

CONCISE EXPLANATORY STATEMENT

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

AGENCY: Department of Environmental Management

DIVISION: Office of Air Resources

RULE IDENTIFIER: 250-RICR-120-05-47

RULE TITLE: Air Pollution Control Regulation No. 47, 'CO2 Budget Trading Program Allowance Distribution'

REASON FOR RULEMAKING:

The proposed amendments to the state's CO2 Budget Trading Program Allowance Distribution regulation will enable Rhode Island to maintain its status as a "Participating state" in this regional emissions reduction program. In addition, RIDEM is proposing to update this regulation to meet its statutory mandate under R.I.G.L. § 23-82-4, Implementation of the Regional Greenhouse Gas Initiative Act. R.I.G.L. The Regional Greenhouse Gas Initiative or RGGI as defined in R.I.G.L. § 23-82-3 "means the Memorandum of Understanding (MOU) dated December 20, 2005, as may be amended, and corresponding Model Rule, as may be amended, that establishes an electric power sector carbon emissions cap and trade program". The RGGI MOU has not been amended, however, the Model Rule has been revised and the State must align the RGGI regulation with the updated Model Rule. R.I.G.L. Section § 23-82-4 of the Act requires the RIDEM to establish the state's rules for participation in RGGI and these regulations for participation must be designed to meet the mutual understandings and commitments for participation in RGGI. As a regional cooperative program among ten eastern states, the states worked collaboratively to reach consensus on the updates to the Program. The final step in the RGGI Program Review process is for each participating state to adopt the proposed updates. As described in R.I.G.L. § 23-82-2 (5), the amendments RIDEM is proposing will fulfill the State's mutual understandings and commitments of the Program so that the State may fully participate in the Program including all auctions.

ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE EFFECTIVENESS OF THE RULE: NA

TESTIMONY AND COMMENTS:

No testimony and/or comments received.

CHANGE TO TEXT OF THE RULE:

Since no comments were received, no changes were made to the proposed rule.

REGULATORY ANALYSIS:

The revisions are required by 2025 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 RULES WERE SIGNED BY THE AGENCY HEAD: