



**Regional Greenhouse Gas Initiative**  
An Initiative of the Northeast and Mid-Atlantic States of the United States

## SUPPORTERS OF THE REGIONAL GREENHOUSE GAS INITIATIVE<sup>1</sup>

### Corporations Expressing Written Support<sup>2</sup>

1. Bank of America. Bank of America supports RGGI and has provided a press statement that they will issue upon signing of an agreement.
2. Staples. Staples, based in Massachusetts, has submitted a letter supporting RGGI.
3. Keyspan. Keyspan has indicated its support for RGGI in a letter to all of the region's environmental and energy agency heads.
4. National Grid. National Grid, the region's largest electric distribution utility, has expressed its support for RGGI in a letter to all of the states.
5. Pfizer Corporation. Pfizer has submitted a letter to Connecticut in support of RGGI.
6. The Energy Consortium of Massachusetts. The Energy Consortium of Massachusetts, which includes such large energy users as Gillette, Partners Healthcare, Polaroid, USG Corporation, Titleist, MIT, Harvard, Tufts, Brandeis and Clark Universities, filed a very supportive letter in favor of RGGI.
7. Entergy Corporation. Entergy, a large electric generator in the RGGI region, has filed a letter in support of RGGI.
8. Calpine Corporation. Calpine, a large electric generator with a significant presence in the Northeast, has filed a letter in support of RGGI.

<sup>1</sup> The listed entities are generally supportive of the proposal to create a regional cap-and-trade program covering carbon dioxide emissions from power plants. In certain instances, these supporters have identified adjustments to the proposal that they would like to see in addition to expressing their broad support for the initiative.

<sup>2</sup> Letters and written statements are attached.

9. The Business Council for Sustainable Energy. The Business Council for Sustainable Energy has filed a supportive letter.
10. American Wind Energy Association. AWEA has filed a letter broadly supportive of RGGI.

#### **Corporations Expressing Support Verbally**

11. General Electric. General Electric executives as high as Jeffrey Immelt have expressed verbal support for RGGI. Discussions are ongoing about whether and how that support will be made public.
12. Dupont Corporation. Dupont Corporation has registered its support for the RGGI program to the Delaware governor's office.
13. Exelon Energy. CEO John Rowe of Exelon Corporation, a major generator in the United States, has publicly stated his support for RGGI. (June 6, 2005 during his keynote address at the Clean Air Cool Planet Conference in New York City).
14. Goldman Sachs. Certain executives from Goldman Sachs have indicated support for RGGI, though no official or public position has yet been taken.
15. Lehman Brothers. Teddy Roosevelt, Jr., the Chairman of Lehman Brothers, has indicated his willingness to stand with the governors at a signing ceremony in support of RGGI.
16. JP Morgan Chase. Certain executives at J.P. Morgan have indicated support for RGGI, though no official or public position has yet been taken.
17. British Petroleum. British Petroleum has indicated its broad support for RGGI verbally, and has also indicated they may be willing to stand with the governors in support of RGGI.

#### **Non-Corporate Written Support**

18. 50 Northeast Mayors. Over 50 Northeast mayors and municipal chief executives have signed on to a letter supporting RGGI, including the mayors of Boston, MA; New Haven, CT; Stamford, CT; Portland, ME; Burlington, VT and Tarrytown, NY.
19. Environmental Defense. President of Environmental Defense, Fred Krupp, has submitted a letter to all Northeast governors that is very supportive of RGGI.

20. The Nature Conservancy. The Nature Conservancy has submitted a letter broadly supportive of RGGI.
21. Religious Witness for the Earth. The Religious Witness for the Earth, based in Massachusetts, has filed a letter supporting RGGI.
22. Interfaith Power and Light. Interfaith Power & Light, which represents hundreds of religious institutions in Massachusetts and New York, filed a letter supporting RGGI.
23. Environmental Northeast. Environment Northeast, an environmental group active in New England, has filed a letter with all 6 New England governors that is very supportive of RGGI.
24. Union of Concerned Scientists. The Union of Concerned Scientists has filed a letter in support of RGGI.
25. New York State Association of Region Councils. The NYS Association of Regional Councils has submitted a letter broadly supportive of RGGI.

#### **Non-Corporate Verbal Support**

26. Natural Resources Defense Council. NRDC is actively supporting RGGI.
27. Pew Center for Climate Change. The Pew Center is actively supporting RGGI.
28. World Resources Institute. WRI is actively supporting RGGI by informing its many corporate partners (including General Electric) about RGGI and garnering support.
29. Conservation Law Foundation. CLF is actively supporting RGGI.
30. National Wildlife Federation. NWF supports RGGI and has made calls to the states to express this support.
31. Ceres. The Ceres coalition of investors supports RGGI consistent with its mission to address environmental risks to the investor community.
32. Pace Energy Project. Pace Energy Project supports RGGI.
33. Clean Air-Cool Planet supports RGGI.

**Bank of America Press Statement  
in Support of the  
Regional Greenhouse Gas Initiative**

November 14, 2005

Bank of America applauds Governor Romney's leadership in supporting the Regional Greenhouse Gas Initiative. Bank of America is committed to addressing climate change and has set real and achievable targets for greenhouse gas reductions in both our operations as well as investment opportunities. We supported Governor Romney during the unveiling of the Massachusetts Climate Protection Plan in May of 2004, and now we are excited to see the implementation of the regional climate change plan. The approach developed through the Regional Greenhouse Gas Initiative rewards innovation and demonstrates that the region can address climate change using a market-based approach.

Contact: Kaj Jensen, Bank of America, (860) 952-6305

**STAPLES**

that was easy."

November 8, 2005

Governor Mitt Romney  
Office of the Governor  
Commonwealth of Massachusetts  
State House, Room 360  
Boston, MA 02133

Dear Governor Romney,

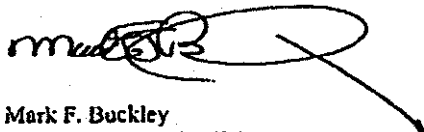
I am writing to commend your leadership in addressing climate change outlined in the "Massachusetts Climate Protection Plan" and encourage the State of Massachusetts' continued support of the Regional Greenhouse Gas Initiative or RGGI. As a global company headquartered in Framingham, MA, Staples is committed to reducing the direct and indirect effects of our business and those of our customers on climate change.

We recognize the importance of understanding how to run our business in a "carbon constrained" environment. To that end Staples has established absolute carbon reduction goals and targets of 7% below 2001 levels by 2010. We believe that absolute versus intensity level targets are important to begin to slow down the global effects of carbon dioxide and other greenhouse gases on the environment. These targets and goals, while aggressive, will require that Staples take an integrated approach to the energy we consume. This approach includes aggressive energy conservation, green building design, purchasing more energy from certified renewable sources and installing more on-site distributed renewable generation. We believe that this is not only right to do, but represents a good, smart sustainable business strategy to compete and win in the 21<sup>st</sup> century.

We believe that Massachusetts has an opportunity to take a leadership position with the adoption of RGGI which can provide a national and international model by creating a cap and trade mechanism for the reduction of carbon dioxide and other greenhouse gases in the Northeast. This mechanism will help reward those companies who have been making reductions and investments and encourage other businesses and organizations to look more closely at their direct and indirect emissions. Staples views RGGI as an important component in the region's economic growth and development by stimulating regional development of renewable energy projects such as wind, solar, landfill gas, biomass, small certified hydro-generation and other carbon mitigation strategies such as sequestration in order to reduce the region's impacts on climate change. We believe that flexible market mechanisms will deliver cost-effective emissions reductions, and that the markets for emissions credits do not need to be bound by price controls. We believe that these and other actions outlined in the "Massachusetts Climate Action Plan" will create jobs and attract businesses and provide long term stability, security and energy independence as well as positively impacting atmospheric carbon.

In closing we thank you for your administration's leadership on this issue and encourage the State of Massachusetts to adopt the Regional Greenhouse Gas Initiative.

Sincerely,



Mark F. Buckley  
VP Environmental Affairs  
Staples, Inc

500 Staples Drive • Framingham, MA 01702





L. FLITZ

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September 27, 2005

**David J. Manning**  
Executive Vice President Corporate Affairs  
& Chief Environmental Officer

Ms Denise Sheehan, Acting Commissioner  
NYS Department of Environmental Conservation  
625 Broadway  
Albany, NY 12233

Mr William M Flynn, Chairman  
NYS Public Service Commission  
3 Empire State Plaza  
Albany, NY 12233-1350

Mr Peter Smith, President  
NYSERDA  
17 Columbia Circle  
Albany, NY 12203-6399

**Re: RGGI Program Proposal**

Dear Commissioner Sheehan, Chairman Flynn and President Smith

KeySpan would like to commend the State's efforts and Governor Pataki's leadership in developing the recently announced RGGI Program Proposal. Mr Robert Teetz and Ms Cathy Waxman of my staff have been intimately involved in the stakeholder process conducted over the last two years by your team and they have advised me on a number of occasions that the work done by your Franz Litz and Karl Michaels in leading this effort for NY has been outstanding. They have made every effort to be fair to all stake holders, be they industry representatives or from the environmental community. They have listened intently, solicited and reviewed input and comments, incorporated suggestions and weathered a fair amount of criticism at times. Throughout, they have done so with professionalism and a clear desire to balance environmental objectives and economic impacts. We appreciate having had the opportunity to participate as invited stake holders thus far. We endorse the broad concepts of the RGGI Program Proposal as outlined by the NY representatives of the Staff Working Group and we offer the following comments which we hope will be constructive in adding detail to the proposal.

**Level and Timing of the Cap**

As you probably know, KeySpan has long advocated that mandatory greenhouse gas reduction initiatives be enacted at the national level. We, along with our industry colleagues on the Clean Energy Group, have supported federal CO2 legislation introduced by Senator Carper. With little movement nationally, KeySpan agrees that it falls to the region to demonstrate that a rational first effort in stabilizing the growth of CO2 emissions can be developed and implemented. We believe that the level of the cap, first achieving stabilization and then a modest, though, significant, 10% reduction by 2020, comprise a measured approach that might serve as a template for a national program. We recognize that some in the environmental community would prefer steeper reductions than what has been proposed and sooner, but with the Northeast already having the lowest CO2 profile in the country we do not believe that consumers in the Northeast should bear a further disproportionate burden of the energy costs to achieve reductions beyond those proposed. In fact, we hope that the State will proceed very cautiously as the program is implemented to ensure that the predicted modest costs of the program (as forecast by the modeling) are never exceeded.

