Connecticut
Department of Energy &
Environmental Protection

Regional Greenhouse Gas Initiative (RGGI) Regulations
Public Comments Hearing

Proposal to Amend Section 22a-174-31, Entitled Control of Carbon Dioxide Emissions, and to Repeal Section 22a-174-31a, Entitled Greenhouse Gas Emission Offset Projects, of the Regulations of Connecticut State Agencies

Public Hearing Date: July 23, 2026, at 9:30 a.m.

Link to Recorded Hearing:
RGGI Public Hearing Recording

Public Hearing Presentation Slides

Regulation Making Record:
https://eregulations.ct.gov/eRegsPortal/Search/RMRView/PR2025-028

Hearing Minutes

DEEP hearing officer started the hearing at 9:33 a.m., affording additional time for the ongoing entry of stakeholders into the online hearing room. The DEEP hearing officer explained the purpose of the public hearing and provided an overview of logistics.

Subsequently, the DEEP hearing officer presented a summation of the Regional Greenhouse Gas Initiative (RGGI), proposed changes to the current regulations implementing RGGI in Connecticut, and a brief outline of the regulatory process and next steps.

Last, public comments on the proposed regulations were invited and received. The public was given instructions on the procedure for submitting written comments on the proposed regulations online (see presentation slides).

The meeting was adjourned at 9:58 a.m.

Regional Greenhouse Gas Initiative (RGGI) Regulations – Public Comments Hearing

Bruce Ho, Senior Policy Advisor, Bureau of Energy and Technology Policy

Agenda

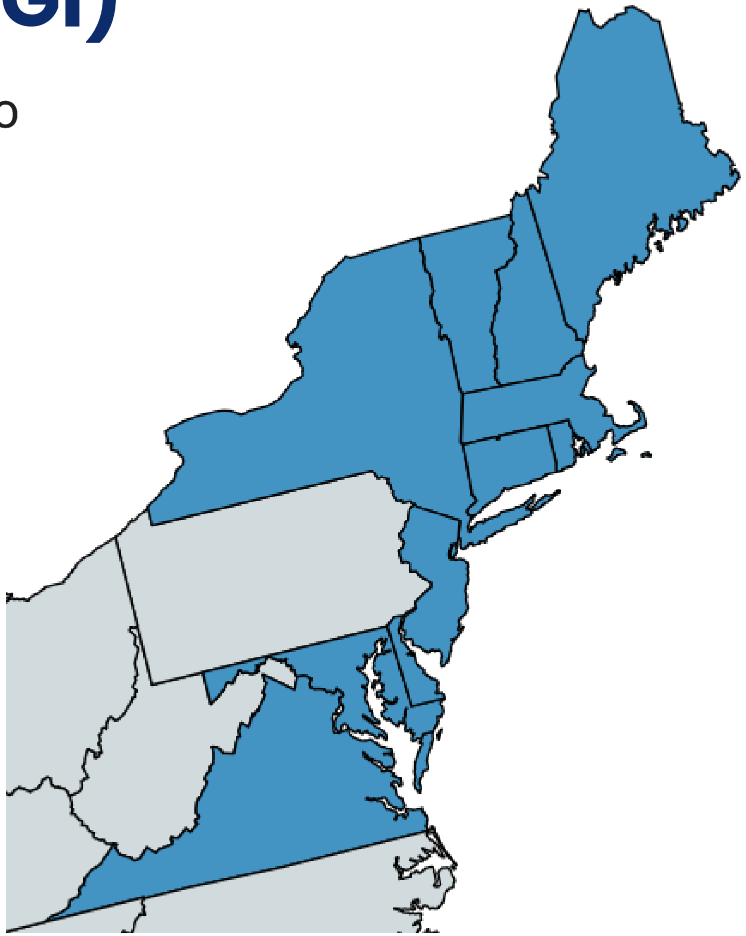
1. Introduction and Hearing Logistics
2. Overview Presentation on the Proposed Regulations
3. Public Comments

Hearing Logistics

- This meeting is being recorded
- Please remain on mute when you are not speaking
- Public comments will be accepted following the presentation
  - 3-minute time limit per person
  - We will be recording your comments, but not responding at this time
  - ***The chat function will not be monitored for public comments and should not be used today for providing public comment***
- Written comments can be submitted via CT eRegs and are due by August 3 at 5 p.m. EDT: https://eregulations.ct.gov/eRegsPortal/Search/RMRView/PR2025-028
  - The proposed regulations and associated materials are posted at the link above
  - Today's slides and a link to the hearing recording will be posted at this link

