Petition for Rulemaking to Establish a Budget for CO$_2$ Emissions from the Electric Power Sector and Join the Regional Greenhouse Gas Initiative (RGGI)

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The Petition

• Petition for rulemaking filed with the N.C. Environmental Management Commission
• Proposed rule based on RGGI model rule
• Filed on behalf of petitioners: Clean Air Carolina and the N.C. Coastal Federation
• More info: NCClimateAction.org
- Declining cap on CO$_2$ emissions from power plants
- Region-wide auction of allowances to emit CO$_2$
- Allows trading among emitters
Differences from Model Rule

Key differences:
• Lower cap
  • RGGI is 30% reduction from 2020 levels by 2030.
  • Proposed rule is the same as the Clean Energy Plan near-term goal, 70% below 2005 by 2030.
• Consignment auction
  • NCUC will decide how monopoly utilities handle cost and revenue.
• No offsets in NC
• Rule covers everything that emits carbon, not just fossil fuel-burning.
• Biomass not treated as carbon-neutral
• No exemption for industrial emitters
Projected Benefits

From modeling for A-1 Report

- Emissions decrease about 10MMTCO2 (about 28%) first year, then gradual decline
- Large reduction in fossil fuel generation
- Reductions in SO$_2$ and NOx track CO2
- Approx. half as much new gas built by 2030
- Cheapest carbon policy pathway
- Residential bill increase <$2/mo, or decrease with direct bill assistance
- Statewide economic impacts small, EE helps
Environmental Justice

- Engagement
- Emissions reductions
- Program review
- Complementary policies