PROPOSED RULE # __________.

Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the "Rule on Rulemaking" (CVR 04-000-001) adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms and enclosures with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted to the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of Proposed Filing Coversheet will be used to generate a notice of rulemaking in the portal of "Proposed Rule Postings" online, and the newspapers of record. Publication of notices will be charged back to the promulgating agency.

PLEASE REMOVE ANY COVERSHEET OR FORM NOT REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

/s/Julia S. Moore, on 2/17/2026

(signature) (date)

Printed Name and Title:
Julia S. Moore, Secretary
Agency of Natural Resources

RECEIVED BY: ________

- ☐ Coversheet
- ☐ Adopting Page
- ☐ Economic Impact Analysis
- ☐ Environmental Impact Analysis
- ☐ Strategy for Maximizing Public Input
- ☐ Scientific Information Statement (if applicable)
- ☐ Incorporated by Reference Statement (if applicable)
- ☐ Clean text of the rule (Amended text without annotation)
- ☐ Annotated text (Clearly marking changes from previous rule)
- ☐ ICAR Filing Confirmed

1. TITLE OF RULE FILING:
   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule
2. ADOPTING AGENCY:
   Agency of Natural Resources
3. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Brian Woods

Agency: Agency of Natural Resources

Mailing Address: 1 National Life Dr, Davis 2, Montpelier, VT 05620

Telephone: 802-272-4496 Fax:

E-Mail: brian.woods@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*: https://dec.vermont.gov/air-quality/laws-and-regulations/recently-adopted-and-proposed-regulations

4. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Rachel Stevens

Agency: Agency of Natural Resources

Mailing Address: 1 National Life Dr, Davis 3, Montpelier, VT 05620

Telephone: 802-636-7236 Fax:

E-Mail: rachel.stevens@vermont.gov

5. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

6. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

30 V.S.A. § 255, 10 V.S.A. § 558, 10 V.S.A. § 554

7. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

30 V.S.A. § 255 directs the Agency of Natural Resources (ANR) to establish a carbon cap and trade program consistent with the Regional Greenhouse Gas Initiative (RGGI) that will limit and then reduce the total carbon emissions released by major electric generating stations that provide electric power to Vermont utilities and end-use customers. 10 V.S.A. § 558 of the Vermont Air Pollution Control Laws allows the Agency to set emission control requirements on sources of air contaminants in Vermont and 10 V.S.A. §554 allows the ANR Secretary to adopt and amend rules to implement this chapter.

8. CONCISE SUMMARY **(150 WORDS OR LESS)**:

The proposed rule amends the Vermont CO2 Budget Trading Program Rule which implements the Regional Greenhouse Gas Initiative (RGGI) in Vermont. The amendments reflect revisions to the RGGI Model Rule agreed to by participating states (CT, DE, ME, MD, MA, NH, NJ, NY, RI, and VT) during the most recent program review.

Most notably, the proposed amendments reduce the regional carbon dioxide (CO2) emissions cap in 2027 to 69.8 million tons of CO2 from 75.7 million tons under the previous rule. Then, from 2034 through 2037, the cap will decline by 2.4 million tons of CO2 annually.

The proposed amendments also revise the existing Cost Containment Reserve (CCR) to ensure availability of RGGI allowances to meet grid reliability needs and mitigate cost volatility; increase the minimum reserve price, the lowest price at which allowances may be sold at auction; eliminate the use of offset allowances; and include other miscellaneous updates.

9. EXPLANATION OF WHY THE RULE IS NECESSARY:

The RGGI program review that concluded in 2025 resulted in the RGGI states' mutual commitment to program changes that increase regional program stringency, provide increased market stability, and ensure access to sufficient allowances. The proposed amendments are necessary to fulfill this commitment to program changes and to satisfy the requirements of 30 V.S.A. §255(c) which directs ANR to establish by rule annual carbon budgets for emissions for the electric power sector that are consistent with RGGI program reviews.

10. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY AS DEFINED IN 3 V.S.A. § 801(b)(13)(A):

The decision by the Agency to amend the rule is rationally connected to the fact that the proposed amendments are consistent with the RGGI states' mutual commitment to program changes and will reduce the total carbon emissions released by major electric generating stations that provide electric power to Vermont utilities and end-use customers, as required by Vermont law.

11. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

Fossil fuel-fired electric generating units that have a nameplate capacity equal to or greater than 25 megawatts and electricity customers.

12. BRIEF SUMMARY OF ECONOMIC IMPACT **(150 WORDS OR LESS)**:

A macro-economic impact study concluded that RGGI states could see a range of small but generally positive impacts on employment, gross regional product, and real personal income, with increased future availability of renewable energy resulting in greater benefits.

In Vermont, over the years 2025 to 2040, employment could increase by up to 0.025%, gross state product by up to 0.027%, and real disposable income by up to 0.019% as compared to the reference case.

A near-zero percent impact on Vermont electric rates is anticipated. Rates for residential, commercial, and industrial consumers are projected to decrease slightly (<1%) if renewable energy keeps pace with demand and increase slightly (<0.25%) if it does not. Investments of RGGI proceeds in energy efficiency programs amplify any decrease or mitigate any increase in consumer costs.

Reduced emissions could lead to additional health and environmental benefits and cost savings.

13. A HEARING WILL BE SCHEDULED.

IF A HEARING WILL NOT BE SCHEDULED, PLEASE EXPLAIN WHY.

14. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION NEEDED FOR THE NOTICE OF RULEMAKING.

Date: 3/30/2026
Time: 04:00 PM
Street Address: One National Life Drive, Davis 3, Limestone Conference Room, Montpelier, VT
Zip Code: 05620-3901
URL for Virtual:
https://teams.microsoft.com/meet/2878218317575?p=Dei9mRU6oc2UYB6VAW

Teams Meeting

Meeting ID: 287 821 831 757 5

Passcode: oT2Yd36E

Date:
Time: AM
Street Address:
Zip Code:
URL for Virtual:

Date:
Time: AM
Street Address:
Zip Code:
URL for Virtual:

Date:
Time: AM

Street Address:

Zip Code:

URL for Virtual:

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15. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING): 4/6/2026
16. KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Regional Greenhouse Gas Initiative

RGGI

CO2

cap and trade

greenhouse gas

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

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1. TITLE OF RULE FILING:
   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule
2. ADOPTING AGENCY:
   Agency of Natural Resources
3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):
   - **AMENDMENT -** Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
   - **NEW RULE -** A rule that did not previously exist even under a different name.
   - **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

   This filing is **AN AMENDMENT OF AN EXISTING RULE** .
4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE)*:
   Vermont CO2 Budget Trading Program Regulations, eff. Aug. 31, 2018 (18P-019)

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn't appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

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1. TITLE OF RULE FILING:

   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

2. ADOPTING AGENCY:

   Agency of Natural Resources

3. CATEGORY OF AFFECTED PARTIES:

   LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

   As with the existing rule, the proposed amendments to the RGGI program apply only to fossil fuel-fired electric generating units that have a nameplate capacity equal to or greater than 25 megawatts. In Vermont, there continue to be only two facilities meeting these criteria: (1) the Burlington Electric

Department (BED) Lake Street gas turbine, and (2) Green Mountain Power’s Berlin 5 generator. The proposed amendments would continue to decrease the total number of CO2 allowances available at auction from 2026 to 2037, which is expected to increase the cost to these regulated entities of obtaining allowances for compliance. Both facilities are maintained to provide electricity under peak load conditions and over the past five years their combined annual CO2 emissions have been 4,000 tons or less. Based on 2025 reported emissions of 2,461 tons and the weighted average allowance price of $21.81, their combined 2025 compliance cost is estimated at $53,700; compare to 2025 Vermont auction revenue of $9.45 million.

The proposed amendments also include establishment of two levels or tiers of cost containment reserve allowances. These are additional allowances released during an auction when pre-established price levels are achieved. The additional allowances increase the supply available to these regulated entities to demonstrate compliance with the regulation and mitigate price volatility.

Residential, commercial, and industrial electric ratepayers are likely to be indirectly affected by the proposed rule. Modeling was conducted for two scenarios: Case A (renewable energy projects under contract) and Case B (renewable projected contracted and state goals). The Vermont results were monthly bills averaging 0.52% lower (Case B) to 0.16% higher (Case A) for residential customers, 0.72% lower (Case B) to 0.22% higher (Case A) for commercial customers, and 0.8% lower (Case B) to 0.24% higher (Case A) for industrial customers as compared to a scenario without the proposed rule amendments.