Overview of RGGI and the Proposed Regulations

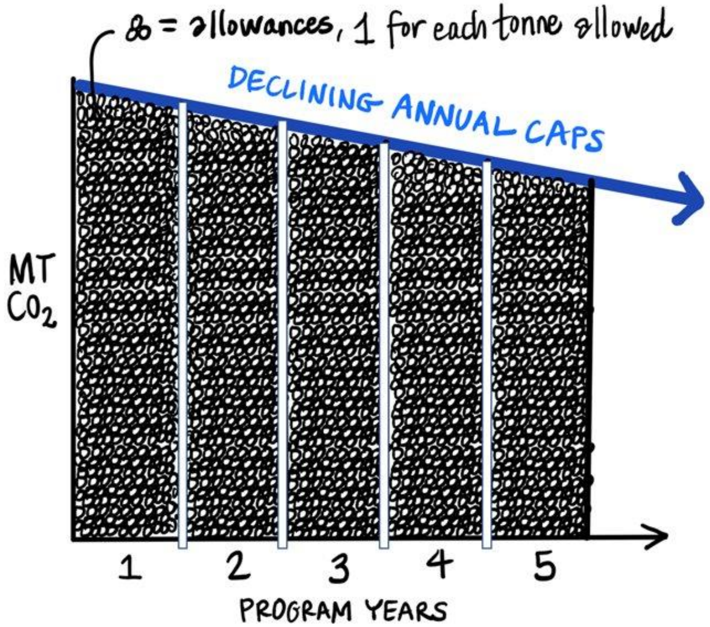
Regional Greenhouse Gas Initiative (RGGI)



- RGGI (pronounced "Reggie") is a **bipartisan, multistate initiative** to reduce CO_2 emissions from the region's power plants
  - **CT has participated since RGGI started** in 2009
  - Sets a declining **regional "cap" on power plant CO_2 emissions**
  - Provides significant **funding for energy efficiency**, **clean energy**, and **rate relief**
  - **11 states participate, including all six New England states,** plus NY, NJ, DE, MD, and VA
  - **Public Act 07-242 directs DEEP to adopt regulations to implement RGGI in CT**
- DEEP adopted RGGI regulations in 2008 and has updated them twice previously (in 2013 and 2019)
- Since all our neighbors participate, CT will pay for RGGI in regional energy markets whether we participate or not, but being part of RGGI enables CT to also receive the program's many benefits (more on this later)

How RGGI Works

- RGGI is a regional **"cap-and-invest"** initiative in the power sector
- States establish a regional **emissions "cap"** for CO_2 emissions from power plants and auction **emissions "allowances"** up to the cap level



- **Declining cap** ensures **reductions in CO_2** emissions over time
- Power generators **report CO_2 emissions** and must periodically **surrender allowances** to "cover" their emissions
- Power generators purchase allowances at **quarterly regional auctions** or on **secondary market**
- Allowance auctions generate **annual proceeds** that CT **invests** in programs like energy efficiency that lower bills and provide other **benefits to consumers**
- Regional market **incentivizes innovation and cost-effective emissions reductions**

Funds Programs That Lower Energy Bills

- **$627M to CT** from RGGI to date, which per CT's RGGI statute and regulations are used to **lower energy bills**, including through:

- **Direct Rate Relief**
  - **$117M** to date **for direct rate reductions** (all since 2022), including $40M provided from 2025 proceeds, via PURA
    - CT RGGI proceeds above an annual threshold are used to provide direct rate reductions on bills (threshold is $47M in 2026 and increases by 2.5% a year)

- **Energy Efficiency**
  - **$338M** to date to support CT's energy efficiency programs, enabling more CT consumers to **lower electricity bills** through efficiency
    - 2022-2024: Supported increased efficiency investments in utility programs that returned **$2.38 in benefits for every $1 invested**
    - 2025-2027: Benefits expected to increase to **$3.30 for every $1 spent**

Provides Many Other Benefits

- **Clean Energy & Vehicles**
  - **Over $100M** to date to support clean energy investments at the **CT Green Bank** and provide **clean vehicle rebates** to consumers under CHEAPR
    - Green Bank RGGI proceeds support clean energy project financing and market development: $90M in RGGI investments have saved businesses over $160M in energy costs (**$1.60+ in energy cost savings for every $1 invested**)
    - CHEAPR helps CT consumers purchase efficient vehicles and **saves money at the pump**
  - Makes **non-emitting** resources, **including existing and potential new nuclear, 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 Emissions Reductions**
  - Contributed to a **47% drop in regional power plant CO_2** from 2005 levels
  - **Improved air quality** from lower emissions of particulates, nitrous oxides (NOx), and sulfur dioxide (SO_2), leading to **$152-364M in CT health benefits** from RGGI's first 6 years alone