We know that there has been much debate over the modeling assumptions. Some of them give us pause as well including the apparently low forecasted natural gas prices and the optimistic development of significant wind and other renewable capacity. Nevertheless, we recognize that the team employed the best available estimates in this regard. If these assumptions materialize, the modeling suggests that cost impacts should be relatively modest and compliance will be reasonably achievable. To assure this outcome we understand that the Staff Working Group (SWG) and the Agency Heads, as it moves forward, have built into the program, a review point in 2015 to determine whether the model results and forecasted impacts are actually materializing. We suggest that this review be sooner and more frequent, perhaps beginning no later than 2012, following the first true-up period ending in 2011. This will provide an opportunity for the regulators to make adjustments to the timing and or level of the cap so as to preserve the anticipated modest cost of the program. Mechanisms to accomplish this could include circuit breakers and/or safety valve concepts which would be triggered if model assumptions don't materialize or implementation costs rise above model predictions. Most importantly, regardless of the mechanism, the agencies, presumably with the PSC in the lead, should carefully and regularly measure program costs to assure they do not exceed expectations or further reduce the region's energy price competitiveness.

**Leakage and Divergent State Policies**

KeySpan is concerned that the desired benefits of the program could be diminished by increased emissions from sources outside the RGGI region that may occur through generation shifts to lower cost, higher emitting, energy in PJM. While model predictions

suggest that such leakage will be tolerable, KeySpan is aware that NY's own state power authorities are actively evaluating the development of over 1500 MWs of new transmission capacity designed to tap the PJM market. We believe this could be perceived as contrary to the environmental objectives of RGGI and could set an inappropriate example by the State. Energy from PJM, if comprised of the average mix of energy sources in PA, NJ, and Md, would be environmentally inferior to the alternative (new in-state capacity additions) also under consideration. For example, a 500MW line tapping average PJM energy sources could result in CO2 emissions 38% percent above the in-state alternative namely a new state-of-the-art, gas fired, combined cycle facility. Even more dramatic, Nox and SO2 emissions would be 50 times and 2000 times higher, respectively, not to mention the additional mercury<sup>1</sup>. The following table exemplifies the concern.

<b>Total Emission Comparison</b>		
<b>New Combined Cycle Gas vs. Average PJM Energy</b>		
	<b>500 MW Combined Cycle Gas (tons)</b>	<b>500 MW Transmission Line to PJM (tons)</b>
<b>Nox</b>	85	4205
<b>SO2</b>	9	17,892
<b>CO2</b>	1,843,980	2,553,540
<b>Hg</b>	0	172 (lbs)

Higher emissions from upwind sources will only hamper NY's efforts to curb acid rain in the Adirondacks and achieve ozone and fine particulate attainment. RGGI implementation will only heighten the existing incentives toward leakage which could in turn have a chilling effect on the development of clean, efficient generation in NY. We encourage the State to assure the adoption of a consistent and uniform energy policy approach across all of its agencies which is compatible with RGGI objectives and avoids the possibility of increased leakage particularly induced by its own agencies. Broadly speaking, we urge the agencies to add specific elements to the model rule, beyond the 5% Strategic Carbon Fund (which does not even address leakage related Nox, Sox and Hg emissions) to curb leakage that will cause increased emissions in non-participating upwind states as well as the exodus of rate payer dollars and possibly jobs from NY.



**Offsets**

KeySpan is encouraged by the proposed eligibility of natural gas efficiency projects for the creation of offsets. KeySpan believes that fuel switching of commercial, residential and fleet entities from coal, oil or gasoline to more carbon efficient natural gas fuel can significantly contribute to lower emissions in the region and increase the availability of offsets for compliance. We believe that fuel switching should explicitly qualify under the proposed offset eligibility program and encourage the SWG, and the State in its regulation, to specifically codify fuel switching to natural gas as eligible in the first phase of the offset program. Natural gas is 28% more carbon efficient than fuel oil and the economic incentive created by a RGGI induced carbon price signal will help stimulate the fuel conversion process. In addition, just as reductions in SF6 fugitive emissions have been listed as eligible in the first offset phase, we believe that reductions in fugitive methane emissions from natural gas distribution systems should be eligible as well. KeySpan would be happy to discuss the specific mechanisms for creation of fuel switching and fugitive gas emission reduction offsets at your convenience.

**Public Benefit Allowances and Strategic Carbon Fund**

While KeySpan prefers that all allowances, with the possible exception of a new source set aside, be directly allocated to affected sources, we understand the consumer cost mitigation rationale for withholding up to 20% for distribution via an auction process. Since this would be one of the first attempts to administer a cap and trade program including an auction process, we urge caution and perhaps a smaller percentage, beginning with 5-10%, on a trial basis. We are concerned that the proceeds from such auctions may not be utilized in a manner that most efficiently and effectively achieves further CO2 emission reductions. Accordingly, we propose that funds accrued through any auction process be made available not only to demand side efficiency and conservation programs but also to carbon efficiency improvement projects by generators. A mechanism which would channel the funding to the carbon efficiency improvement projects achieving the greatest CO2 reductions per dollar invested would be the most appropriate means of utilizing the proceeds. We would envision that such funds could be used to promote in-plant carbon efficiency improvements including lower carbon fuel utilization and repowering.

**Allocation to Sources**

While the program proposal does not contain specifics with regard to allocation, other than the suggestion that each state must consider the use of 20% of the allowances for public benefit, KeySpan strongly believes that the ultimate allocation formula adopted by NY should ensure that the cleaner fossil units receive sufficient allowances to cover their needs. The burden of any dearth of allowances resulting from the cap should be

experienced by the higher emitting sources, forcing them to be buyers in the auction rather than the cleaner units. Conventional oil and gas fired units have CO2 emission rates some 20% to 44% lower than coal units yet they operate primarily as the marginal units in the ISO market place. Gas fired combined cycle units have CO2 emission rates 60% below coal fired units and can also be the marginal units. Thus, the allocation formula developed should not add additional cost risk to these cleaner units. Such cost risk should be borne by the higher emitting, lower cost units. An allocation formula that covers the needs of cleaner units will help to narrow the price gap and make cleaner units more competitive.

Again, we commend the efforts of the NY team to fashion a well-reasoned and balanced RGGI Program Proposal. We endorse the program outlined as a reasonable approach and trust that the suggestions offered within this letter will help to add the detail that will be required as the process moves forward. Please feel free to contact me or Bob Teetz at (516) 545-2577 should you wish to discuss the concepts we've offered in further detail. KeySpan looks forward to continuing to work with you to address the climate change challenge and hope that our combined efforts will result in RGGI leading the way to a national program.

Sincerely,



David J Manning  
Executive Vice President and  
Chief Environmental Officer

cc C Fox (Governor's Office)  
F Litz (NYSDEC)  
J Gallagher (DPS)  
K Michael (NYSERDA)  
M Lennon  
R D Teetz  
C Waxman

November 4, 2005

RECEIVED

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DIVISION OF  
LEGAL AFFAIRS

Mr. Franz Litz  
NYSDEC  
Division of Environmental Enforcement  
625 Broadway  
Albany, NY 12233-5500

Dear Mr. Litz:

National Grid USA is a wholly owned subsidiary of National Grid plc and is focused on delivering energy safely, reliably and efficiently. In the United States, we are a major electricity and natural gas delivery company with approximately 3.2 million electricity and 550,000 natural gas customers in New York and New England. As one of the world's largest utilities, we believe that a responsible approach to doing business is fundamental. We strive to act in a sustainable manner as a business, in our social role, and in how we interact with the environment.

National Grid strongly supports policymakers who are acting to enact effective policies to control the emission of greenhouse gases and allow future generations of Americans to enjoy a healthy and productive environment. Although a National greenhouse gas control program would make the most sense, we applaud the efforts of the states in the Northeast to begin to address this issue through the Regional Greenhouse Gas Initiative (RGGI) proposal. A regional approach does, however, highlight a host of complex public policy issues. In particular, a regional approach highlights the trade-offs between the environment and regional economic development issues that would not be as stark under a National program.

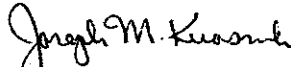
The Northeast is not rich in indigenous energy resources and businesses located here already experience costs (of energy and other goods and services they consume) that are higher than the national average. For these reasons, National Grid urges the public officials designing the specifics of RGGI to minimize the financial impact of the program on end use consumers to the fullest extent possible. With this objective in mind, National Grid suggests that the RGGI program should be structured to:

- Require that CO2 emission allowances are auctioned to emitters and that all auction proceeds are distributed to end use customers in the form of direct rebates and/or expanded energy efficiency programs that will reduce bill impacts from the program;

- Allow the liberal creation of offsets both in the categories of offsets including electric and gas infrastructure efficiency improvements and the geographic area in which the offsets can be created (continental US); and
- Allow the siting of new energy generating sources within the RGGI region without restriction but subject to existing siting rules.

As we see it, the critical public policy challenge will be to craft a final RGGI proposal that carefully balances the need to address the carbon issue against the practical issues associated with protecting the vitality of our regional economy. In our view, continued dialog among all interested stakeholders with open exchange of information regarding the costs and benefits of the RGGI program is the best way to move forward and identify the program that we need and can also afford.

Very truly yours,



Joseph M. Kwasnik  
Vice President - Environment



Pfizer Inc  
235 East 42nd Street  
New York, New York 10017-5755  
Tel Number 212-733-3234  
Fax Number 212-573-7004

Global Environment, Health & Safety

DATE: November 7, 2005

TO: Gina McCarthy  
Commissioner, Connecticut Department of Environmental  
Protection

FROM: Jim Lime  
Vice President, Global Environment, Health and Safety

SUBJECT: Regional Greenhouse Gas Initiative (RGGI) Program

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Thank you for contacting us earlier last week to discuss Pfizer's view on the Regional Greenhouse Gas Initiative (RGGI). Below are our comments regarding the RGGI initiative.

