



Department of the Environment

Highlights of the Draft RGGI Rule



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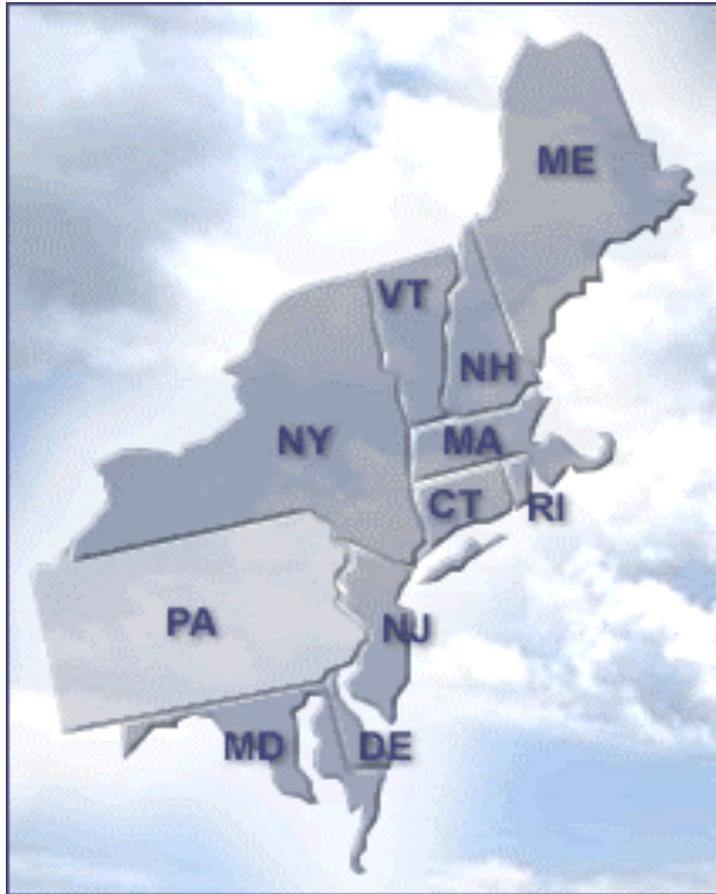
Air and Radiation Management Administration