Updates to RGGI

- On July 3, 2025, CT and other RGGI states announced an updated Model Rule
  - ➢ States periodically review RGGI and update the regional Model Rule to ensure continued success (including prior Model Rule updates in 2013 and 2017, adopted in CT regulations in 2013 and 2019, respectively)
  - ➢ **Adopting these periodic updates (in state regulations) is required to continue participating in RGGI and to continue receiving its benefits**

- Model Rule updates include:
  - ➢ Commitment to **lower regional CO_2 emissions** from 2027-2037
    - RGGI's cap would be reduced between 60% and 90% by 2037
  - ➢ **Expanded ratepayer protections** to ensure continued benefits
    - The level of cap reduction will automatically be relaxed (i.e., power plants would be allowed to emit more CO_2) if needed to help lower prices
  - ➢ **January 1, 2027, effective date** (deadline to update CT's regulations)

Benefits of the Updates

- Latest round of updates to RGGI to ensure continued success of the program (prior updates agreed to regionally were adopted by CT in 2013 and 2019)

- Supports **continued investments in programs that reduce bills**, including energy efficiency and rate relief

- Includes **expanded ratepayer protections** – Analysis Group projects minimal impacts on bills, ranging from a less than a 0.5% increase to a less than 2% decrease (savings)

- Macroeconomic assessment by ICF International projects **continued net economic benefits** (GDP, jobs) resulting from updates

- Aligns with CT statutory target of a 100% GHG-free electricity supply by 2040

Cost of Inaction to CT Residents and Businesses

- CT must update its regulations by January 1, 2027, to remain in RGGI

- **If CT does not update its RGGI regulations, funding for CT affordability programs will decrease and CT electricity bills will increase**
    - ➢ CT ratepayers **would still pay the costs** of RGGI compliance in ISO New England
        - CT's wholesale price of energy is set by ISO New England's energy market
        - Regional energy prices will continue to include RGGI allowance costs because of other New England and Northeast states' participation
    - ➢ CT ratepayers **would no longer receive the benefits** of tens of millions of dollars in RGGI proceeds that fund rate relief, energy efficiency, and other programs
        - RGGI generated $85M for these CT programs in 2025 alone
    - ➢ CT's RGGI investments offset program costs and provide net benefits; **without RGGI proceeds and investments, CT ratepayers would face higher costs**

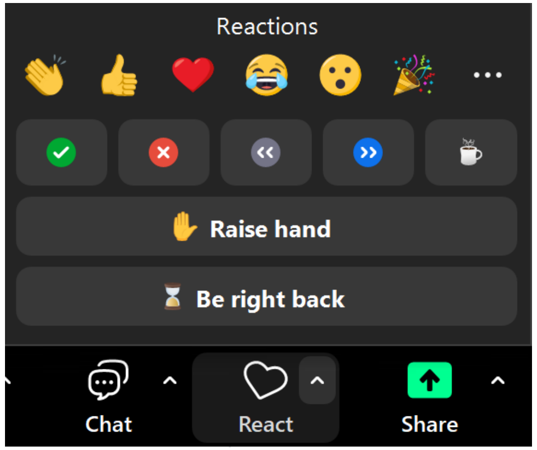
Next Steps

- Proposed updated conforming CT RGGI regulations are posted on eRegs: https://eregulations.ct.gov/eRegsPortal/Search/RMRView/PR2025-028
    - ➢ Currently open for public comment, through **August 3, 2026**
    - ➢ Virtual (Zoom) public comment hearing on **July 23, 2026** (today)
- After August 3, DEEP will review all comments received, prepare a written response to comments, and develop its final regulatory proposal
- Final proposed regulations will be submitted to CT Attorney General for review and then submitted to the Legislative Regulatory Review Committee (LRRC) for review and approval later this year
- If approved, final regulations would take effect on January 1, 2027

Public Comments

Public Comments

- **If you would like to comment, please raise your hand and wait to be called on**
  - ➢ To raise your hand, locate the "Reactions" button at the bottom of the Zoom screen (smiley face). Click the button once and there will be an option to "raise hand." Click on that and then remain on mute until your name is called.



- **Reminders:**
  - ➢ 3-minute limit per person
  - ➢ We will be recording your comments, but not responding at this time

Written Comments

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