

Regional Greenhouse Gas Initiative

Climate change is caused by greenhouse gas pollution and is a serious threat to Pennsylvania. Climate impacts in Pennsylvania will cause:

- Stronger and more frequent rainstorms that could cause dangerous flooding;
- More health issues caused by poor air quality, hotter temperatures; and
- Changes to major parts of the economy, like farming, construction, outdoor recreation and energy.

Governor Tom Wolf set a goal to reduce greenhouse gas pollution by 26% by 2025. The Regional Greenhouse Gas Initiative (RGGI) is a way to meet this goal and to shift to cleaner and renewable energy sources, reduce greenhouse gas emissions and build Pennsylvania's economy.

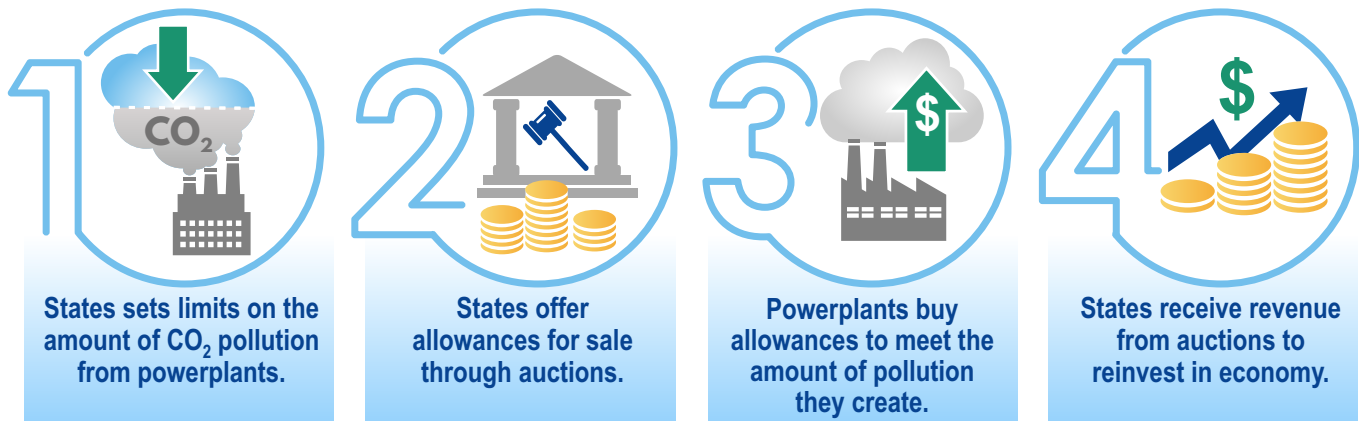
What Is RGGI?

RGGI is a market-based program designed to reduce carbon dioxide (CO₂) pollution from power plants that use fossil fuel (coal, gas etc.) to create electricity. The ten states currently participating in RGGI have agreed to establish an annual regional limit (cap) on carbon dioxide pollution from their combined electric power sectors. The power plants in each state must buy allowances for their annual carbon dioxide emissions (1 allowance = 1 ton of carbon dioxide). Funds from the RGGI auction will be invested in energy efficiency, renewable energy, and other greenhouse gas reduction strategies to advance Pennsylvania's clean energy economy and create local jobs.

How Does RGGI Work?

States set a regional limit on the amount of greenhouse pollution power plants can emit (this is the cap). Power plants must buy allowances for the amount pollution they create. If a plant purchases too many allowances they don't need, they can sell them or buy additional ones if needed (this is the trade part). Power plants factor the cost of the allowances into the price they set to sell their electricity. The less pollution a power plant creates, the cheaper they can sell the electricity. Grid operators buy the cheapest electricity first, so cleaner electricity is cheaper electricity.

When these allowances are purchased, the money is returned to Pennsylvania for investment back into our economy to create jobs, stimulate economic growth, and further reduce air pollution in Pennsylvania.



How Does RGGI Benefit My Community?

The air quality of some communities is more impacted by large electricity generation facilities than others. Cleaner energy sources will reduce air pollution like carbon dioxide (CO₂), sulfur dioxide (SO₂) and nitrogen oxides (NO_x), compounds that are harmful to public health and the environment.

Reducing pollution, through RGGI, will reduce the risk for illnesses aggravated by poor air quality (e.g. asthma, chronic bronchitis) for all of Pennsylvania's residents. It will also reduce regional haze (smog), ensure continued biodiversity of plants, and protect Pennsylvania's vast system of parks and forests.

RGGI does this by encouraging cleaner, lower pollution sources of energy. Fossil fuel power plants can avoid paying for carbon dioxide allowances by reducing their level of pollution and using cleaner fuel sources.