

# Regional Greenhouse Gas Initiative (RGGI) 2025 Agreement

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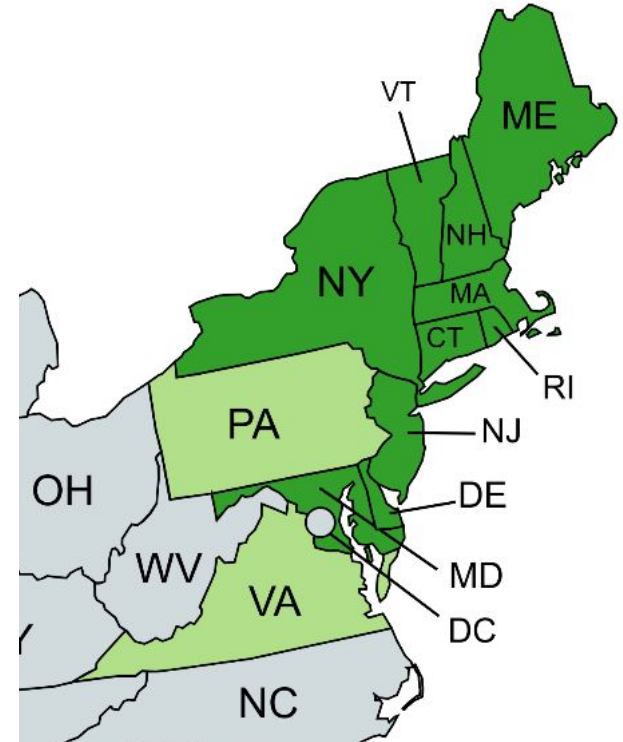


# Regional Greenhouse Gas Initiative (RGGI) Background



# What is RGGI?

- MD's most successful & enduring multistate partnership on climate change.
- Launched in 2009 after several years of coordination.
- First of its kind “Cap and Invest” program for power plants.



10 states participate in RGGI.  
PA & VA are on hold pending litigation.



# What is Cap & Invest?

1. Require CO2 sources to turn in **allowances** for their emissions.
2. Only issue a limited number of allowances.
3. Let sources trade allowances.
4. Auction the allowances and invest proceeds into energy programs & community projects.

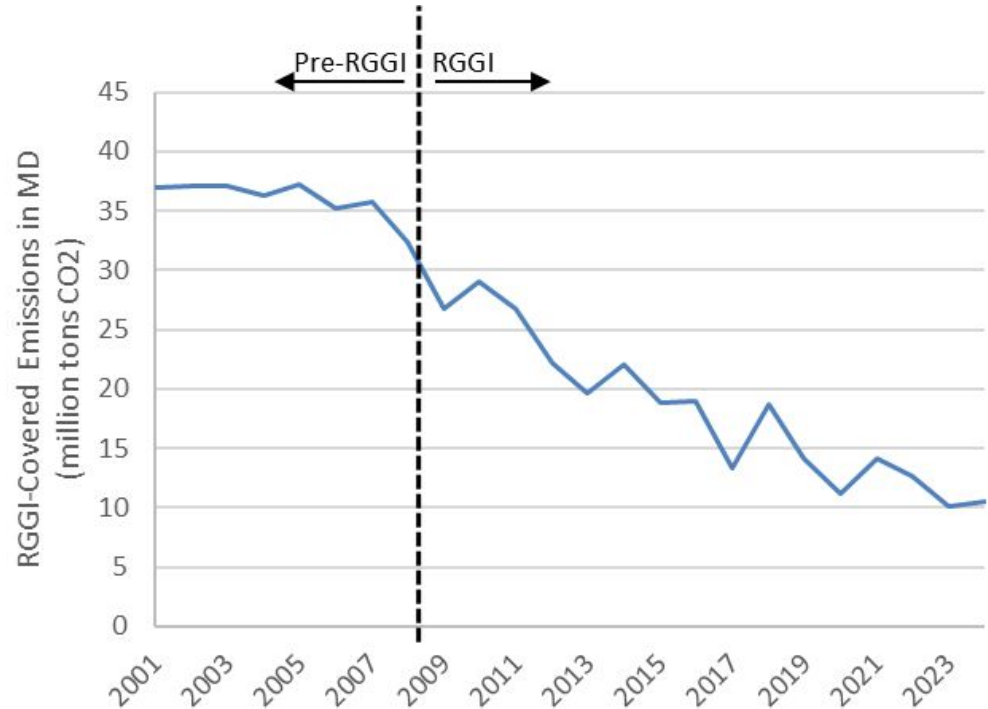
“Cap and Trade”