The analysis accounts for the effect of Vermont’s investment of RGGI allowance auction proceeds in thermal efficiency. These investments, plus Vermont’s investments in end-use electric efficiency from other state programs and Vermont's relatively high percentage of electricity generated from low-emitting sources, mitigate any potential increase in customer electric bills.

For additional information about the estimated costs and anticipated benefits of the proposed rule amendments, see Attachment A.

4. IMPACT ON SCHOOLS:
INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

Like other ratepayers, public schools may experience a near-zero percent change in their electric bills. However, there are several reasons why the proposed amendments are likely to have a lower impact in Vermont than indicated by the model analysis. More information is provided in Attachment A, "Potential Impacts to Electric Ratepayers."

5. ALTERNATIVES: *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

One alternative would be for Vermont not to adopt the proposed amendments to RGGI. This option would be in direct conflict with the mandate of 30 V.S.A. §255 and therefore not legally appropriate. 30 V.S.A. §255 directs the Agency to participate in RGGI and to adopt rules establishing a cap-and-trade program to reduce carbon emissions from electricity power plants. Further, participation in RGGI requires participating states to implement the agreed upon updates to the Model Rule, so there are no other alternatives available.

6. IMPACT ON SMALL BUSINESSES:
INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

The proposed rule amendments only apply to fossil fuel fired electric generating units that have a nameplate capacity equal to or greater than 25 megawatts. In Vermont, there are only two facilities, both gas combustion turbines fueled with distillate fuel, that meet these criteria. The facilities subject to the rule are owned by the City of Burlington and Green Mountain Power Corp., neither of which meets the definition of a small business set forth in 3 V.S.A. §801(b)(12).

Like other ratepayers, small businesses may experience a near-zero percent change in their electric bills. However, there are several reasons why the proposed amendments are likely to have a lower impact in Vermont than indicated by the model analysis. More information is provided in Attachment A, "Potential Impacts to Electric Ratepayers."

7. SMALL BUSINESS COMPLIANCE: *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

The proposed rule amendments do not impose requirements on small businesses, and therefore ANR did not consider an alternative rule with separate requirements for small businesses.

8. COMPARISON: *COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS*:

As described above, the proposed rule amendments do not impose requirements on small businesses, and therefore ANR did not consider an alternative rule with separate requirements for small businesses.Participation in RGGI requires participating states to implement the agreed upon updates to the Model Rule, so the only alternative to consider is no rule. As described above, this option would be in direct conflict with the mandate of 30 V.S.A. §255 and therefore not legally appropriate.

The no-rule alternative would result in Vermont forgoing revenue generated from the auction of allowances and the resulting economic benefits of the investment of those proceeds to Vermonters. Those revenues totaled $34.9 million over the past five years (2021-2025) and could equal or exceed that level in the first five years under the updated rule (2027-2031).

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

This analysis was conducted using relevant economic cost and benefit information from the Integrated Planning Model (IPM), a commonly used computer model of the electric power market, and the Regional Economic Models, Inc. (REMI) for a macro-economic impact study. A detailed explanation of the modeling analysis, inputs, and results is provided in Attachment A. Analysis of the proposed rule was performed cooperatively by the RGGI participating states and facilitated by RGGI, Inc., the regional non-profit organization that assists the states in implementation of their rules. This program review was initiated in autumn of 2021 and concluded in July of 2025 with the release of the proposed Model Rule. The program review included a series of public listening sessions, four virtual public meetings, electricity sector modeling of rule update options utilizing the IPM model with the assistance of a contractor, modeling of regional and state macroeconomic effects, analysis of potential effects on three classes of electricity ratepayers, and numerous meetings of participating state agency heads and staff to propose changes, review analytical results and public comment, refine the approach, and ultimately finalize the changes after review and approval by each participating state’s governor. More information is provided in Attachment A.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

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1. TITLE OF RULE FILING:

   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

2. ADOPTING AGENCY:

   Agency of Natural Resources

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*
   The rule is designed to reduce greenhouse gas emissions from electricity generation. The amended rule would lower the existing cap on the mass of CO2 that may be emitted from fossil-fuel fired electric generating units with a capacity of 25 megawatts or more. Across the region through 2042, CO2 emissions from electricity generation could decrease by as much as 40% as compared to the current rule. It is unlikely that the rule will significantly affect greenhouse gas emissions from the transportation sector but it encourages development of

additional non-emitting generation to support an expected increase in the number of electric vehicles in the region. The proposed rule amendments would not have an impact on greenhouse gas emissions from the land use and development sector. The proposed amended rule will no longer allow regulated power plants to offset a small percentage of their CO2 emissions through forestry offset projects either implemented by them or by a third party. Historically, regulated units in Vermont have not used offsets, and so this amendment will not impact greenhouse gas emissions from the land use and development sector. Pursuant to 30 V.S.A. §255 Vermont is required to invest 100% of the net proceeds from the auction of CO2 allowances to provide "the maximum long-term benefit to Vermont consumers," less any administrative expenses. Currently, 98% of revenues from the auction of allowances are invested in fossil fuel energy efficiency programs. Vermont expects to continue to invest in such programs under the updated rule. Energy efficiency measures reduce energy consumption and thus avoid the emission of greenhouse gases related to energy production.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*
   This amendment has no impact on water.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*
   The proposed amended rule will no longer allow regulated power plants to offset a small percentage of their CO2 emissions through forestry offset projects either implemented by them or by a third party. Historically, regulated units in Vermont have not used offsets, and so this amendment will not impact land or forestry.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*
   This amendment has no impact on recreation.

7. CLIMATE: *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
   As noted above, CO2 emissions from electricity generation across the RGGI region could decrease by as

much as 40% by 2042 with the implementation of this rule. CO2 emissions contribute to global warming and every increment of warming increases climate hazards, both globally and locally.

8. OTHER: *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*
   Reducing GHG emissions from electricity generation results in public health and environmental co-benefits from the reduction of emissions of other pollutants such as mercury, nitrogen oxides, sulfur dioxide and particulates.

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*
   Analysis of the proposed rule was performed cooperatively by the RGGI participating states and facilitated by RGGI, Inc., the regional non-profit organization that assists the states in implementation of their rules. This program review was initiated in autumn of 2021 and concluded in July of 2025 with the release of the proposed Model Rule. The review included a series of public listening sessions, four virtual public meetings, electricity sector modeling of rule update options utilizing the Integrated Planning Model with the assistance of a contractor, modeling of regional and state macroeconomic effects, analysis of potential effects on three classes of electricity ratepayers, and numerous meetings of participating state agency heads and staff to propose changes, review analytical results and public comment, refine the approach, and ultimately finalize the changes after review and approval by each participating state's governor. More information is provided in Attachment A.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

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1. TITLE OF RULE FILING:

   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

2. ADOPTING AGENCY:

   Agency of Natural Resources

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

   ANR will notify the public of the proposed rule amendments and host a public meeting in accordance with the Vermont APA and provide notice by directly emailing regulated entities, such as Green Mountain Power and Burlington Electric Department, the Public Utility Commission, and the Department of Public Service. Further, the proposed amendments would adopt changes to the RGGI program that were developed by the RGGI participating states during a comprehensive program review and public engagement process that took place in 2021-2025. This effort was supported by an extensive regional stakeholder process that engaged the regulated community, environmental nonprofits, consumer and industry advocates, other organizations with technical expertise in the design of cap-and-trade programs, and other members of the public. The participating RGGI states have been working with program review stakeholders since 2021, convening six stakeholder meetings, webinars and listening sessions.

All of the stakeholder materials are available at: https://www.rggi.org/program-overview-and-design/program-review and pre-rulemaking public comments are available at: https://www.rggi.org/program-overview-and-design/program-review/Program-Review-Stakeholder-Comments.

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

Pre-rulemaking public engagement included numerous people and organizations throughout the region, including environmental and energy advocates, electricity generators, distribution companies, the New England Independent System Operator ISO-NE, nonelectric generator business interests, consumer representatives, offset stakeholders, government agencies, and individuals interested in reducing greenhouse gas emissions. An overview of the pre-rulemaking engagement process is available online at https://www.rggi.org/program-overview-and-design/program-review.

The Agency will also provide direct notice of the proposed amendments to Green Mountain Power, Burlington Electric Department, the Public Utility Commission, and the Department of Public Service.