Applicability

We agree and support the position that the RGGI program should apply in Phase 1 only to power plants in participating states. Further, careful consideration should be given before expanding applicability beyond the power industry in subsequent phases of the program. For example, the pharmaceutical manufacturing industry is not a significant source of greenhouse emissions relative to the electrical generation industry. In fact, less than 1 percent of the cost of goods is related to energy.

Voluntary Programs

We believe the preferred approach for expansion of the RGGI program to other emission sources is through voluntary participation. The same results can be achieved with a voluntary approach as through a prescriptive regulatory mandate. For example, in April, 2002, Pfizer joined EPA's voluntary Climate Leaders Program, an industry-government partnership to advance long-term comprehensive climate change strategies within the private sector. As part of

this program, we set a goal to reduce carbon dioxide emissions by 35 percent per \$ million of sales by 2007 from the baseline year 2000. In 2003, we (a) reaffirmed our 35 percent reduction goal taking into account our acquisition of Pharmacia, and (b) expanded our Climate Leaders commitment by setting a goal to meet 35 percent of our global electricity needs by 2010 through "clean" energy sources (e.g., co-generation, solar, or wind power). We are on track to meet both of these public goals. As of 2004, we achieved a 28 percent reduction in CO<sub>2</sub> emissions from our 2000 baseline, meet 21 percent of our electricity needs through clean energy sources and have cogeneration projects approved to deliver an additional 8 percent by 2009.

### Regulatory Approaches

Companies with industrial operations in the Northeast are already significantly regulated and face robust competition from facilities in less regulated regions. Consequently, we are very concerned about new regulations that could further hinder our competitiveness with pharmaceutical manufacturing facilities located outside the region and abroad.

When regulations are deemed necessary, we generally support market-based mechanisms over command-and-control forms of regulation. We believe that market-based mechanisms—if designed and implemented correctly—can enhance existing energy conservation, renewable energy and cogeneration opportunities, while creating a viable model for national level action.

As a global company, we are already affected by cap-and-trade schemes (i.e., European Emission Trading Scheme (EU ETS)). Our experience in Europe has shown that some of our sites have incurred electric rate increases of 30 percent. Part of this increase is, of course, due to the rising cost of fossil fuel, but certain design elements of the EU ETS are also to blame. Specifically, the EU scheme does not allow credits for indirect CO<sub>2</sub> reductions resulting from facility-based energy conservation projects. In addition, the lack of recognition for indirect emissions credit provides a disincentive to undertake certain types of energy conservation measures such as cogeneration. Further, we have been penalized in other schemes because they do not fully provide credit for early reductions achieved ahead of the baseline.

### Conclusion

Pfizer supports the following design features in a regional greenhouse gas trading scheme:

- The opportunity for industrial facilities to voluntarily participate in the program.
- The establishment of a uniform platform for developing certified emission reduction credits for trading with other compliance-driven cap and trade

programs (i.e., EU ETS).

- The establishment of a robust and uniform offsets program that sets a "cost of carbon" throughout the economy that provides incentives for CO2 reductions. Offset credits should be made available for direct as well as indirect CO2 emission reductions so least cost reduction can be achieved in RGGI.
- The establishment of an allowance "set-aside" that companies like Pfizer could compete for that would provide further incentives for significant emission reductions. For example, co-generation, renewable energy and demand side management can be further enhanced with proper recognition given to the environmental benefits associated with these technologies.
- The establishment of a criterion that allows for full credit for early reductions. We are already invested substantially in conservation measures, and we and other industrial end users should get full credit for early reductions that occurred prior to the establishment of RGGI.

I look forward to continuing to work with you on this important issue. If you have any questions or comments, please do not hesitate to contact me or Al Forte, Director-Global EHS, who leads our energy program. Al's direct line is 212-733-6057.

# TEC

*The Energy Consortium, Inc.*

**A non-profit Association of Industrial, Commercial, Institutional and Governmental  
Large Energy Users**

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Lexington, MA 02421-6807  
Phone/Fax: 781-862-0888*

Governor Mitt Romney  
Office of the Governor  
State House, Rm. 360  
Boston, MA 02133

November 2, 2005

Re: Regional Greenhouse Gas Initiative

Dear Governor Romney:

The Energy Consortium (TEC) is a non-profit association of commercial, industrial, institutional and governmental large energy users in Massachusetts and it has been concerned with energy regulatory matters for over 32 years. It advocates positions that promote fair cost-based energy rates, diversified supplies and reliable service for both its members and all Massachusetts ratepayers. TEC has been a participant in electrical and environmental regulatory matters that will affect its member operation and economic future in Massachusetts.

With growing interest, members have become aware of the Regional Greenhouse Gas Initiative ("RGGI") in the Northeast and the formal rule making process that is now underway. We are hopeful that, if done correctly, this regional program can provide reductions in Carbon Dioxide emissions that are required under Mass. DEP regulations in a lower cost and more efficient manner. TEC is in favor of a regional approach rather than nine states implementing separate legislation. Therefore, we would fully support RGGI, although we believe that the design and implementation of the program must address the following points:



- We understand that the RGGI proposal contemplates a cap and trade program directed at electric generators. This seems like a reasonable place to begin. However, it is essential that the program be efficient in having the least possible bill impact on consumers for any given cap level. As you know, electricity is a significant input cost for many businesses in the Northeast --where prices are already very high and getting higher. The cost of energy in the Northeast has become a major factor in member's decision process to expand facilities here or to relocate to other regions.

- We understand that the current vision of the program would award a substantial proportion (75%) of the emission "allowances" to electric generators for free, and we trust that you will not follow this course of action. In our competitive wholesale markets, all generators will add the cost of allowances to their bid offers whether they are given the allowances or have to buy them. If we give generators the allowances, consumers will pay twice—once in the higher prices, and second in the value of the allowances given to generators.

Ideally, TEC believes that there should be no free allowances given to generators. Consistent with the principles of market efficiency, generators in a competitive marketplace should purchase allowances, just as they do any other cost of production, and pass such costs along to consumers as best they can through the efficient operation of the market. Free allocation of allowances to generators will build into this cap and trade program an unnecessary and expensive subsidy without delivering the market-based program benefits of reduced bill impacts to consumers.

We trust you will design a program that protects consumer interests to the maximum extent possible while it also protects the environment. Consumers, especially large C&Is, have not been nearly as well represented in the RGGI process as have electric generators, and we expect the State Working Group and the Governors they represent, to be very mindful of keeping consumer price and bill impacts to a minimum. The allowances should be sold in a market-efficient manner, and the proceeds used to reduce consumer costs through incentives to create efficient on-site generation, reduce electrical standby rates, eliminate gas distribution charges for on-site generation, expand rebates to consumers who invest in clean energy or energy efficiency that, in turn, reduce the cost of the program to consumers in the long run. Moreover, funding for these and other efficiency programs should expand to all technologies that help to reduce CO<sub>2</sub> emissions.

TEC recommends that Massachusetts aggressively raise the percentage of allowances to be auctioned and mandate that a higher percentage of the revenue is used promote energy conservation and clean and efficient distributed generation. TEC expresses support for RGGI in the hope that Massachusetts is committed to addressing and resolving these issues as you take regional action to address CO2 emissions.

Very truly yours,

Roger Borghesani, Chairman

The Energy Consortium

CC (by email):

Ranch Kimball  
Doug Foy  
Beth Lindstrom  
Sonia Hamel



C: Litz

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Gary F. Serio, Ph.D.  
Vice President  
Safety & Environment

November 3, 2005

The Honorable George E. Pataki  
Governor of the State of New York  
State Capitol  
Albany, New York 12224

Dear Governor Pataki:

I am writing to encourage your support of the goals of the Regional Greenhouse Gas Initiative (RGGI) outlined in the Staff Working Group (SWG) proposal currently being considered by the State and the regional states, which Entergy believes can achieve a balanced approach to environmental protection, if appropriately tailored as suggested in this letter.

As one of the country's largest generators of electricity, Entergy considers climate change to be among the most significant long-term issues facing policymakers today. Entergy has developed a generation portfolio that produces one of the lowest emission-to-megawatt produced ratios in the industry, while maintaining a diverse mix of energy sources. Entergy's achievement of a low emission-to-megawatt ratio is due in part to the company's implementation of a business strategy that includes a voluntary cap on emissions of greenhouse gases from our CO<sub>2</sub> emitting facilities at 2000 levels, a goal that we have exceeded since 2000. Our experience has been that good environmental stewardship and good business can go hand in hand.

As an environmental program directly impacting power production, there can be little doubt that RGGI is as challenging as it is important an endeavor. We commend the SWG for their efforts in producing a draft memorandum of agreement that incorporates many of the necessary building blocks for a successful program. To achieve needed consensus, however, the proposal must meaningfully balance air-quality goals with the practical requirements of a stable electric grid and energy market (the cornerstones of our economy). To do so, RGGI must encourage non-emitting generation, including by providing allowances to the region's largest electric-generating sector, nuclear power. With its base-load contribution, high capacity factor, and unique ability to produce needed power at costs independent of escalating fossil-fuel prices, nuclear power is critical to Massachusetts' and the RGGI region's ability to deliver reliable and affordable electricity, and therefore to the success of RGGI itself.

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There is wide-spread consensus that the initial allocation of allowances will have a significant effect not only on electricity prices, but also on the mix of technologies that will be used to generate electricity in the near future and into the next generation and, therefore, on system reliability. The business community appropriately has voiced its concerns that RGGI may decrease fuel diversity by increasing our reliance on natural gas-fired generation (in a manner that ignores the Independent System Operator's warnings that additional reliance on natural gas would increase the region's vulnerability to natural gas supply and delivery constraints) and also may substantially increase the price of power to consumers.

