



Early reductions

- Threshold Question: Should RGGI allow credit for early reductions (ERAs)?
- If yes, how will ERA's be determined?
- What actions should ERA's be granted for?
 - Emission rate reductions (Generating efficiency improvements or cleaner fuels)?
 - Generating capacity reductions (if restricted by permit)?
 - Energy efficiency?



Early Reductions

□ Sample Timeline

- Baseline period (BP) (2005-2006)
- Early Reduction Years (ERY) (2006 & 2007)
- Program Applicability Date 2008
- ERA Temporal Use Restrictions (if any) 2008-2010



Early Reductions

- Calculated at the Facility Level or the Unit Level
- Three metrics (emission rate, capacity utilization as input or output, actual emissions) compared for “early reductions years (ERY)” versus “baseline period (BP).”



Early Reductions

- Scenario 1
 - Emission rate - ?
 - CU - ?
 - Emission – ?

- No ERAs



Early Reductions

- Scenario 2
 - Emission rate - ?
 - CU - ?
 - Emission – ?

- No ERAs



Early Reductions

□ Scenario 3

- Emission rate - ?
- CU - ?
- Emission – ?

□ ERA's calculated based upon:

? Emission Rate x ERY capacity utilization



Early Reductions

□ Scenario 4

- Emission rate - ?
- CU - ?
- Emission – ?

□ Credit Calculated based upon: ? Emissions (BP-ERY)



Early Reductions

□ Scenario 5

- Federally Enforceable Permit Restriction
Limiting Capacity Utilization

□ Credit Calculated based upon:

? CU Permit Limit x ERY Emission
Rate



Early Reductions

- Scenario 6
 - Permanent Shutdown during ERY

- Credit Calculated based upon:
BP Emissions