“Cap and Invest”



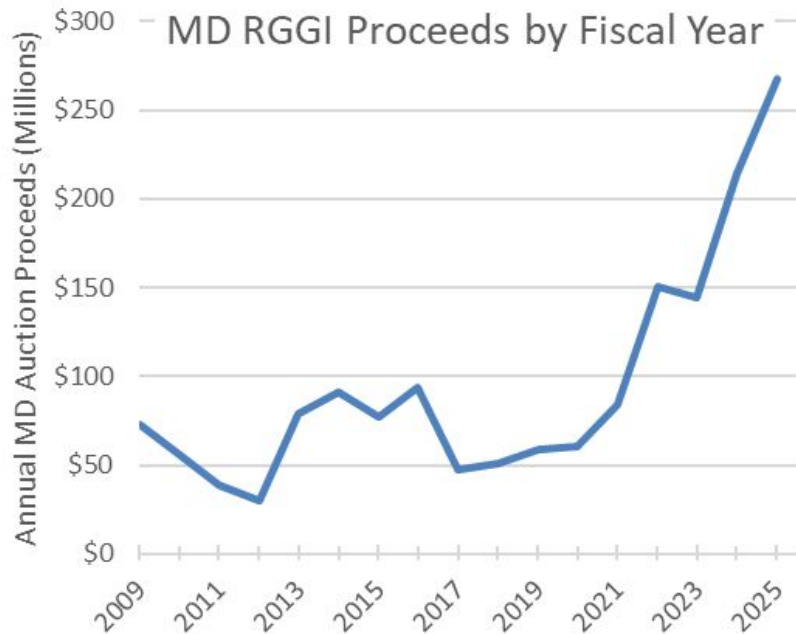
# RGGI Emissions

- RGGI states have cut power plant CO2 **in half** since the program began in 2009
- Down **68%** in Maryland
- More rapid than the rest of the country

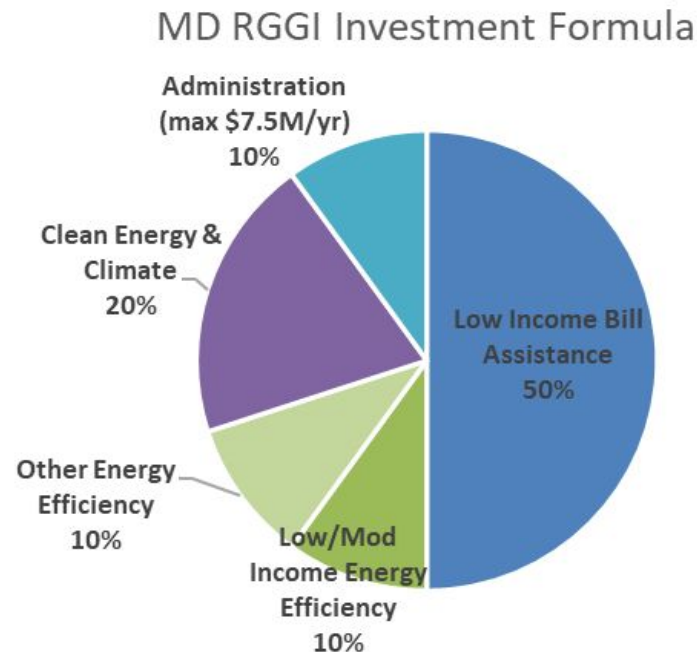




# Maryland Proceeds and Investment



Annual auction proceeds have grown in recent years.









MEA invests RGGI proceeds according to a formula in statute.



# Regional Benefits: State Estimates

The states report annually on their RGGI-funded investments and the benefit from those investments.

