



START ACTION NOTICE # 2018-03

1. **TYPE OF ACTION:** Amendments to 7 DE ADMIN CODE 1147 – CO2 Budget Trading Program.
2. **PURPOSE OF ACTION:** Since 2009 Delaware and nine other states have implemented a regional program to reduce CO2 emissions; known as the Regional Greenhouse Gas Initiative (RGGI). In 2017 Delaware and these other participating states finalized revisions to the RGGI program. The purpose of this action is to amend 7 DE Admin. Code 1147 to reflect these revisions. The proposed amendments to 1147 will include a reduction in the state’s budget to reflect Delaware’s portion of a new regional cap beginning in 2021-2030; adding the Emissions Containment Reserve; amending the quantity of allowances in the Cost Containment Reserve, private bank adjustments; deletion of two offset categories and other minor program adjustments.
3. **STATUTORY BASIS:** 7 Del. C., Chapter 60, Environmental Control
4. **IS THIS PROPOSED REGULATORY ACTION REQUIRED AS A RESULT OF FEDERAL STATUTE OR REGULATION? IF SO, PROVIDE LINK TO FEDERAL MANDATE.** Not as the result of federal action.
5. **DATE OF MOST RECENT REVIEW/AMENDMENT:** December 11, 2013
(Please indicate if review was pursuant to EO-36 OR HB 147)
6. **LIKELY AFFECTED PUBLIC:** Delaware power plants with nameplate capacity > 25 MW. The investments of the RGGI auction proceeds in energy efficiency and clean energy programs reduces the electric bills of Delaware rate payers.
7. **PROPOSED SCHEDULE OF ACTIVITIES:** Stakeholder Meeting – February/March 2018
Public Workshop – May/June 2018
Public Hearing – September 2018
Effective Date – December 11, 2018
8. **REVIEW COMMITTEE:** The Department will hold a stakeholder meeting with representatives of the regulated industry to review and explain the proposed amendments. The Department believes that the holding of a stakeholder meeting, a public workshop, and a public hearing will provide adequate opportunity for public education, review, and comment on the proposed regulatory amendments.
9. **RESPONSIBLE STAFF MEMBER:** Valerie Gray, DNREC – Division of Air Quality
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10. APPROVALS:

Valerie Gray 1-18-18
 Valerie Gray Date
 Responsible Staff Member

Ali Mirzakhali 1.18.18
 Ali Mirzakhali Date
 Director, Division of Air Quality

Shawn M. Garvin 2/15/18
 Shawn M. Garvin, Secretary Date