Entergy's proposed approach responds to legitimate concerns about fuel diversity and market prices by ensuring that low and non-CO<sub>2</sub> emitting electric generators are encouraged to at least maintain, if not increase, their presence in the region. This encouragement is necessary. No new nuclear power plants have been licensed by the Nuclear Regulatory Commission since 1979. While several companies, including Entergy, are considering such siting efforts, for the past nearly three decades the economics have not allowed such projects to go forward. Likewise, power uprates and license extensions at existing facilities are not assured, as is confirmed by the nuclear experience in New England, which has seen the closure of several nuclear plants rather than their continued operation. The value of allowances is substantial and will therefore play a material role in uprate and licensing decisions, with a corresponding effect on the State's and region's electricity portfolio. For these reasons, Entergy suggests that allowances under the final RGGI plan be available for all nuclear power, including existing plants as well as for new sources (e.g. uprates, relicensed, and new facilities) in order to maintain the mix of fuel sources in the region that is an essential factor of market reliability and an affordable power production system.

In particular, Entergy suggests that the following amendments to the SWG proposal be considered in the final agreement to minimize the risks to the local economy and to protect consumers against the unintended consequences of such risks:

1. **Appropriate Consideration of Non-Emitting Generators.** RGGI should be a program to reduce greenhouse gas emissions, recognizing that the program holds in the balance the power supply of the northeastern region. Appropriate encouragement of non-emitting sources (whether renewable or nuclear power) throughout the final RGGI plan would help to protect diversity in the electric system portfolio, reduce market pricing impacts, and preserve needed base-load power in the manner best designed to achieve the dual environmental and economic goals of the program. Allowance allocation decisions should promote an economical portfolio of energy with the lowest emission rate of CO<sub>2</sub> per megawatt generated.
2. **Avoiding Special Interests.** As currently drafted, there is a potential for misuse of the allowances proposed for "public benefit set-asides" (PBSA). A substantial allocation of CO<sub>2</sub> emission certificates for PBSA would create a large pool of money that some organizations would like to see available for distribution to special interests. To avoid controversy that possible poor management of potentially tens of millions of dollars could bring, we suggest the initial round of regulations not withhold emission certificates for PBSA. If PBSA is absolutely necessary for multi-state acceptance of the protocol, we suggest management of resulting revenues be accomplished transparently, be subject to public audit, be limited to recipients that promote CO<sub>2</sub> reductions associated with electricity generation, and that all non-emitting generators be treated equally so as to encourage investment that most effectively reduces CO<sub>2</sub> emissions.





**CALPINE®**

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617.723.7635 (MAIN FAX)

November 7, 2005

Hon. Mitt Romney  
Office of the Governor  
Room 360  
Boston MA 02133

Re: Regional Greenhouse Gas Initiative

Dear Governor Romney:

On behalf of Calpine Corporation, I want to thank you for your leadership in addressing global warming, and specifically your efforts to achieve consensus regarding the Regional Greenhouse Gas Initiative (RGGI). As you may know, Calpine is a leading national independent power producer with a strong focus on clean and energy efficient power generation. In New England, we operate a portfolio of five plants that provide up to 1,300 megawatts of electric generating capacity to the region's power grid. Calpine's New England fleet is comprised exclusively of modern, gas-fired power plants that are among the cleanest resources in the region's energy mix.

Calpine believes that RGGI is important both for the RGGI states and as a demonstration model for the rest of the United States on the effectiveness of market-based solutions in reducing anthropogenic carbon emissions. We believe the current RGGI proposal contains many positive aspects, and we look forward to continuing to work with you, your staff, and other stakeholders to help develop a final agreement that takes real steps toward reducing greenhouse gas emissions while also allowing Massachusetts consumers continued access to affordable and reliable power supplies.

In general, Calpine supports efforts to use cap and trade programs to reduce carbon dioxide (CO<sub>2</sub>) emissions throughout the economy. Specifically, we have supported federal legislation that would establish a national cap and trade program for CO<sub>2</sub> within the power sector. This federal proposal was co-sponsored by several members of Congress from the RGGI states, including Senators Judd Gregg and Lincoln Chafee and Congressman Charlie Bass. While Calpine would prefer to see a national program, regional programs like the RGGI can prove to be laboratory of innovation and leadership as our country begins to address this important environmental challenge.

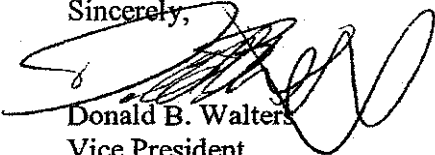
One of the most critical policy designs and key to RGGI's ultimate success will be the state-by-state method of emissions allocations. Calpine recognize that this is perhaps the most difficult and controversial aspect of developing a trading program, but it is also one of the most essential components in establishing a successful trading program. We

recommend that Massachusetts and RGGI adopt the following principles associated with the design of allowance allocation in the context of a future cap and trade program:

1. Allocation of allowances to owners of power plants should be limited to fossil generators and based upon electrical output (i.e. in megawatt-hours (MWh)) in order to encourage efficient generation of electricity from fossil fuels.
2. Emission allowances should be allocated to fossil generators on a fuel neutral basis. The entire purpose of a trading program is to allow the market – not regulators – to determine the most economic fuel or technology choice that is appropriate for meeting the carbon reduction goals.
3. The number of emissions allowances allocated to affected units should be periodically updated. Updating will ensure that new and existing lower-carbon generating sources realize increased allocations in the future as they operate more frequently in response to market signals that will favor efficient, low carbon generation sources. Such updating should take place every 2-4 years.
4. Programs to promote energy efficiency should not be funded through an allowance set-aside. While energy conservation is an important goal, funding conservation initiatives through an allowance set-aside is a highly complicated and expensive method. In addition, a significant set-aside will increase the price of wholesale electricity and unnecessarily exacerbate potential consumer price impacts. Calpine supports a lower set-aside level than currently proposed and believes it will be the best option for consumers, and will also avoid potential distortions in competitive wholesale power markets.

Again, we appreciate your leadership on this important issue and look forward to working with you and your staff as you move forward to addresses this historic challenge.

Sincerely,



Donald B. Walters  
Vice President  
Northeast Power Region



The Business Council

For Sustainable Energy

September 26, 2005

*Submitted via email*

To: Regional Greenhouse Gas Initiative Commissioners and Agency Heads  
Members of the Regional Greenhouse Gas Initiative Staff Working Group

Regarding: Pending Staff Working Group Proposal

On behalf of the members of the Business Council for Sustainable Energy, we are pleased to provide comments on the pending Regional Greenhouse Gas Initiative (RGGI) Staff Working Group Proposal. We understand that the Agency Heads will be meeting later this week to review the proposal with the aim of considering a Memorandum of Understanding (MoU) that may incorporate some of the proposal's elements.

As you know, the Council was created in 1992 by companies in the energy efficiency, renewable energy, natural gas, electric utility and independent power industries. Our membership spans across the energy spectrum and includes companies such as the NiSource, Green Mountain Energy, Sempra Energy, Enel North America, GE Wind and American Standard/Trane as well as industry trade associations representing the wind, solar, hydropower, energy efficiency, natural gas and insulation industries. The Council promotes public policies that reduce the environmental footprint of energy production and use, while encouraging economic growth and energy independence for the United States.

Through our active participation in the RGGI stakeholder process and one-on-one meetings with many working group members and Agency Heads this year, we view RGGI as an important vehicle to reduce greenhouse gas emissions and create a workable national model. Our comments focus on the incorporation of clean energy generation and energy efficiency into the RGGI cap-and-trade program. Inclusion of clean and efficient energy options, both for demand reduction and expansion of local clean generation within the RGGI region, will help reduce greenhouse gas levels while supporting the region's economy.

**Overall, the Council is supportive of the draft proposal's approach, and in particular, its potential 25 percent combined allocation to clean energy -- such as renewable energy and energy efficiency -- under the Public Benefits Allocation and the Strategic Carbon Fund.** We urge the Agency Heads to retain the open and flexible text that is included in the Staff Working Group Proposal that enables allowances to be allocated to renewable energy and energy efficiency investments, among other options.

Second, while our coalition supports a regional output-based allowance allocation under the RGGI cap-and-trade program, we understand the Working Group's decision to defer this issue to individual states. **We recommend that the Agency Heads consider providing guidance to states on allocation options -- including output-based methods -- in the Model Rule or in supplemental documents that accompany the Model Rule.** Specifically, we encourage working group members and Agency Heads to refer to a memo that was released by STAPPA/ALAPCO this month. This document provides states with alternative regulatory language for NOx allowance allocation that



promote clean energy technologies. The memo can be downloaded from <http://www.4cleanair.org/Bluestein-cairallocation-final.pdf>. This is a valuable resource for states implementing the Clean Air Interstate Rule as well as RGGI's cap-and trade program.

**Third, the Council urges the MoU and the Model Rule to provide criteria for the Public Benefits Allocation (PBA) to ensure that the program goals are achieved with the greatest benefit to the region.** Since the PBA is the most significant provision to focus funding toward clean energy activities – such as renewable energy and energy efficiency – it has the potential to advance a more sustainable regional energy future. It is important that the PBA focus state flexibility toward program effectiveness that benefits the public. Such criteria could include that:

- 1- The funds contribute to reducing the carbon intensity of electric generation;
- 2- The funds reduce energy demand;
- 3- The funds provide benefit to the region's economy; and
- 4- The funds promote private investment through partial funding

The public will benefit by maximizing investment in energy demand and supply efficiency that will produce sustainable benefits for future generations.

**Fourth, the MoU and Model Rule should provide incentives for local, small, clean generation (under 25MW). Such generation is often customer-owned and utilizes renewable energy or combined heat and power technologies.** Small generators can make an important contribution to meeting RGGI targets while expanding economic opportunities and creating jobs in the region. The program should include and encourage smaller renewable and combined heat and power facilities that are not directly affected emitters by the program. This can be achieved in a variety of ways, including:

- Permitting small, clean generation to qualify for PBA funds; or
- Encouraging state allocations/complimentary energy policies that allow affected units to purchase power from small generators that will contribute toward program compliance

**Fifth, we recommend that the MoU and Model Rule establish a clear process and 2008 timetable for expanding the list of eligible offsets that are permitted to qualify as compliance options under the RGGI cap-and trade program.** Expanding the project list will drive investments in a wider range of clean energy technologies that will speed innovation and deployment in the region. With its extensive expertise in this area, the Council offers itself as a resource as additionality and baselines methodologies for new project types are developed under RGGI.