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 <sub>2</sub> Avoided	60,170,134
 Megawatt-Hours Saved	101,691,503
 MMBtu Saved	390,329,804
 Energy Bill Savings	\$20,255,827,633



# RGGI Benefits: Outside Perspectives

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Net economic benefits  
on the order of

**\$5.7 Billion**

Bringing  
more than

**4K Jobs**

Carbon emissions have  
fallen by

**50%**

*Independent analyses at: [www.rggiprojectseries.org](http://www.rggiprojectseries.org)*

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“By almost any measure, RGGI is one of the most successful programs in the world to fight climate change.”

*- Maryland Matters*





# New Agreement



# Third Program Review

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*Program Review:* States convene and evaluate the future program; conclude with new agreement:

**First Program Review:** February 2013

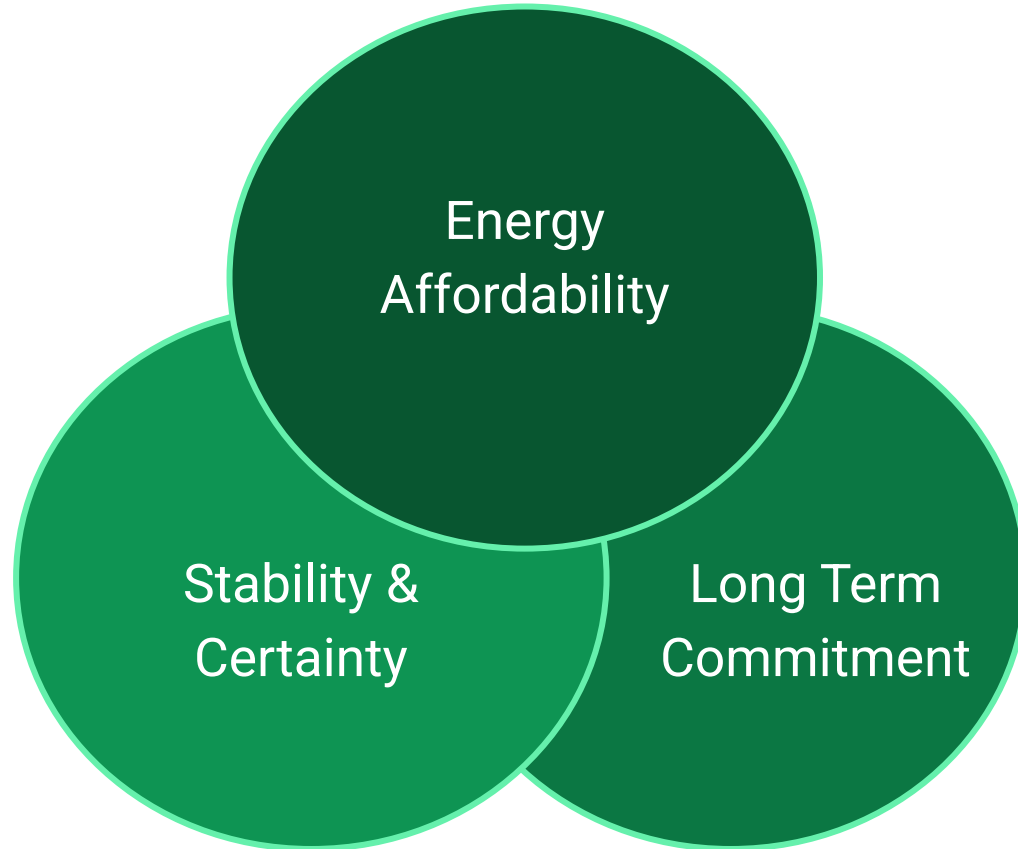
**Second Program Review:** August 2017

**Third Program Review:** July 2025



# 2025 Agreement Priorities

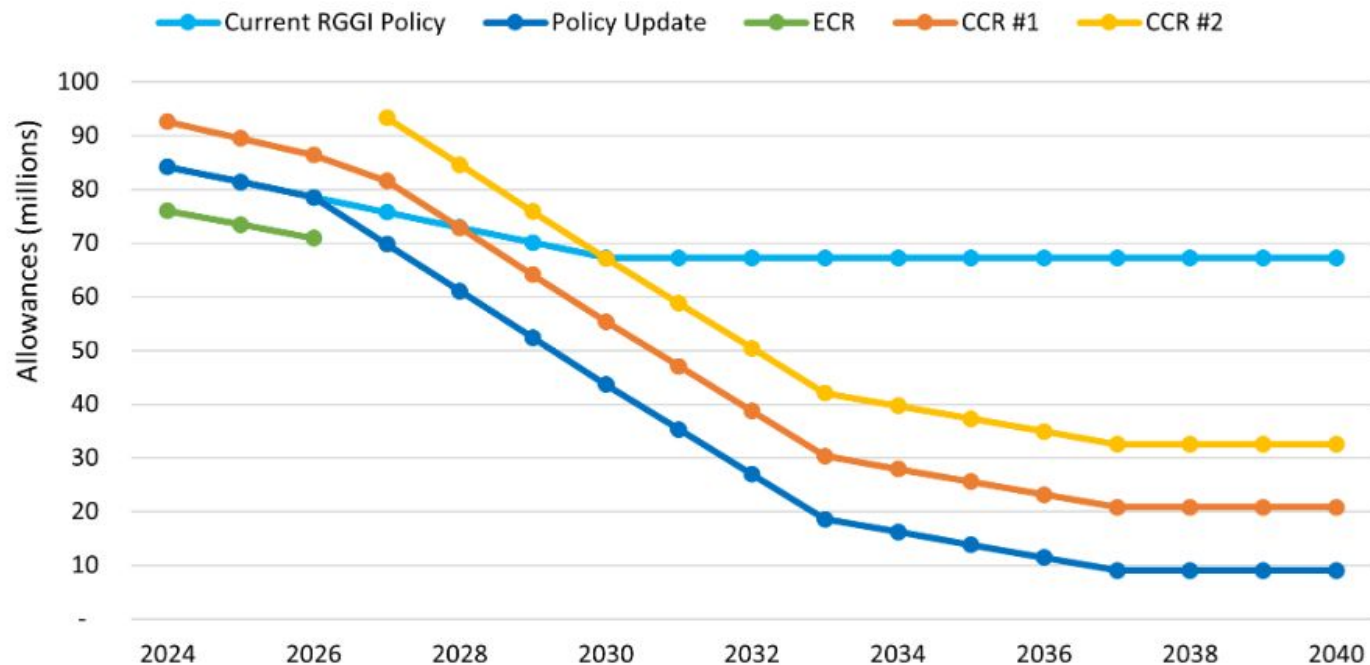
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# New RGGI Caps