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Highlights of the RGGI Rule



- **Budgets**
- **Set Asides**
- **Exemptions**
- **Auctions**
- **Offsets**





Maryland Joins RGGI

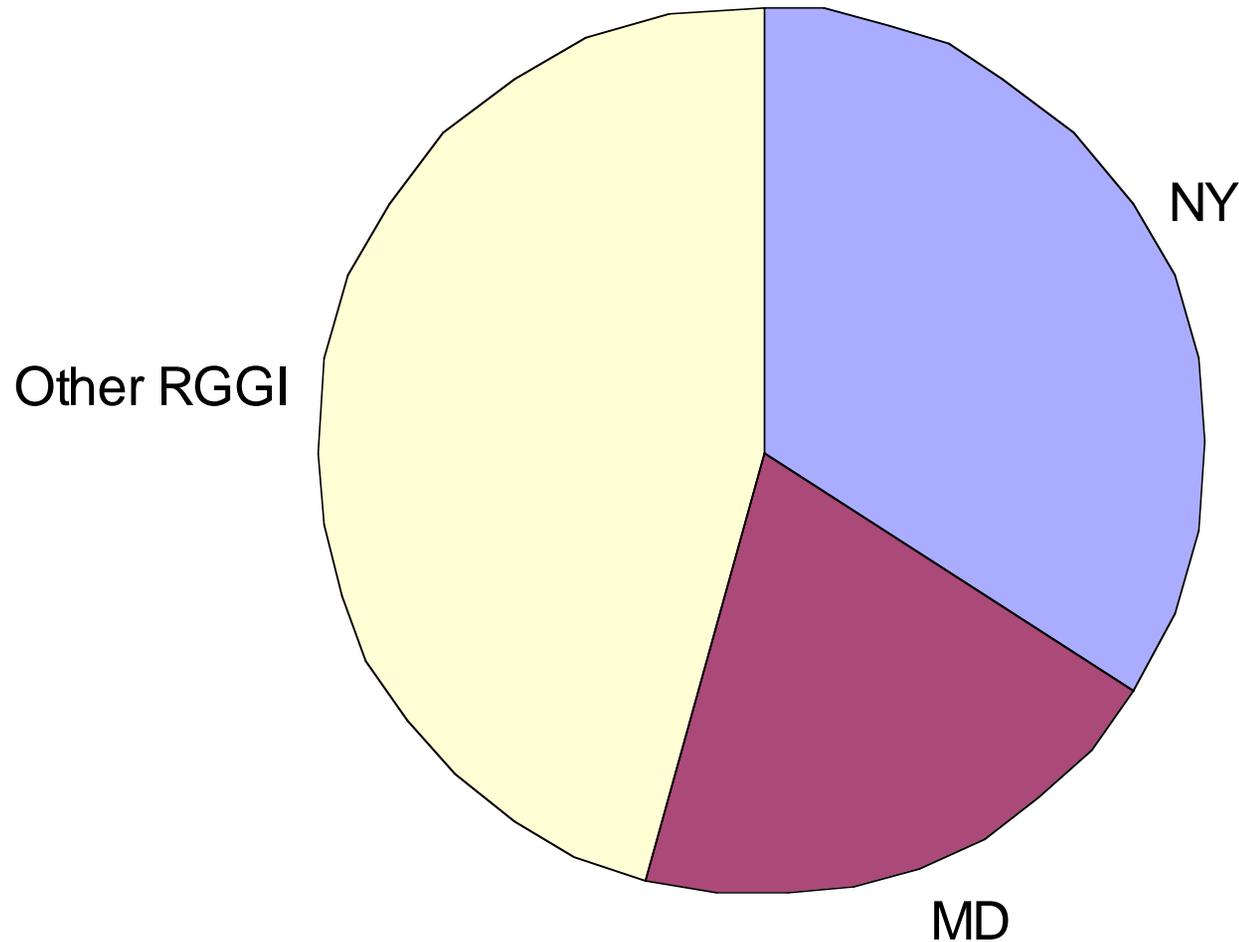


- Governor signs RGGI MOU April 20, 2007
 - MD becomes 10th RGGI State
 - Apportionment of 37.5 million short tons
 - 2nd largest allocation in the RGGI Region
 - MD's allocation equals the 2000-2002 average emissions level





RGGI MOU Apportionments



10-State Cap = 188 million tons





Set Asides for Renewables/Clean Energy

- Maryland is considering setting aside 5% of the allocated allowances to support renewable energy projects or clean energy projects
- Renewable energy projects would receive allowances equal to their generation capacity
- Projects that meet clean energy criteria would receive allowances equal to their generation
- Maryland encourages comments on these proposals





Limited Exemptions

- RGGI applies to electric generating units over 25 megawatts
- RGGI allows affected sources that sell less than 10% of the electricity they generate to the grid to be exempted from RGGI
- Maryland is considering this option for affected sources and requests stakeholder comments





Auction or Allocation

- RGGI originally envisioned auctioning 25% of allowances
- Many states are choosing to auction 100% of allowances to increase the Consumer Benefit Fund
- As a state with predominantly coal-fired electricity generation and considerable imported electricity, MD must consider this choice carefully
- Draft rule contains 2 options
 - 100%
 - Phase in to 100%
- Please comment



Offsets



- Maryland has developed two potential offset projects beyond the original projects proposed by RGGI
 - Salt Marsh Restoration
 - Urban Tree Canopy
- Maryland considers these projects directly beneficial and invites comment on them



Next Steps

- Written comments from stakeholders would be greatly appreciated
- Additional stakeholder meetings being considered
- Air Quality Control advisory Council (AQCAC) meeting November 2
- Rule adoption by mid-2008 in time for 1st auction

