

Patrick Kelly Senior Policy Advisor, Fuels API 202-682-8192 kellyp@api.org

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Executive Director Georgetown Climate Center 600 New Jersey Avenue, NW Washington, DC 20001-2075

Dear Vicki Arroyo,

API represents all segments of America's oil and natural gas industry. Our more than 600 members produce, process and distribute most of the nation's energy. The industry supports more than ten million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. API was formed in 1919 as a standards-setting organization. In our first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability. API and its members are committed to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. We appreciate the opportunity to further engage on the Transportation and Climate Initiative of the Northeast and Mid-Atlantic states (TCI). Policies developed to achieve greenhouse gas emissions reductions from the transportation sector must be structured and implemented in a cost-effective manner.

API seeks to learn more about the program details and the basis of the modeling that is inherent in the program design. As API noted in our comments this past February, there are many program elements that need to be clarified before we can offer a complete response to the Draft MOU. We appreciate the additional information provided on September 16th webinar and the data made available at the TCI website on September 22nd. We also intend to participate in the September 29th webinar addressing environmental justice and equity issues. Unfortunately, we have very little time to review and analyze the data by the requested September 30th deadline, and we intend to follow up with more feedback in a timely fashion.

API continues to support the comments we provided in February. It does not appear TCI incorporated our recommendation to apply the program across a greater portion of the economy by linking the program with the existing Regional Greenhouse Gas Initiative (RGGI). The proposed sectoral approach that only considers emissions from the transportation sector risks imposing higher costs on consumers relative to those incurred from the adoption of carbon abatement strategies in other sectors, and we reiterate our recommendation to link TCI with RGGI from the outset.

We look forward to learning more about the TCI program and appreciate the opportunity to provide feedback.

Sincerely,

Patrick Kelly