Scientific Information Statement

THIS FORM IS ONLY REQUIRED IF THE RULE RELIES ON SCIENTIFIC INFORMATION FOR ITS VALIDITY.

PLEASE REMOVE THIS FORM PRIOR TO DELIVERY IF IT DOES NOT APPLY TO THIS RULE FILING:

Instructions:

In completing the Scientific Information Statement, an agency shall provide a summary of the scientific information including reference to any scientific studies upon which the proposed rule is based, for the purpose of validity.

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1. TITLE OF RULE FILING:

   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

2. ADOPTING AGENCY:

   Agency of Natural Resources

3. BRIEF EXPLANATION OF SCIENTIFIC INFORMATION:

   The rationale for RGGI to reduce greenhouse gas emissions from electricity generation is based on a large body of scientific research documenting the relationship between atmospheric carbon dioxide concentration and climate change. The latest report from the Intergovernmental Commission on Climate Change (IPCC) concludes:

   • Human activities, principally through emissions of greenhouse gases, have unequivocally caused global warming;

   • Human-caused climate change is already affecting many weather and climate extremes in every region across the globe. This has led to widespread adverse impacts and related losses and damages to nature and people;

   • Adverse impacts from human-caused climate change will continue to intensify. The extent to which current and future generations will experience a hotter and different world depends on choices now and in the near term;

• The likelihood of abrupt and/or irreversible changes increases with higher global warming levels. Similarly, the probability of low-likelihood outcomes associated with potentially very large adverse impacts increases with higher global warming levels;

• Deep, rapid, and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce projected losses and damages for humans and ecosystems and deliver many co-benefits, especially for air quality and health.

4. CITATION OF SOURCE DOCUMENTATION OF SCIENTIFIC INFORMATION:

H. Lee and J. Romero (eds.), Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), March 2023, doi: 10.59327/IPCC/AR6-9789291691647, available at https://www.ipcc.ch/report/sixth-assessment-report-cycle/.

5. INSTRUCTIONS ON HOW TO OBTAIN COPIES OF THE SOURCE DOCUMENTS OF THE SCIENTIFIC INFORMATION FROM THE AGENCY OR OTHER PUBLISHING ENTITY:

To obtain copies of documents incorporated by reference, the public may access the information electronically using the hyperlinks provided in Attachment A or send an email to rachel.stevens@vermont.gov.

Incorporation by Reference

THIS FORM IS ONLY REQUIRED WHEN INCORPORATING MATERIALS BY REFERENCE. PLEASE REMOVE PRIOR TO DELIVERY IF IT DOES NOT APPLY TO THIS RULE FILING:

Instructions:

In completing the incorporation by reference statement, an agency describes any materials that are incorporated into the rule by reference and how to obtain copies.

This form is only required when a rule incorporates materials by referencing another source without reproducing the text within the rule itself (e.g., federal or national standards, or regulations).

Incorporated materials will be maintained and available for inspection by the Agency.

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1. TITLE OF RULE FILING:

   Proposed Amendments to the Vermont CO2 Budget Trading Program Rule

2. ADOPTING AGENCY:

   Agency of Natural Resources

3. DESCRIPTION (*DESCRIBE THE MATERIALS INCORPORATED BY REFERENCE*):

   Materials incorporated by reference include all of the analyses and information about program review provided by RGGI, Inc. and its contractors.

4. FORMAL CITATION OF MATERIALS INCORPORATED BY REFERENCE:
   Please see attached Attachment A for formal citations of materials incorporated by reference.

5. OBTAINING COPIES: (*EXPLAIN WHERE THE PUBLIC MAY OBTAIN THE MATERIAL(S) IN WRITTEN OR ELECTRONIC FORM, AND AT WHAT COST*):

   To obtain copies of documents incorporated by reference, the public may access the information electronically using the hyperlinks provided in Attachment A or send an email to rachel.stevens@vermont.gov.

6. MODIFICATIONS (*PLEASE EXPLAIN ANY MODIFICATION TO THE INCORPORATED MATERIALS E.G., WHETHER ONLY PART OF THE MATERIAL IS ADOPTED AND IF SO, WHICH PART(S)ARE MODIFIED)*:

N/A

Run Spell Check