We appreciate this opportunity to share our perspectives with you. If you have any questions, please feel free to contact me at (202) 785-0507 or via email at [ljacobson@bcse.org](mailto:ljacobson@bcse.org).

Sincerely,



Lisa Jacobson  
Executive Director



To: Regional Greenhouse Gas Initiative Commissioners and Agency Heads  
Members of the Regional Greenhouse Gas Initiative Staff Working Group

From: The American Wind Energy Association

Re: Comments on the Revised Staff Working Group Package Proposal of August 24, 2005

Date: October 4, 2005

---

The American Wind Energy Association (AWEA) appreciates the opportunity to submit comments on the Staff Working Group Proposal for the Regional Greenhouse Gas Initiative (RGGI). As RGGI Agency Heads continue discussion of future steps, we hope our comments will be considered toward the development of a package proposal that will successfully lead to greenhouse gas reductions.

The American Wind Energy Association is the national trade association of the U.S. wind energy industry. The association's membership of more than 700 includes turbine manufacturers, wind project developers, electric utilities, and energy suppliers.

First, AWEA would like to recognize and applaud the initiative of the nine participating states to take action to reduce CO<sub>2</sub> emissions. We realize the importance of such an action, and believe that clean wind energy has the capability to play a significant role in achieving RGGI's goal of emissions reductions.

In summary, AWEA proposes that:

- More explicit language be included in the RGGI proposal, directing a specific set-aside of allowances for renewable energy.
- In the model rule, include language directing the allocation of allowances to renewable resources based on energy production or through a specific set-aside

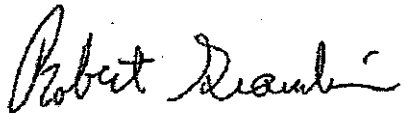
To enable wind power to be optimally effective in reducing greenhouse gases, we support allocation of allowances on a fuel-neutral, or output, basis. We believe a fuel neutral allocation of allowances is the most appropriate policy choice because it rewards the efficient generation of electricity.

If fuel-neutral allocation is not pursued, we feel it is imperative that all states actively reserve a portion of their allowances to be allocated to new renewable generating resources; regardless if states agree to adopt the 20 percent public benefit set-aside as proposed in the current package. The development of renewable resources provides the dynamic benefits of both diversifying the region's electricity-generation portfolio and reducing emissions of CO<sub>2</sub>.

A number of states have already recognized the merits of a set-aside of allowances for renewable resources in their State Implementation Plans (SIP) for NO<sub>x</sub> emission reductions. We urge the states to build on this foundation in their agreement on RGGI. The model should provide appropriate and distinct direction, assisting states in allocating allowances to renewable energy. This will create greater flexibility and new avenues for cost-effective compliance without damaging the integrity of the capped emissions.

We are grateful for the opportunity to provide comments and look forward to working with the participating states as this initiative on greenhouse gas reductions moves forward. We would be happy to address and discuss any concerns you may have. Please contact us at [rgramlich@awea.org](mailto:rgramlich@awea.org) or 202-383-2521.

Sincerely,

A handwritten signature in black ink that reads "Robert Gramlich". The signature is written in a cursive style with a large initial "R".

Rob Gramlich  
Policy Director  
American Wind Energy Association

# Oakhurst



DAIRY

364 FOREST AVENUE  
PORTLAND, MAINE 04101  
TELEPHONE (207) 772-7468

Stanley T. Bennett II, President

September 21, 2005

The Honorable Governor John E. Baldacci  
Office of the Governor  
#1 State House Station  
Augusta, ME 04333-0001

Dear Governor Baldacci:

I'm writing to commend your leadership in addressing climate change and in moving forward the Regional Greenhouse Gas Initiative (RGGI). Global warming poses significant threats to the economy of the Northeast, but there are significant opportunities to be gained from an early response to the problem. In June this year, the U.S. National Academy of Sciences and 10 other leading world bodies expressed the consensus view that "there is now strong evidence that significant global warming is occurring" and that "it is likely that most of the warming in recent decades can be attributed to human activities". A recent report from the University of New Hampshire, *Climate Change Indicators for the Northeast*, cited more than a dozen examples of peer-reviewed evidence of changes in our own regional environment as a result of long term warming trends.

Many in the private sector across the region have already made significant reductions in greenhouse gases, both through increased energy efficiency and through the adoption of renewable energy, alternative fuels and distributed generation systems, and we continue our work with great enthusiasm. These reductions make solid business sense and a cleaner future for the Northeast will benefit our communities and our economy.

As business leaders, we understand that addressing greenhouse gas emissions in our own operations brings many benefits – not the least of which is an improvement in the bottom line. While many of us are actively pursuing cuts in carbon pollution through operations and investments, we know that, ultimately, it will take leadership at the state and national levels to slow the rate of global warming.

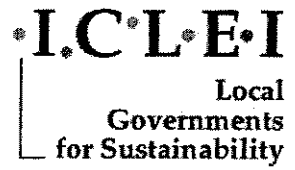
That is why we applaud the ongoing development, through the Regional Greenhouse Gas Initiative, to lower carbon pollution in the power sector across the Northeast. The opportunity to establish a model for a national response to this problem brings with it great responsibility. The northeast states must present a plan for steadily and significantly reducing emissions of carbon dioxide from the electricity sector. Energy conservation and efficiency will allow the needed pollution cuts to be achieved in a way that benefits consumers and enhances electric reliability. Fulfilling and expanding the states' various commitments to bring new, non-polluting energy sources to the region like wind and solar power will also play an important role. Combined with an emissions cap-and-trade program, these strategies can provide an effective model for the nation.

We hope that our state governments will continue on this path of leadership, as we continue our own efforts to demonstrate that reducing greenhouse gas emissions can be as good for business as it is for the environment.

Yours truly,

Stanley T. Bennett II

cc: Dawn Gallagher, Commissioner, Maine DEP  
Kurt Adams, Chairman, Maine Public Utilities Commission  
Beth Nagusky, Director of Energy Independence



**Dear Northeast Governors:**

We applaud your efforts to address global warming at the regional level. Global warming poses significant threats to the people and communities of the Northeast. A recent report, *Climate Change Indicators for the Northeast*, cited more than a dozen examples of changes in our regional environment as a result of long term warming trends. We are already feeling the effects of heat waves, shrinking water supplies and snow pack, increased rates of asthma, floods and storms, and coastal erosion.

In response, cities, towns and counties across the region have already made it a policy priority to reduce global warming pollution, and we continue our work with great enthusiasm for a cleaner future for the Northeast.

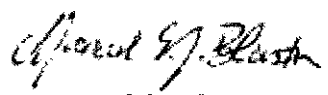
As mayors, we understand that addressing carbon pollution brings many benefits to our communities – not the least of which is a reduction in levels of the criteria air pollutants detrimental to human health. Many of us are actively pursuing cuts in carbon pollution at the municipal level, but we know that ultimately it will take leadership at the state and national levels to slow the rate of global warming.


That is why we fully support the ongoing development of a cap-and-trade system for the power sector to lower carbon pollution across the Northeast. We strongly encourage our state governments to move forward in developing this model rule under the Regional Greenhouse Gas Initiative (RGGI) and we urge them to maintain our regional prominence as a leader in addressing global warming.

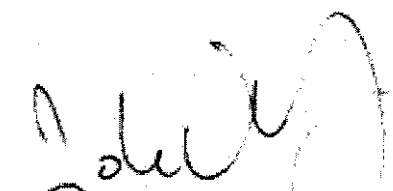
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We hope that our state governments will continue on this path of leadership, as we continue our local leadership on global warming.

Sincerely,

  
**Mayor Michael E.J. Blastos**  
City of Keene, NH

  
**Mayor David B. Cohen**  
City of Newton, MA

  
**Mayor John DeStefano, Jr.**  
City of New Haven, CT

**Additional Signatures from Northeast Mayors and  
Chief Local Officials as of August 24, 2005:**

Mayor John M. Fabrizi	Bridgeport, CT
First Selectman Kenneth A. Flatto	Fairfield, CT
Town Manager Robert E. Lee	Plainville, CT
Mayor Dannel P. Malloy	Stamford, CT
First Selectman Woody Bliss	Weston, CT
First Selectman Michael T. Paulhus	Windham, CT
Mayor Donald S. Trinks	Windsor, CT
Selectboard members Anne Awad, Robie Hubley, Gerald Weiss, Hwei-Ling Greeney, and Robert Kusner	Amherst, MA
Mayor Thomas M. Menino	Boston, MA
Mayor Michael A. Sullivan	Cambridge, MA
Mayor John Bell	Gloucester, MA
Mayor Michael J. McGlynn	Medford, MA
Mayor Stanley Usovicz, Jr.	Salem, MA
Mayor Joseph A. Curtatone	Somerville, MA
Selectperson Jane B. Allen	Williamstown, MA
Mayor Timothy P. Murray	Worcester, MA
Town Manager Richard Davis	Farmington, ME
Mayor Jill C. Duson	Portland, ME
Mayor Bernard A. Streeter	Nashua, NH
Mayor Meryl Frank	Highland Park Borough, NJ
Mayor Fred Profeta	Maplewood, NJ
Mayor Carolyn K. Peterson	Ithaca, NY
Town Supervisor Bonnie Hundt	Amenia, NY
Town Supervisor Steven Bellone	Babylon, NY
Supervisor Lee V.A. Roberts	Bedford, NY
Town Supervisor Joan A. Pagones	Fishkill, NY

(OVER PLEASE)

Supervisor Jim Nordgren	Lewisboro, NY
Town Supervisor John Lombardi	North Castle, NY
Town Supervisor Dennis J. McGuire	Rhinebeck, NY
Town Supervisor Phil Cardinale	Riverhead, NY
Town Supervisor Patrick A. Heaney	Southampton, NY
Town Supervisor Linda G. Cooper	Yorktown, NY
Town Supervisor William McGintee	East Hampton, NY
Mayor Philip J. Trifletti	Mamaroneck, NY
Mayor Drew Fixell	Tarrytown, NY
Mayor James E. Doyle	Pawtucket, RI
Mayor Peter Clavelle	Burlington, VT
Mayor Peter DesLauriers	St. Albans, VT
Mayor Clement Bissonnette	Winooski, VT



ENVIRONMENTAL DEFENSE

finding the ways that work

Fred Krupp · President

October 12, 2005

Governor George E. Pataki  
State Capitol  
Albany, NY 12224

RE: Regional Greenhouse Gas Initiative Model Rule

Dear Governor Pataki:

On behalf of Environmental Defense, I write to express our strong support for the Regional Greenhouse Gas Initiative (RGGI) program and to urge you and the other RGGI Governors to complete the agreement on the proposal quickly so that the model rule can be acted upon by the states in a timely fashion. We commend your leadership on this issue and think that RGGI will serve as a model for the entire nation.

