



August 27, 2013

Via electronic mail

Deborah Rabin
Maryland Department of the Environment
Air and Radiation Management Administration
1800 Washington Boulevard, Suite 370
Baltimore, MD 21230-1720

Re: Proposed Changes to COMAR 26.09, Maryland CO2 Budget Trading Program

Dear Ms. Rabin:

On behalf of Northeast Energy Efficiency Partnerships (NEEP) I am pleased to submit comments on the Department of the Environment's proposed changes to Code of Maryland Regulations (COMAR) 26.09, Maryland's CO2 Budget Trading Program.¹

NEEP is a regional non-profit whose mission is to serve the Northeast and Mid-Atlantic to accelerate energy efficiency in the building sector through public policy, program strategies and education. Our vision is that the region will fully embrace energy efficiency as a cornerstone of sustainable energy policy to help achieve a cleaner environment and a more reliable and affordable energy system.

We provide comment today in support of the proposed changes to COMAR 26.09, which will allow Maryland to implement the Regional Greenhouse Gas Initiative (RGGI) Updated Model Rule.² The changes, the result of last year's comprehensive RGGI program review conducted by all participating states, will revise Maryland's 2014 CO2 base budget and provide for reductions to the budget of 2.5 percent each year through 2020.³ Collectively, the updated model rule will significantly lower carbon dioxide emissions in the Northeast and Mid-Atlantic region.

In addition, we note that Maryland's participation in RGGI is an important element of its innovative climate change and energy efficiency programs. The revised CO2 budget will provide additional funds for its energy efficiency and clean energy programs funded by the Strategic Energy Investment Fund (SEIF).

¹ These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors or partners.

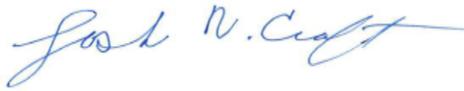
² Updated Model Rule for 2013, Regional Greenhouse Gas Initiative,
http://www.rggi.org/docs/ProgramReview/FinalProgramReviewMaterials/Model_Rule_FINAL.pdf

³ Proposed Changes to the Maryland CO2 Budget Trading Program, Code of Maryland Regulations (COMAR) 26.09,
<http://www.dsd.state.md.us/MDRegister/4015/Assembled.htm>

Evidence shows that the investment of RGGI proceeds in energy efficiency is truly a win-win, as it provides a significant economic benefit for Maryland residents and businesses. Research by the Analysis Group found that investments in energy efficiency through RGGI have had net positive economic impacts for ratepayers in the Northeast and Mid-Atlantic region.⁴ As a result of the changes proposed to Maryland's CO2 budget, Maryland can expect to see gains of \$1.65 billion in net value to the state's economy as a result of the new investments in energy efficiency.⁵ This is the type of innovative policymaking that ensures that the Northeast and Mid-Atlantic region can meet its environmental policy goals while promoting economic growth.

Thank you again for the opportunity to comment in this important proceeding and for your work to implement the updated RGGI model rule. The proposed amendments will help Maryland build on its leadership in clean energy and climate change policy while promoting energy efficiency and affordability. Should you have any questions regarding this or other matters on energy efficiency in the Northeast, please do not hesitate to reach out to me at jcraft@neep.org or (781) 860-9177 x109.

Sincerely,



Josh Craft
Manager of Public Policy Analysis
Northeast Energy Efficiency Partnerships (NEEP)

⁴ See Paul Hibbard, et. al, Analysis Group, "The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States," November 15, 2011, p.33, http://www.analysisgroup.com/uploadedFiles/Publishing/Articles/Economic_Impact_RGGI_Report.pdf.

⁵ Environment Northeast, RGGI Economic Benefits, June 2013, http://www.env-ne.org/public/resources/ENE_RGGI_Economic_Benefits_20130607.pdf.