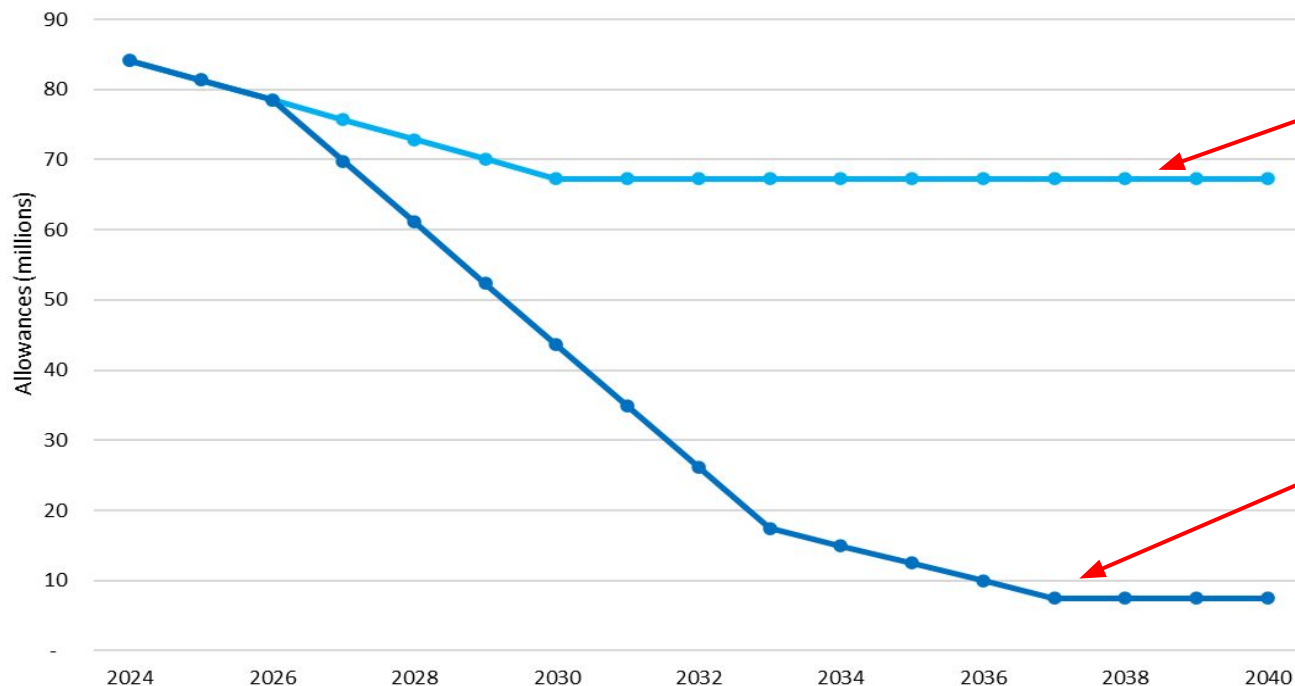
Figure 1: RGGI Cap Trajectory Update





# New RGGI Caps

Figure 1: RGGI Cap Trajectory Update

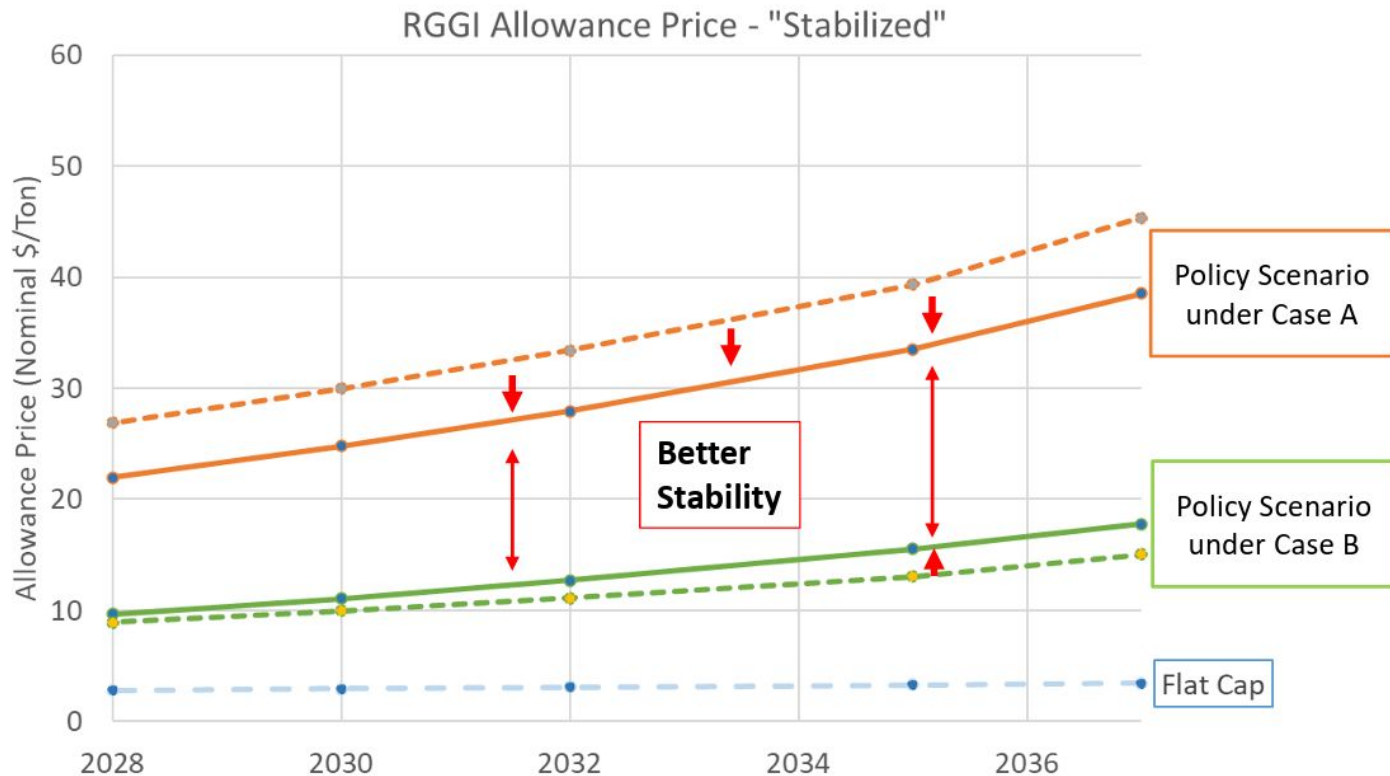


Current cap  