Environmental Defense would like to praise the RGGI States for the public process they used to develop the program. Although we have not seen the final details of the proposed package plan, we generally support the direction of the discussions and feel confident that we can support the final outcome. In Environmental Defense's view climate change is one of the greatest threats to the health and welfare of the planet. At the G-8 summit this past summer, the world's leaders recognized that the climate change science was sufficiently settled to warrant action now. Although there are some things in the plan that we might have designed differently, in our view RGGI will result in real reductions at low costs. The current draft is good enough to be approved by all the Governors and any concerns are relatively minor and do not justify any further delay in implementation.

As the program is implemented, RGGI will help the citizens and businesses in Massachusetts and the region adjust to climate change constraints. We believe that by making this transition now, the RGGI region will be better positioned over time to begin the long-term task of making significant emission reductions without harming continued economic prosperity. As such, we encourage you to complete the agreement quickly and we look forward to working with you and your staff to enact the program in Massachusetts.

Yours truly,





The Nature Conservancy in New Jersey  
Elizabeth D. Kay Environmental Center  
200 Pottersville Road  
Chester, NJ 07930

tel [908] 879-7262  
fax [908] 879-2172  
[nature.org/newjersey](http://nature.org/newjersey)

September 28, 2005

Acting Governor Richard Codey  
The State House  
P. O. Box 001  
Trenton, NJ 08625

Dear Governor Codey:

RE: The Nature Conservancy comments on the Staff Working Group Proposal (dated August 24, 2005) for the Regional Greenhouse Gas Initiative Model Rule

I write on behalf of The Nature Conservancy to urge you to support the enactment of the Regional Greenhouse Gas Initiative (RGGI) Model Rule to achieve reductions in CO<sub>2</sub> emissions from power generators in the Northeast. We commend your leadership on this issue and look forward to working with you and your staff to ensure that this proposal is successfully enacted and carried out.

The Nature Conservancy supports the RGGI program as it sets an exemplary precedent for the establishment of a system to cap CO<sub>2</sub> emissions from the energy sector using a market-based system at little to no cost to the consumer. We view the success of a Northeast regional cap and trade program as catalyst for regional and national action which is critical to reducing heat-trapping emissions and minimizing the threats that climate change poses to the people, businesses and ecosystems in the Northeast region. Over the past 50 years, The Nature Conservancy has invested billions of dollars in land acquisition and conservation. These investments, as well as those of state and federal governments and private land owners, are jeopardized if emissions of heat-trapping gases continue unchecked.

While the Conservancy supports the proposed model rule, we believe the emissions cap should be stronger cap than the current proposal to stabilize emissions at 150 million tons until 2015, followed by a 10% reduction through 2020. This emissions reduction proposal is at best, a stabilization of current levels from the energy sector. We urge you to revise the proposed model rule to reduce CO<sub>2</sub> emission by 15% by 2020. The ICF modeling conducted for the states suggests that a tighter cap could be adopted with minimal to no cost to consumers of electricity.

In addition, the Conservancy supports the creation of an explicit link between the RGGI program and the European Union Emissions Trading System, and any other state or regional program that emerges in the future. Establishing these links will allow for greater flexibility, increasing compliance with the RGGI program. We urge you to provide additional clarity on how RGGI will link to the EU Emissions Trading System, and, if needed, we pledge to work with you to develop more detailed language in the rule defining this linkage.

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John O. Downing, Chairman. Donald M. Ullmann, Vice Chairman.  
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Daniel Harding, Dwight vL. Hiscano, Michael W. Huber, Merwin Kinkade, Thomas Lambrix,  
Richard G. Lathrop Jr., Ph.D., Stephan R. Leone, Esq., Louise Mehrotra, John D. Mitchell, Richard Redmond,  
Judy L. Shipley, Eric B. Svenson. Jr., Steven Tasher, Alan L. Tyson, Christian Zugel



We support the Working Group's current proposal to allow covered sources to meet a portion of their emission reduction targets using carbon offsets from well-designed afforestation projects. Allowing the use of these types of offsets will increase the flexibility for compliance and lower the overall compliance costs. The use of offsets also could allow for a lower cap at no additional cost. In addition, such projects have the potential to generate substantial environmental and social co-benefits.

We support the Working Group's proposal to add forest management projects to the list of eligible offset types. Furthermore, we are concerned that limiting land-use offsets to those created in the RGGI region may hamper the availability of high quality and cost effective offset projects. We urge the staff to consider allowing RGGI to include offsets projects in areas in the U.S. outside of the RGGI region, as well as international projects. These offsets should not be limited to those eligible under the Kyoto Protocol's Clean Development Mechanism, but rather include activities such as forest conservation and agroforestry, as these project types can deliver real emissions reductions along with benefits for biodiversity and local communities.

We are currently conducting a study, The Northeast Carbon Feasibility Project, that will determine and measure the amount of carbon available from various land use activities in the RGGI region. The results of this study, due in January 2007, will provide a much clearer understanding of the quality, quantity and potential cost of carbon creation from land use activities. No previous systematic measurement of this kind has been conducted and until the results of this study are available we feel it premature to lock in the geographic scope or eligible project types for land-use offsets in the RGGI program. Much more important is the establishment of sound rules to ensure real, surplus, permanent and verifiable offsets. We pledge to work with the state staff to ensure that the rules crafted for land-use offset projects meet these standards.

You have demonstrated tremendous leadership by stepping forward to craft this proposed model rule. We encourage you to follow through in signing the Memorandum of Understanding and allowing this process to proceed to the next step of regulatory adoption by your state of New Jersey.

Best regards,

Barbara Brummer, Ph.D.  
State Director

**Board of Trustees**

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Judy L. Shipley, Eric B. Svenson. Jr., Steven Tasher, Alan L. Tyson, Christian Zugel





Religious Witness for the Earth · PO Box 642, Littleton, MA 01460  
E-Mail: [info@religiouswitness.org](mailto:info@religiouswitness.org) · Web: [religiouswitness.org](http://religiouswitness.org)  
Co-Chairs: Rev. Dr. Andrea Ayvazian, Rabbi Fred Scherlinder Dobb, Rev. Fred Small

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September 29, 2005

Dear Governor,

There is no environmental issue more urgent than global climate change. We are living through the warmest decade on record. Already we are feeling the effects of brutal hurricanes, vicious droughts, and debilitating heat waves that are exacerbated by the burning of fossil fuels. Recent studies show that climate change is accelerating faster than scientists had predicted just a decade ago. We desperately need to find ways to reduce our dependence on oil and other fossil fuels, to cut carbon pollution, and to make a transition to clean energy.

Global warming is not just a political, scientific, or economic issue. It is also a religious issue. Faith tells us that the universe exists because of a gracious God who brought all Creation into existence and sustains it in being. According to the sacred story, God made human beings from earth, breathes life into our nostrils, and charges us to care for this web of life in which find ourselves. When human beings voluntarily destroy the web of life for temporary convenience, pleasure, or greed, it is a sin and must be so named.

When it comes to global warming, the time for more talk or further study has come to an end. The earth and its creatures are crying out for our care. As Governor, you have the opportunity today to take a courageous step that will make a real difference. You stand in a unique position to help shape a more just and sustainable future for the residents of this planet, human and non-human alike.

The Regional Greenhouse Gas Initiative (RGGI) is a pioneering initiative to cut carbon pollution that contributes to global warming. Together with the Governors and staff of eight other northeastern states, you and your staff have been working to reduce the carbon emissions from the 600 power plants in the region. This cap-and-trade program has the potential to achieve significant pollution reductions while leading New York and the region toward a cleaner energy future. It is a good beginning.

As Governor, you have the power – and the rare opportunity – to address global warming in a creative and effective way. You can lead New York toward an energy system that reduces our impact on the global climate, while serving our needs cleanly, efficiently and effectively. You can proceed to implement a program that will help change the troubled



Religious Witness for the Earth · PO Box 642, Littleton, MA 01460

E-Mail: [info@religiouswitness.org](mailto:info@religiouswitness.org) · Web: [religiouswitness.org](http://religiouswitness.org)

Co-Chairs: Rev. Dr. Andrea Ayvazian, Rabbi Fred Scherlinder Dobb, Rev. Fred Small

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history of how human beings have cared for God's creation. You can help us take a first step in learning to live more lightly on God's green earth.

At this critical moment in the planet's history, we - and people of many faith traditions - urge you to stand firm against the self-interested pleading of polluters. We're told that this program will cost less than \$7 per family per year. Surely this is not too much to ask.

In the name of God we urge you, as leader of New York to do everything in your power to combat global warming, to move forward the best RGGI program that you can, and to urge your fellow governors to do the same. Thank you for your leadership at this critical time. Please know that you are in our prayers.

Sincerely,

Rev. Dr. Margaret Bullitt-Jonas  
Grace Episcopal Church, Amherst, MA;  
Episcopal Divinity School, Cambridge, MA

Rev. Dr. Andrea Ayvazian  
Pastor, Haydenville Congregational Church, Haydenville, MA

Anne D. Burt, Director  
Maine Council of Churches' Environmental Justice Program;  
member of the Religious Society of Friends (Quakers)

Rabbi Fred Scherlinder Dobb  
Adat Shalom Reconstructionist Congregation, Bethesda, MD

Rev. Fred Small  
First Church Unitarian, Littleton, MA

Rev. Kathryn K. Stevens  
United Church of Christ

Rabbi Sheila Peltz Weinberg, Rabbi Emerita, Jewish Community of  
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*Signed by members of the Leadership Council of Religious Witness for the Earth. Organizations listed for identification purposes only.*

October 19, 2005

The Honorable Mitt Romney  
Governor of the Commonwealth of Massachusetts  
State House  
Room 360  
Boston, MA 02133

Dear Governor Romney,

As members of an interfaith delegation representing thousands of members in Massachusetts, we applaud the efforts your administration has made in working to reduce global warming pollution in the state. Your precedent-setting Climate Protection Plan from last May was a significant first step in the right direction. Now, as you and your counterparts in eight other northeastern states work to develop a regional power plant carbon dioxide "cap-and-trade" program (known as "RGGI"), we urge you to maintain your commitment to fighting global warming by working to make sure RGGI significantly reduces emissions.

