

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

CONCISE EXPLANATORY STATEMENT

AGENCY: Department of Environmental Management

DIVISION: Office of Air Resources

RULE IDENTIFIERS: 250-RICR-120-05-46 and 250-RICR-120-05-47

RULE TITLES: Part 46, "CO₂ Budget Trading Program" and Part 47, "CO₂ Budget Trading Program Allowance Distribution".

REASON FOR RULEMAKING: The Regional Greenhouse Gas Initiative (RGGI) is composed of individual CO₂ Budget Trading Programs in each RGGI participating state. Each participating state's current CO₂ Budget Trading Program is based on a Model Rule, which was developed to provide guidance to states for implementation of the RGGI program. RGGI participating states have conducted a 2016 Program Review, which is a comprehensive evaluation of program successes, program impacts, the potential for additional reductions, imports and emissions leakage, and offsets.

As a result of the 2016 Program Review process described above, the Department of Environmental Management proposes to amend the Rhode Island CO₂ Budget Trading Program regulations to incorporate the changes made to the RGGI Model Rule including the size and structure of the cap, budget adjustments, cost containment reserve, emissions containment reserve and offsets.

ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE

EFFECTIVENESS OF THE RULE: not applicable

TESTIMONY AND COMMENTS: The only comment made was a joint letter by the Acadia Center, Conservation Law Foundation, Partnership for Policy Integrity and the Toxics Action Center. The comments did not require changing any text in the proposed rules. The Decision addressing this joint comment letter is attached.

CHANGE TO TEXT OF THE RULE: There were no changes to the rules as a result of comments received.

REGULATORY ANALYSIS: The revisions are required by 2017 RGGI Model Rule. No alternative approaches were considered. The Office of Air Resources has identified no state regulations that overlap or duplicate the proposed amendments. The proposed revisions do not impose any new requirements on regulated entities including any small businesses or any city or town, therefore there is no significant adverse economic impact.

DATE THE FINAL RULE WAS SIGNED BY THE AGENCY HEAD: