CONNECTICUT LEAGUE OF CONSERVATION VOTERS EDUCATION FUND

CTLCV EDUCATION FUND
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UNDERSTANDING THE REGIONAL GREENHOUSE GAS INITIATIVE

The Regional Greenhouse Gas Initiative (RGGI) is a pioneering, market-based program to cut carbon pollution from power plants in New England and the Mid-Atlantic. Currently, 10 states participate in the program, including Connecticut. **The region has achieved over $20 billion in on-bill savings since its start.**

HOW THE PROGRAM WORKS

Participating states establish a combined annual cap on carbon dioxide emissions. This cap is then divided into allowances (1 Allowance = 1 Ton of CO_2) that power plants can buy & sell in a quarterly auction.

The number of available allowances is reduced over time to reduce pollution. The program also encourages power plants to modernize and reduce emissions to limit the number of allowances they must purchase. Revenue generated from these auctions is returned to each participating state.

The participating states will periodically review the CO_2 budget trading programs, to consider successes, impacts, and design elements. The Third Program Review was completed in July 2025.

INVESTING REVENUE FOR AFFORDABILITY

Connecticut is lowering utility bills and reducing peak energy demand for families and businesses.

Since joining RGGI in 2009, the state has raised over $500 million to help people save energy, pay less each month, and make homes and buildings more comfortable. Programs like Energize CT's Home Energy Solutions Assessment fund these upgrades with revenue from RGGI.

Additional benefits include:

Increases Market Competition: Makes non-emitting resources more cost competitive in the regional market (lowers the cost to ratepayers of CT's Millstone contract).

Jobs & Economic Growth: Through 2020, RGGI provided regional net economic benefits of $5.7 billion in GDP growth and 48,000 new job-years.

Cleaner Air & GHG Emission Reductions: Contributed to a 46% drop in regional power plant CO2 since 2008.

Reduced Medical Impacts: Improved air quality from lower emissions of particulate pollution, saving CT an estimated $152-364M in health benefits from RGGI's first 6 years alone.

LEGISLATIVE PROPOSALS

The legislature must adopt the Third Program Review. This was completed by the regional group with Connecticut's input in July 2025, but must be formally adopted by the legislature before 2027.

The Third Program Review:

- Reduces the regional emissions cap by an incremental amount each year. This will lower pollution at a sustainable rate for power plants.
- Increases the price of the minimum emissions allowance. This will increase revenue for the state.
- Updates auction rules to prevent price spikes and support grid reliability.
- Extends participation in the program through 2037.

MORE INFORMATION

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