In September of 2003, our delegation of leaders from Massachusetts' religious community met with you to discuss the need to address climate change. At that meeting you affirmed your commitment to do all that you can to reduce global warming pollution. You now have a tremendous opportunity to help craft the Regional Greenhouse Gas Initiative into a strong program that reduces carbon dioxide pollution, protects consumers, and sets a precedent for the rest of the nation to follow. For RGGI to be as strong as possible, it must:

Result in deep reductions of carbon dioxide pollution in the region that are, at the very least, consistent with past state and regional commitments and reduction goals;

Strictly limit the reductions that can come from "offsets" (i.e. projects like tree planting and landfill gas capture as opposed to cleaning up power plants at the smokestack);

Protect consumers with the "Polluter Pays" principle, requiring that power plants pay for the right to pollute and then using that revenue for energy efficiency and consumer rebates that increase over time.

The scientific consensus is that climate change will have dire consequences for public health, our economy, and the environment. Increasing devastation due to storms like Hurricane Katrina is just one of many negative consequences we can expect if we allow the Earth to continue heating. And, as that hurricane showed us, it is the poor who are most vulnerable - both in Massachusetts and across the world. We are obligated to protect humanity and the Earth from the imminent danger of climate change.

We wish you success as you work to finalize RGGI and take further steps to reduce global warming pollution.

Sincerely,

Rabbi Moshe Waldoks, Temple Beth Zion

Rev. Dr. John Chryssavgis, Theologian

Rev. Fred Small, Co-Chair, Religious Witness for the Earth

Rev. Kim K. Crawford Harvie, Senior Minister, Arlington Street Church, Boston

Rev. Margaret Bullitt-Jonas, Ph.D., Priest Associate, Grace Episcopal Church

Rt. Rev. Steven Charleston, President and Dean, Episcopal Divinity School

Sister Marie-Therese Browne, Coordinator, H.E.L.P. (Healthy Environment Leadership Project)

Steve MacAusland, Co-Founder, Massachusetts Interfaith Power & Light

CC: Douglas I. Foy, Secretary, Office for Commonwealth Development  
Robert W. Golledge Jr., Commissioner, Department of Environmental Protection  
Stephen R. Pritchard, Secretary, Executive Office of Environmental Affairs  
Sonia Hamel, Special Assistant to the Secretary, Office for Commonwealth Development  
Dr. David Cash, Director of Air Policy, Executive Office of Environmental Affairs

**Massachusetts****Interfaith Power & Light**6 Institute Road  
Worcester, MA 01609

November 10, 2005

Governor Mitt Romney  
Commonwealth of Massachusetts  
State House, Room 360  
Boston, MA 02133

Dear Governor Romney,

We write to you today in support of Massachusetts' participation in the Regional Greenhouse Gas Initiative (RGGI). All religions believe that God's creation is a gift to be cherished and protected. We know that you are a person of faith yourself; as such, we agree that stewardship of the earth is a moral imperative. We applaud your leadership in protecting the environment since taking office, and encourage you to move forward with the RGGI process.

As the co-founders of Massachusetts Interfaith Power & Light, we work to offer Massachusetts congregations of every religious tradition a means of becoming better stewards of the earth by reducing energy consumption, lowering operating costs, and using clean and renewable energy in their houses of worship. While our congregations are doing their part to reduce their own emissions through energy efficiency and purchasing green power, we understand that state and national initiatives will be needed to reach the reduction levels that will truly stabilize our climate. RGGI is such an initiative that will both significantly reduce emissions throughout the region, and hopefully provide a national model for climate protection.

Climate change is a great threat, both to the environment and the economy. The scientific community has come to an overwhelming consensus that the climate is changing, that humans are the main contributors to this climate change, and that significant greenhouse gas reductions must be made to stabilize the climate. Your leadership in releasing Massachusetts' first Climate Protection Plan in 2004 was a strong first step towards climate stabilization.

We have a responsibility to provide the best world that we can for our children and grandchildren. Climate change threatens the very ability of the earth to support humankind, and we must do what we can to reverse it for all future generations.

In faith,

Stephen B. MacAusland  
Co-Founders, Massachusetts Interfaith Power & Light

Thomas E. Nutt-Powell, Ph.D.





# ENVIRONMENT NORTHEAST

P.O. Box 313 • 8 Summer Street • Rockport, ME 04856-0313  
207-236-6470 • 207-236-6471 fax • www.env-ne.org

Gulf of  
Maine

Atlantic  
Ocean

October 25, 2005

Governor Mitt Romney  
Office of the Governor  
Room 360  
Boston, MA 02133

## Support for the Regional Greenhouse Gas Initiative

Dear Governor Romney:

As hurricane intensity increases and glaciers retreat, it is undeniable that our climate is changing. Global warming is clearly one of the largest environmental and economic challenges we face. The question is not whether to do something about it – the question is how to best address the challenge of global warming. Taking no action is the riskiest and most expensive course.

The State of Massachusetts has a unique opportunity to demonstrate that we can positively address the issue of climate change using flexible market based systems that maximize environmental benefits while minimizing the costs of doing so and creating opportunities for innovation and job creation. Implementation of the Regional Greenhouse Gas Initiative (RGGI) provides Massachusetts and the other eight northeastern states with exactly that opportunity.

We urge you to move forward with the other states in the region to implement the Regional Greenhouse Gas Initiative. Environment Northeast has been an active stakeholder in the RGGI planning process and your staff have received many recommendations from us intended to insure that the program works to reduce emissions through low cost mechanisms. We are confident that the states have been able to develop a final design that achieves the Governor's and Agency Head's initial goal, i.e. one "aimed at developing a program to reduce carbon dioxide emissions from power plants in the participating states, while maintaining energy affordability and reliability and accommodating, to the extent feasible, the diversity in policies and programs in individual states." We believe the policy design, modeling analysis, and opinions of regulators and energy experts testify to the program having achieved that initial goal.

As we do not know all of the details of the final agreement among the states, we can not yet give our unqualified support for the program. However, if the program achieves the following goals, as we believe it will, Environment Northeast will be a strong supporter and work with you and your staff to implement the program across the Northeast.

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31 Hayes Road • Boston, MA 02131 • 617-495-6375

28 Grand Street • Hartford, CT 06106 • 860-246-7121 • email: admin@env-ne.org

- A reduction in electric sector emissions from today's levels, putting the sector on the pathway to achieve the New England Governor's climate goals
- A majority of the reductions should come from within the electric sector and all off-system reductions (offsets) must be of high integrity, verifiable, and go beyond business as usual
- Economic and environmental "leakage" should be minimized by monitoring and developing policies to address issues of competitiveness associated with imported power
- The allocation of allowances should be designed in such a way that price impacts on consumers are minimized and investments in energy efficiency are maximized

Implementation of the RGGI program is a very significant step that demonstrates an understanding that we can and must continue to redefine our energy system to operate successfully in a carbon constrained world. Northeastern policy makers have been leaders in understanding the risk that climate change represents to the world and their individual states. We applaud your strong commitments to emission reduction targets and implementation of policies that will reduce emissions of greenhouse gases. However, while commitments to increase renewable power generation, reduce emissions from vehicles, require the sale of efficient appliances, and invest in energy efficiency are important, significantly more needs to be done.

Climate change is, of course, a global issue that the entire United States and world must address but there are strong reasons for the Northeast to move forward now with of its own program:

- It is to the region's economic and environmental benefit to set an energy policy today that makes sense for the coming decades (power plants are multi-decade investments)
- Driving new investments in clean generation technologies allows the region to continue to lead in the development of new technologies like wind, biomass, fuel cells, and high efficiency combined-heat-and-power or combined-cycle fossil plants – the region can continue to be innovation leaders not laggards.
- This policy will ensure that new plants built in the region are extremely clean and therefore better positioned to be competitive when national and international reductions in emissions are required; under a national program those regions with clean emissions profiles will see lower cost increases than regions with high emitting power generators.
- The nine northeastern states included in the proposed RGGI program have emissions equivalent to the sixth largest industrial nation in the world and therefore have a large responsibility to take action to reduce our regions contribution to global warming.

The Regional Greenhouse Gas Initiative will incorporate a number of design elements to ensure that program costs are low: the cap levels being considered represent very modest reductions; trading of permits will be allowed among companies and states which will lower costs and ensure an even playing field; a commitment to address emissions from imported power will eliminate competitive disadvantages for regional generators; and the ability to purchase offsets or emissions reductions from outside the sector will provide flexibility.

Current energy price increases are being driven by fuel costs, utility procurement practices, and energy market regulations. Modeling of the RGGI program indicates that price increases for

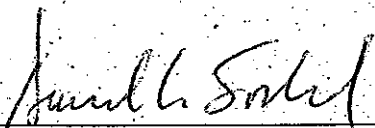
consumers over the next decade will be less than a dollar per megawatt hour or less than three dollars per year for an average residential customer. This is in stark contrast to the fluctuations in the energy markets in recent months that have led to electric price increases of around fifty dollars per megawatt hour. In addition there are ways to significantly reduce or eliminate even these modest projected economic costs.

All those involved in the process know that the modeling does not incorporate the key variable the RGGI program is designed to stimulate – Innovation. As we have seen with the acid rain and ozone trading programs, market based programs like this put entrepreneurs and designers to work to develop new ideas and programs that are significantly cheaper than anyone anticipated.

