


Regional Greenhouse Gas Initiative

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Consideration of Final Rulemaking: CO2 Budget Trading Program (25 Pa. Code Chapter 145) 

What's RGGI?

[RGGI is an initiative of 10 New England and Mid-Atlantic states, to reduce greenhouse gas emissions from the power sector while generating economic growth](#) 

(<https://www.rggi.org/>)

. Together Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York Rhode Island and Vermont cap and reduce their power sector carbon dioxide (CO2) emissions. This is achieved by setting a regional cap or limit on carbon dioxide (CO2) emissions from electric power plants in the participating states.

[Support for RGGI](#)

Qualifying power plants must acquire CO2 allowances equal to the amount of CO2 emitted. And while each state has its own allowance budget, the only firm cap is the regional one. Entities in each of the qualifying states can purchase and trade allowances- allowing for the most efficient and cost-effective emissions reductions. Also since RGGI is a market-based approach, the quarterly auction sets the price for the purchase of allowances- ensuring transparency. Furthermore the revenue from the quarterly auctions are returned to the states for reinvestment in efficiency, and other GHG reduction programs that further reduce power sector emissions.

Why RGGI?

Governor Wolf states that climate change is the most critical environmental threat confronting the world, and given that power generation is one of the largest contributors to greenhouse gas emissions, it is time to take concrete, economically sound and immediate steps to reduce emissions. The

(<http://www.depgreenport.state.pa.us/elibrary/GetDocument?docId=1454161&DocName=2018%20PA%20CLIMATE%20ACTION%20PLAN.PDF%20%20%20%3cspan%20styl>

[Pennsylvania Climate Action Plan](#)
e%3D%22color:blue%3b%22%3e%28NEW%29%3c/span%3e)

detailed the many steps to reduce emissions and recommended that Pennsylvania create a cap-and-trade program for the electricity generation sector. To do so,

[Governor Wolf recently signed an Executive Order](#)

(<https://www.oa.pa.gov/Policies/eo/Documents/2019-07.pdf>)

that

directed DEP to begin a rulemaking process that will allow Pennsylvania to participate in the Regional Greenhouse Gas Initiative (RGGI), with the goal of reducing carbon emissions from the electricity sector.

[Climate Change: The Regional Greenhouse Gas Initiative](#)

(<https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/RGGIClimateChange>

• [HDDEP5300.pdf](#)

(English, PDF)

[Cambio Climático: Iniciativa Regional Sobre Los Gases De Efecto Invernadero](#)

(<https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/RGGIClimateChange>

• [HandoutSpanish.pdf](#)

(Español, PDF)

Environmental Benefits

By participating in RGGI Pennsylvania will reduce climate pollution from carbon emissions by a massive 188 million tons by 2030. Emission of other harmful pollutants like nitrogen oxides, sulfur dioxide, and particulate matter emissions will also drop significantly. These reductions will particularly benefit those most often impacted by marginal air quality, such as children and at-risk seniors, especially in low income and environmental justice communities.

Air pollution reductions:

- Carbon pollution – 188,000,000 tons
- Nitrogen Oxide pollution – 112,000 tons
- Sulfur Dioxide pollution – 67,000 tons

Health Benefits

Reducing carbon pollution isn't the only benefit of RGGI. The health benefits of the reduced sulfur dioxide and nitrogen oxide emissions are significant - up to \$6.3 billion by 2030, averaging between \$232 million to \$525 million per year. Additionally, DEP estimates that through 2030:

- Up to 639 premature deaths from respiratory illnesses will be prevented due to emission reductions resulting directly from RGGI participation
- 30,000 fewer hospital visits for respiratory illnesses like asthma for children and adults
- Adults would be healthier as well which results in over 83,000 avoided lost workdays due to health impacts

(<https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/PA%20RGGI%20Health%20Benefits.xlsx>)

[Explore the Health Benefits Data here](#)

Economic Benefits

DEP's modeling estimates that from 2022 to 2030, participating in RGGI would lead to an increase in Gross State Product of nearly \$2 billion and a net increase of over 30,000 jobs in this Commonwealth. The results also show that overall citizens of this Commonwealth could see a cumulative increase in Disposable Personal Income of \$3.7 billion by 2050.

Support for RGGI

Many groups and individuals from across Pennsylvania support reducing climate change pollution by linking up with RGGI.

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[Read More About Support for RGGI](#)



RGGI Modeling Results

The Department has hired an expert modeling consultant to identify how Pennsylvania would be affected by RGGI participation. Explore the data and presentations below to see how Pennsylvania will benefit by participating in RGGI.

Read about the Department's modeling process in this

(https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/PA_RGGI_Modeling_Report_I_Modeling_Report.pdf)

[Modeling Report I_Modeling_Report.pdf](#)

. You can

further explore the data and presentations below to see how Pennsylvania will benefit by participating in RGGI.

[Expand All](#)

Power Sector Modeling



Economic Modeling



Stakeholder Engagement and Public Outreach

In Executive Order 2019-07, Governor Wolf explicitly directed the Department to conduct a robust public outreach effort while developing this rulemaking. The Department is doing so in many ways, including the events below that, although only reflecting a portion of the outreach being conducted, are useful in following the progress of this proposed rulemaking.

The Department's outreach and engagement effort is being guided by a set of RGGI Equity Principles, developed in coordination with the [DEP's Office of Environmental Justice](#)

[\(/PublicParticipation/OfficeofEnvironmentalJustice/Pages/default.aspx\)](/PublicParticipation/OfficeofEnvironmentalJustice/Pages/default.aspx)

and

various environmental and community groups.

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RGGI Equity Principles



You can learn about how the Department will continue to engage through the rulemaking process in our

[Guide to the Environmental Regulatory Process in Pennsylvania](https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/THE_ENVIRONMENTAL_REGULATORY_PROCESS_IN_PENNSYLVANIA.pdf)

(https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/THE_ENVIRONMENTAL_REGULATORY_PROCESS_IN_PENNSYLVANIA.pdf)

or view the

[Spanish version here](https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/EL_PROCESO_REGULATORIO_AMBIENTAL_EN_PENSILVANIA.pdf) (https://files.dep.state.pa.us/Air/AirQuality/AQPortalFiles/RGGI/EL_PROCESO_REGULATORIO_AMBIENTAL_EN_PENSILVANIA.pdf)

ra-epclimate@pa.gov

. If you have questions, you can email (<mailto:ra-epclimate@pa.gov>) .

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July 13, 2021 – Environmental Quality Board (EQB) meeting



May 19, 2021 – Small Business Compliance Advisory Committee



May 19, 2021 – Citizens Advisory Council Meeting



May 17, 2021 – Air Quality Technical Advisory Committee Meeting



April 20, 2021 – Citizens Advisory Council Meeting



April 8, 2021 – Air Quality Technical Advisory Committee Meeting



March 10, 2021 – Equity and Outreach Update



September 15, 2020 – Environmental Quality Board Meeting



RGGI 101 Webinar



July 22, 2020 – Small Business Compliance Advisory Committee



May 19, 2020 – Citizen’s Advisory Council Voting Meeting



May 7, 2020 – Air Quality Technical Advisory Committee Voting Meeting



April 23, 2020 – Special Joint Informational Meeting: Carbon Dioxide Budget Trading Program



February 13, 2020 – Air Quality Technical Advisory Committee Informational Meeting




February 3, 2020 – Testimony of DEP Secretary Patrick McDonnell



What Does RGGI Mean for PA?

What Does Joining RGGI Mean for PA?



[Learn more about the Regional Greenhouse Gas Initiative and its results over the last ten years](https://acadiacenter.org/document/the-regional-greenhouse-gas-initiative-ten-years-in-review/) 

(<https://acadiacenter.org/document/the-regional-greenhouse-gas-initiative-ten-years-in-review/>)

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