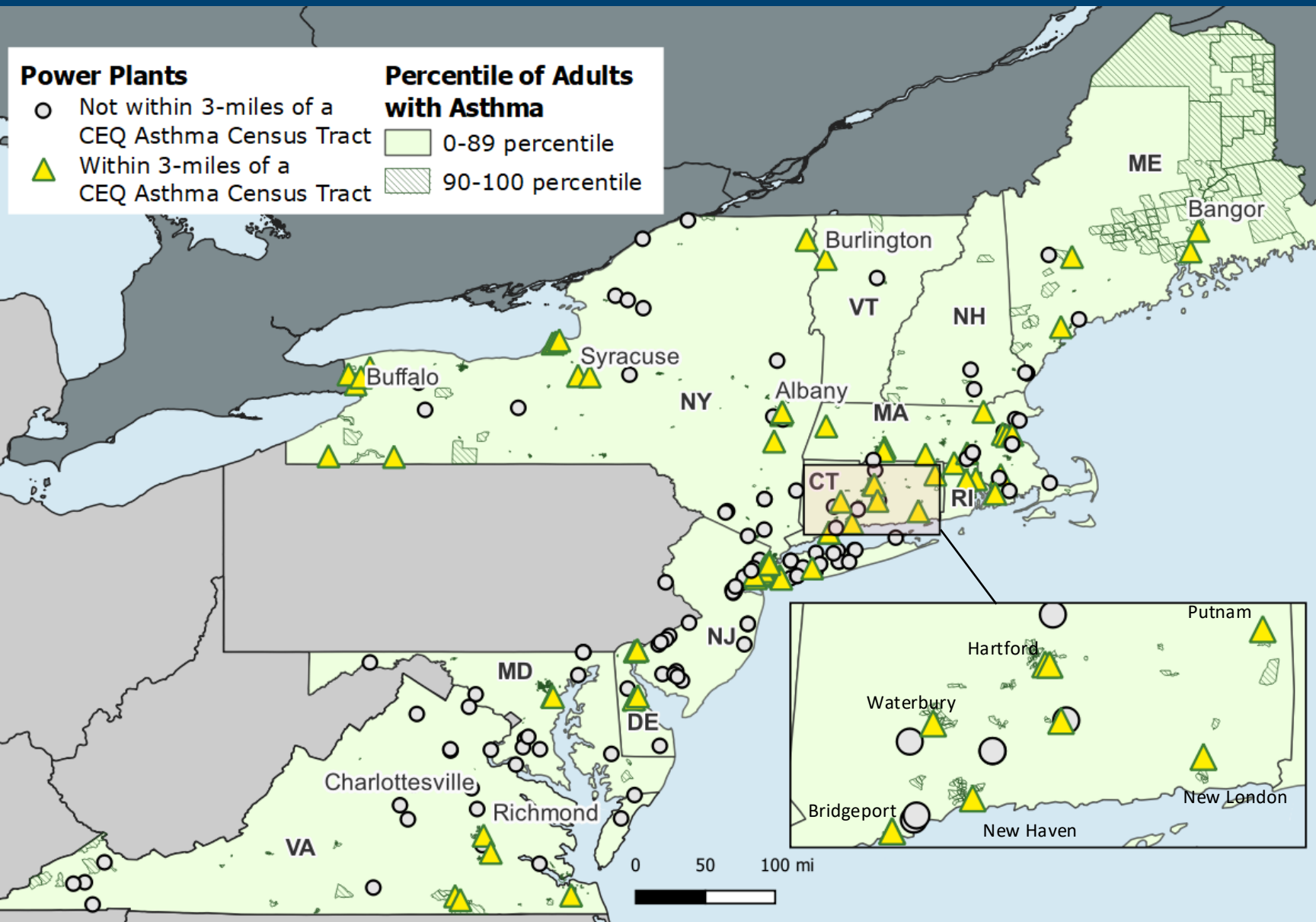
EPA EJSI
community

- Council on Environmental Quality CEJEST:

- Adults who have been told they have asthma

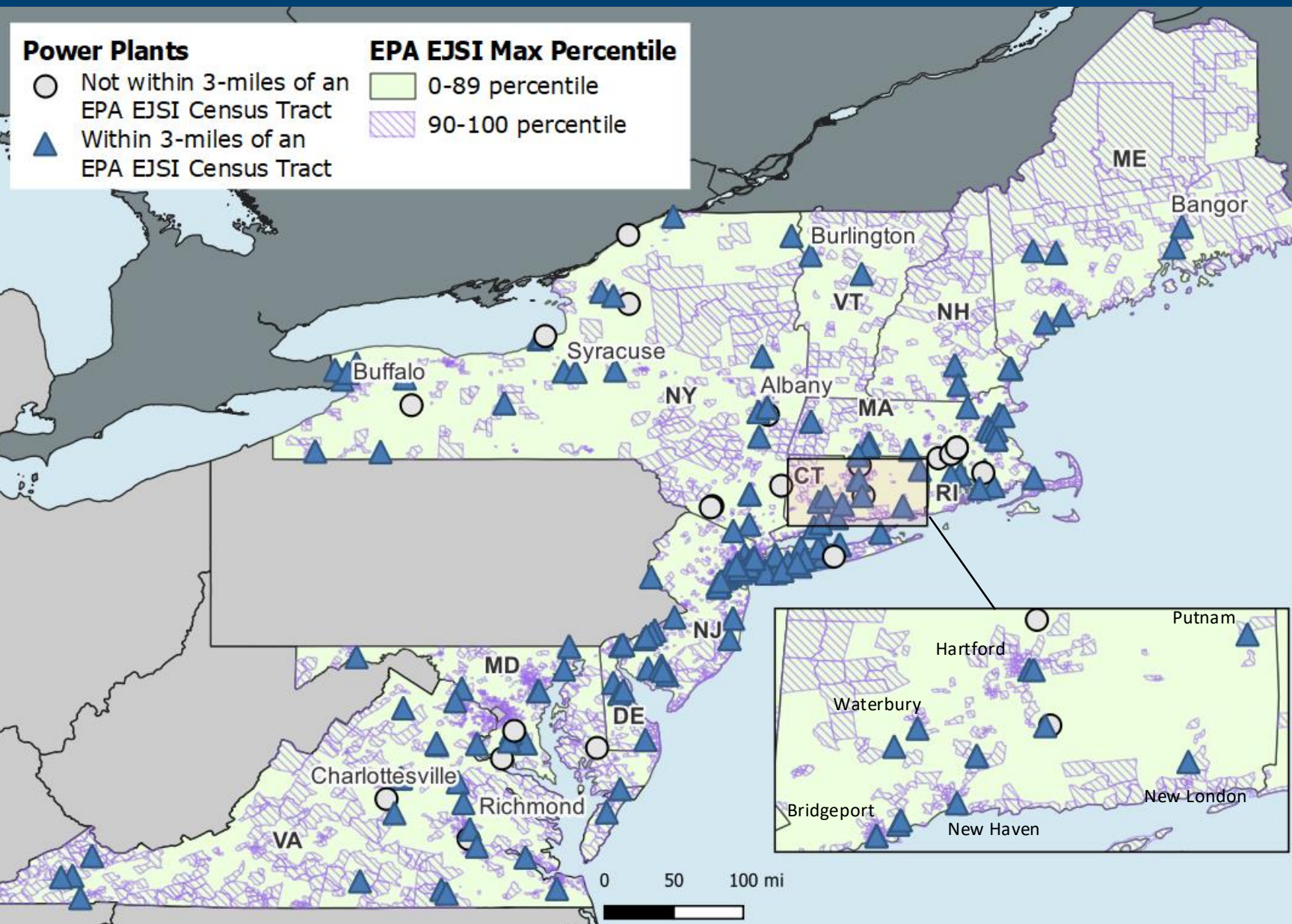
High asthma
community

2021 RGGI Power Plants Proximity to 90th Percentile Asthma Communities



- 38% of RGGI plants in proximity to high asthma community
- 19/20 plants in NYC
- 11% of all census tracts in region considered high asthma
- 9 of 16 power plants (56%) in CT are in proximity to high asthma census tracts

2021 RGGI Power Plants Proximity to 90th Percentile Demographic Environmental Justice Indicator Communities



- 89% of RGGI plants in proximity to EJSI community
- 20/20 plants in NYC
- 41% of all census tracts in region considered EPA EJSI
- 14 of 16 power plants (88%) in CT are in proximity to proximity to EJSI census tract



SUMMARY OF DATA FINDINGS

- 1/3 of RGGI plants are located near high asthma communities.
- Only 41% of the census tracts in the region are classified as EPA EJSI Communities, 89% of RGGI power plants are located within 3 miles of EPA EJSI Communities.
- NOx emissions near an EPA EJSI community declined by 85%, compared to the rest of the RGGI power plants, NOx emissions declined by 88%.
- **91% of plants with smaller generating units located in proximity to EJSI or high asthma community**
- Over two-thirds of RGGI plants do not have an active air quality monitoring site within a 3-mile radius – and over three quarters of these plants are near an EPA EJSI or high asthma community



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