Program design and complimentary energy policies that assist consumers to use energy more efficiently will also reduce the cost of the program, reduce consumer's energy bills, and create economic and job growth. Specifically, the value of the new emissions permits can be used to fund expanded energy efficiency and state regulators could require utilities to procure low-cost efficiency before new high-cost generation. An already relatively inexpensive RGGI program combined with energy efficiency investments will lower bills for consumers and deliver new jobs for the region.

We urge you and your fellow governors to move forward now with a strong regional cap and trade program that reduces greenhouse gas emissions from the electric sector. The market based RGGI program will guide smart investments and spur innovation while creating a model for a national global warming policy.

Sincerely,



Daniel L. Sosland  
Executive Director



Derek K. Murrow  
Director of Policy Analysis

CC: Secretary Foy, Office for Commonwealth Development  
Secretary Pritchard, Executive Office of Environmental Affairs  
Commissioner Golledge, Department of Environmental Protection  
Chairman Afonso, Department of Telecommunications and Energy



## Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

November 15, 2005

Honorable Governor Mitt Romney  
Office of the Governor  
State House, Room 360  
Boston, MA 02133

Dear Governor Romney,


We were pleased to learn of your recent statements in support of the Regional Greenhouse Gas Initiative (RGGI). As you know, global warming is a serious threat to the health, economy, and environment of Massachusetts. The overwhelming scientific consensus on climate change science is represented in the enclosed letter from over 50 Massachusetts scientists, all of who are experts in some aspect of climate change. They confirm that the impacts of human-induced climate change are already being felt and, unless we act to reduce heat-trapping emissions, the affects of climate change are likely to become much worse within this century.

The supporters of the Union of Concerned Scientists (UCS) widely recognize the need for to act to reduce our global warming pollution in order to avoid the worst consequences of climate change. Thus, they are particularly interested in the progress and integrity of RGGI. Over 800 of our supporters in Massachusetts have signed the attached letter to you, urging adoption of a strong global warming emissions reduction program. The enclosed disc contains the contact information of these people in electronic format, so you may respond to them directly and in a timely fashion.

There is broad support in nationally, as well as in Massachusetts, for policies that reduce global warming pollution. Reports of your leadership on this issue have received attention areas such as Atlanta, (see enclosed Atlanta Journal-Constitution editorial) where no such effort is yet underway. Once finalized, the RGGI program will certainly become a model for other regional programs and, hopefully soon, a national one.

We commend your action to date on the issue of global warming and urge you to make RGGI a meaningful emissions reduction program. We look forward to an upcoming announcement of a Memorandum of Understanding among nine states on an effective Regional Greenhouse Gas Initiative.

Sincerely,

  
Jason Mathers  
Outreach Specialist  
Global Environment Program  
Union of Concerned Scientists  
Two Brattle Square  
Cambridge, MA 02238

**Letter to Governor Romney regarding the Regional Greenhouse Gas Initiative  
from Massachusetts residents**

**November, 2005**

Honorable Governor Mitt Romney  
Office of the Governor  
State House, Room 360  
Boston, MA 02133

Dear Governor Romney:

I applaud your leadership in addressing global warming pollution. Urgent action is required to minimize the negative impacts of global warming on our children and grandchildren. In the face of an ineffective response from the federal government, the Regional Greenhouse Gas Initiative (RGGI) stands to be a real first step.

The market-based structure of RGGI offers a flexible and cost-effective way to reduce global warming pollution. Direct investments in energy efficiency and clean energy through public benefit allocations will benefit consumers such as me by minimizing any price impacts of the program. In addition, investing in energy efficiency and clean energy will foster innovation and investments in companies that provide clean technologies, many of which are located in our region.

I understand that you are nearing a decision on the details of the RGGI program and that you are hearing from owners of the polluting power plants that will have to reduce their emissions under a strong RGGI. I urge you to stand strong in support of a RGGI that will have environmental integrity by requiring real reductions in carbon pollution by power plants, addressing leakage, and establishing reasonable limits and sound guidelines for the use of offset projects.

By establishing a strong RGGI, you can demonstrate to the rest of the nation that it is feasible and cost-effective to reduce global warming pollution, provide our industries with the incentives to lead the world in developing the next generation of clean renewable energy resources and energy efficient products, and protect the environment, economy, and health of our children and grandchildren. In short, you can leave a positive legacy.

Respectfully yours,

Over 800 Massachusetts residents, as follows

# THE STATE OF CLIMATE SCIENCE

## MASSACHUSETTS SIGNERS OF A LETTER FROM U.S. SCIENTISTS

October 1, 2003

United States Senate  
Washington, DC 20510

Dear Members of Congress:

Two years have elapsed since the publication of the most recent reports by the Intergovernmental Panel on Climate Change (IPCC) and the National Research Council (NRC) on the state of the science of climate change and its impacts on the United States and the rest of the world. As scientists engaged in research on these subjects, we are writing to confirm that the main findings of these documents continue to represent the consensus opinion of the scientific community. Indeed, these findings have been reinforced rather than weakened by research reported since the documents were released.

In brief, the findings are that:

- 1) Anthropogenic climate change, driven by emissions of greenhouse gases, is already underway and likely responsible for most of the observed warming over the last 50 years—warming that has produced the highest temperatures in the Northern Hemisphere during at least the past 1000 years;
- 2) Over the course of this century the Earth is expected to warm an additional 2.5 to 10.5 °F, depending on future emissions levels and on the climate sensitivity—a sustained global rate of change exceeding any in the last 10,000 years;
- 3) Temperature increases in most areas of the United States are expected to be considerably higher than these global means because of our nation's northerly location and large average distance from the oceans;
- 4) Even under mid-range emissions assumptions, the projected warming could cause substantial impacts in different regions of the U.S., including an increased likelihood of heavy and extreme precipitation events, exacerbated drought, and sea level rise;
- 5) Almost all plausible emissions scenarios result in projected temperatures that continue to increase well beyond the end of this century; and,
- 6) Due to the long lifetimes of greenhouse gases in the atmosphere, the longer emissions increase, the faster they will ultimately have to be decreased in order to avoid dangerous interference with the climate system.

Evidence that climate change is already underway includes the instrumental record, which shows a surface temperature rise of approximately 1°F over the 20th century, the accelerated sea level rise during that century relative to the last few thousand years, global retreat of mountain glaciers, reduction in snow cover extent, earlier thawing of lake and river ice, the

## The State of Climate Change Science

increase in upper air water vapor over most regions in the past several decades, and the 0.09°F warming of the world's deep oceans since the 1950's.

Evidence that the warmth of the Northern Hemisphere during the second half of the last century was unprecedented in the last 1000 years comes from three major reconstructions of past surface temperatures, which used indicators such as tree rings, corals, ice cores, and lake sediments for years prior to 1860, and instrumental records for the interval between 1865 and the present.

On the subject of human causation of this warmth, the NRC report stated that, "The IPCC's conclusion that most of the observed warming of the last 50 years is likely to have been due to the increase in greenhouse gas concentrations accurately reflects the current thinking of the scientific community on this issue." Indeed, computer simulations do not reproduce the late 20th century warmth if they include only natural climate forcings such as emissions from volcanoes and solar activity. The warmth is only captured when the simulations include forcings from human-emitted greenhouse gases present in the atmosphere.

In summary, the main conclusions of the IPCC and NRC reports remain robust consensus positions supported by the vast majority of researchers in the fields of climate change and its impacts. The body of research carried out since the reports were issued tends to strengthen their conclusions.

Sincerely,

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# The State of Climate Change Science

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## The State of Climate Change Science

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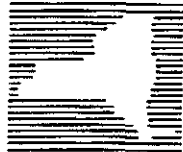
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Regional Planning  
Commission

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Regional Planning  
Commission

Central New York  
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Development Board

Genesee-Finger Lakes  
Regional Planning  
Council

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Planning Program

Hudson Valley  
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George Regional  
Planning Board

Southern Tier Central  
Regional Planning &  
Development Board

Southern Tier East  
Regional Planning &  
Development Board

Southern Tier West  
Regional Planning &  
Development Board

November 17, 2005

Governor George E. Pataki  
State Capitol  
Albany, NY 12224

Dear Governor Pataki:

I am writing to convey the strong support of the New York State Association of Regional Councils (NYSARC) for the Regional Greenhouse Gas Initiative (RGGI) program. On behalf of the NYSARC membership, I commend your leadership on this issue and the positive steps the RGGI program has made to reduce greenhouse gas emissions in the northeastern United States.

We believe the following objectives for RGGI to be important steps towards greenhouse gas reductions in New York State:

- The reduction of carbon dioxide emissions;
- Fund allowances for innovative technology, energy efficiency, and/or consumer rebates;
- Emission reductions created through efficient fossil-fuel generation, non-emitting generation, and innovative pollution abatement technology; and
- Improved energy independence by fostering efficiency and renewable energy

Implementation of RGGI will result in a more efficient electric generating sector through the creation of a market for efficiency investments and will encourage renewable and other non-emitting electric generating technologies.

Implementation of the RGGI model rule would be part of the coordinated economic growth and development of the 45 counties served by Regional Councils in New York State.

The RGGI is in keeping with the mission and goals of Regional Planning Councils in New York State as it relates to growth and development that is both economically and environmentally viable. We can relate to this effort as one that brings together economic development, land-use, transportation, environment and water resources management, human resources management, and Quality Communities.

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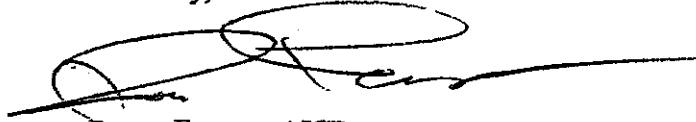
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**Letter of Support**

**Page 2**

The RGGI program's approach to emission reductions through a sound economic vehicle is an innovative and effective way to deal with a major environmental threat to our state and we support the efforts of the New York State Department of Environmental Conservation and others as it relates to the Northeast Regional Greenhouse Gas Initiative.

Sincerely,



Rocco Ferraro, AICP

Secretary, New York State Association of Regional Councils

cc. Denise M. Sheehan, Acting Commissioner, New York State Department of Environmental Conservation  
William M. Flynn, Chairman, New York State Public Service Commission  
Peter R. Smith, President, New York State Energy Research & Development Authority