reduces CO2  
through 2030

New cap  
reduces CO2  
through 2037



# Stability Mechanisms Reduce Price Variation



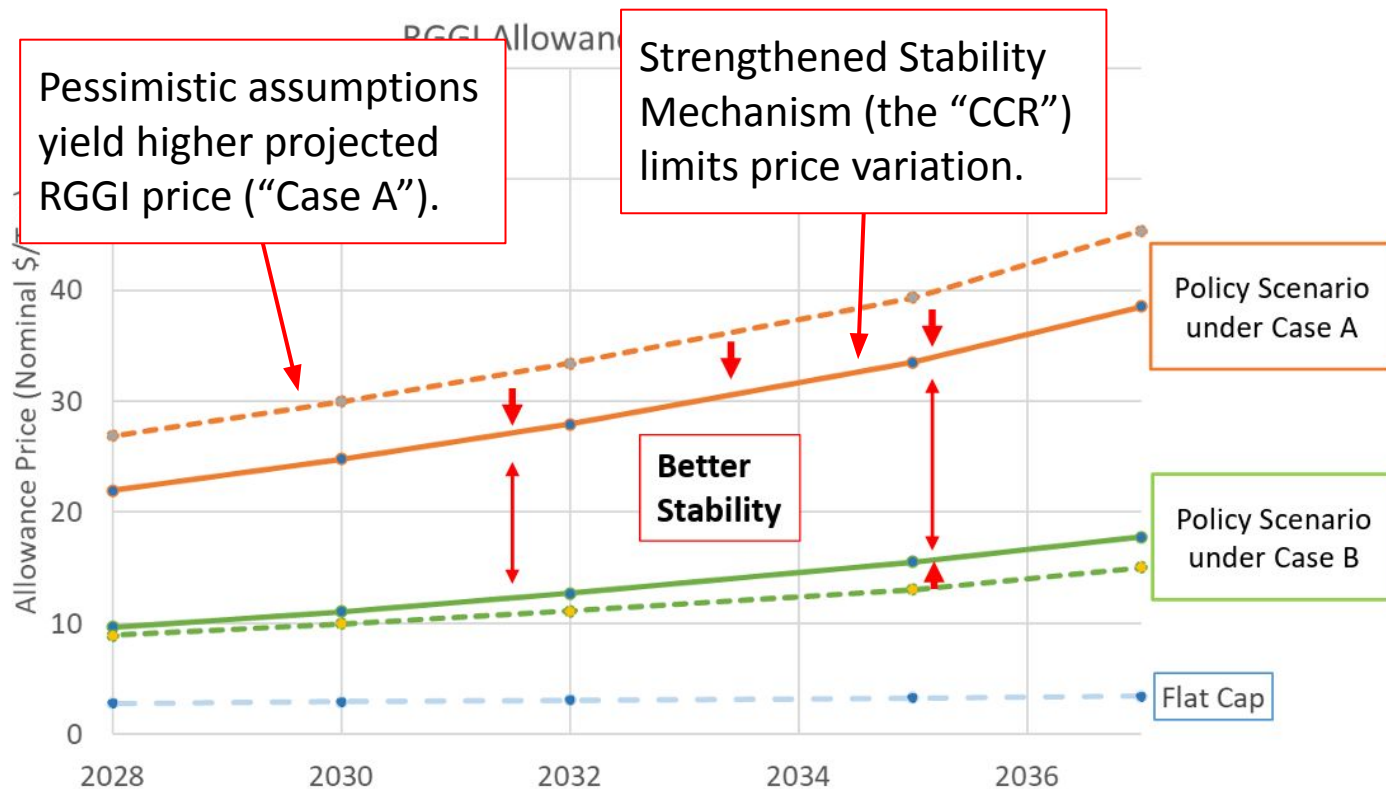
RGGI's price is affected by external trends.

