

Cap-&-Trade Comparison

The Regional Greenhouse Gas Initiative (RGGI) vs.

The Western Climate Initiative (WCI)

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**Environment
Northeast**

Design Elements	RGGI	WCI
Emissions Covered:	CO ₂	CO ₂ , CH ₄ , N ₂ O, SF ₆ , PFCs, HFCs
Sectors:	Fossil fuel-powered electric generating units over 25 megawatts in size	Electricity generation and industrial units producing more than 25,000 metric tons of carbon dioxide equivalents, and transportation
Number of Political Jurisdictions:	10 Northeast and Mid-Atlantic States (CT, DE, ME, MD, MA, NH, NJ, NY, RI, VT)	7 Western States (AZ, CA, NM, MT, OR, UT, WA) and 4 Canadian Provinces (BC, MB, ON, QC)
Effective Date	January 1, 2009	January 1, 2012 for generators and industrials January 1, 2015 for transportation
Emissions Cap Level:	10% reduction in emissions by 2018 below estimate of 2009 emissions (~188 million tons per-year at the start)	15% reduction in emissions by 2020 below estimate of 2005 emissions (estimate to be determined)
Number of Regulated Sources:	~233 electric generating plants	To be determined
Allocation of Allowances:	~90% of 2009 allowances to be auctioned, remainder used for state-specific objectives	Minimum 10% auction in first compliance period (2012-2014), minimum 25% auction after 2020
Flexible Mechanisms:	Banking of allowances for future use or sale	Banking of allowances for future use or sale
Early Action Credits:	At state discretion	At partner discretion, added to cap
Offset Credit Limitations:	Initially limited to 3.3% of a generator's total emissions (see price controls below) Offsets must originate within U.S. unless prices exceed \$10 (see below)	No more than 49% of total emission reductions from 2012-2020 (note difference in what the percentage refers to)
Price Controls	If average prices over a 12-month period exceed \$7 or \$10 per ton (\$ increases over time), the offset % limits are temporarily relaxed (to 5% for \$7 and 10% for \$10) On surpassing \$10 for 12 months, offsets from international mechanism (such as the CDM) are eligible, and the compliance period may be extended for 1 year	Offsets may originate anywhere but Annex 1 (developed) countries

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