

New England Climate Coalition Regional Greenhouse Gas Initiative Principles

1. Set a mandatory cap on the power sector in each of the Northeast states to reduce carbon dioxide emissions from power plants serving the region 10% below current levels by 2010 and 25% below current levels by 2020 to help stop global warming. The cap should apply to power plants operating in, and electrical imports into, the RGGI region.
2. Create a precedent-setting cap-and-trade program as a model for other states and regions. States should expeditiously implement the program upon release of the model rule in April 2005. Each state's cap should require a reduction below current emission levels. Each state should set up a process for enforcing in-state reductions that is transparent and verifiable to the public.
3. The rules to implement the cap-and-trade program should not create new subsidies for nuclear power nor rely upon nuclear power as an emission-reduction strategy.
4. Reductions must be achieved first and foremost from a mandatory cap on carbon dioxide emitted from fossil fueled power plants. Offsets should not be eligible for compliance with the initial RGGI cap.
5. Subsequently, offsets should not be considered unless:
 - a. The regional cap is substantially reduced beyond the level stated above in #1
 - b. There are stringent and explicit limits on the amount of emission reductions that can be achieved through offsets;
 - c. Only offsets from within the RGGI region are allowed; and
 - d. Any offset meets the highest standard of environmental integrity in achieving real, verifiable, enforceable and permanent reductions in greenhouse gas emissions, while providing real additional environmental benefits to the RGGI region.
6. Except for a brief transition period, states should not give allowances to electricity generators for free. A majority of allowances initially, and eventually all allowances, should be allocated for the benefit of consumers and the public, by providing funding for energy efficiency, renewable energy, and consumer rebates. If any allowances are given to electricity generators, they should be distributed on a fuel-neutral, output basis.
7. States should implement complementary policies to encourage energy efficiency and renewable energy through incentives and other measures. Such policies should also remove barriers to investments in energy efficiency by utilities and drive investment in efficiency by electricity and gas consumers.