Stability mechanisms protect affordability and reduce volatility.

Modeled allowance prices with stability mechanisms in place (solid lines) reduce price variation compared to modeled prices with no stability mechanisms (dashed lines).



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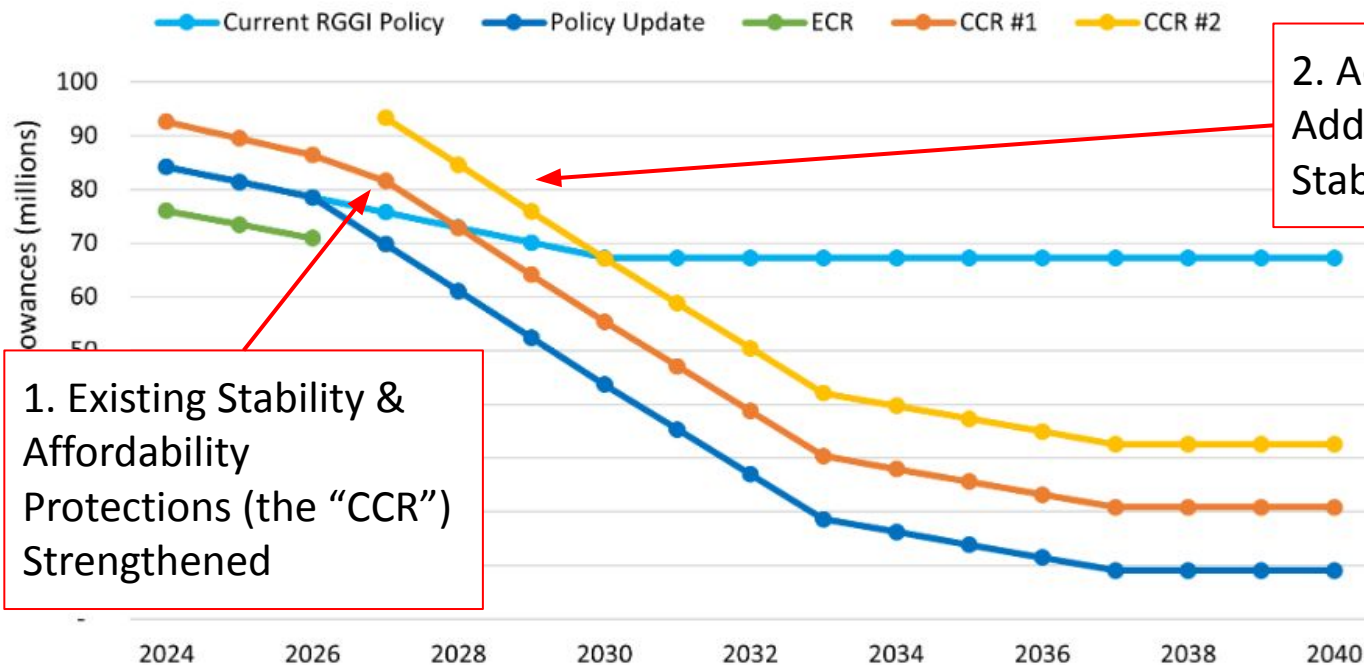
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# New RGGI Caps

Figure 1: RGGI Cap Trajectory Update







# Next Steps

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- With agreement in place, the states now amend their own programs by 2027.
- Next Program Review convenes 2028.
- Maryland regs coming soon.

