845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com

CONNECTICUT GREEN BANK

November 5, 2019

To the Georgetown Climate Center and to member state participants of the Transportation and Climate Initiative (TCI):

The Connecticut Green Bank is pleased to support TCI's Framework for a Draft Regional Policy Proposal. We have observed the environmental and economic success of the region's existing Regional Greenhouse Gas Initiative, and we agree this model is an appropriate template for a newly designed transportation-sector emissions reductions program. In fact, in Connecticut the Green Bank continues to invest RGGI allowance proceeds to scale-up deployment of renewable energy resources by mobilizing multiples of private capital investment into the state's growing green economy.

This input below focuses on two policies that may be complimentary to TCI's objectives: the use of carbon offset credits, and the establishment of a regional infrastructure bank.

Offset Set Asides

The Green Bank was a collaborator on development and certification of a voluntary market methodology for measurement of greenhouse gas ("GHG") emissions avoidance through electric mobility activity. A coalition worked through third-party accreditation agency VERRA's Verified Carbon Standard ("VCS") over a two-year period to fully establish a credible and certified VCS methodology[1], approved in September 2018 for use across more than 40 countries that meet the additionality test of needing to overcome early market barriers.[2]

The Green Bank is currently in the process of initiating pilot activity under this methodology. Prospective clients (i.e., EV charging equipment owners) have been in discussion with the Green Bank on the terms under which carbon offset credits will be generated and converted to carbon credits using the Green Bank as an intermediary aggregator to overcome the transactional hurdles of independent data validation and verification. Moreover, the Green Bank is actively examining how best to demonstrate further additionality by using credit sales proceeds to capitalize new investments in EV charging deployments. The first grouped transaction is anticipated in summer of 2020.

By the design of this methodology, credits are at risk of being double counted if a TCI cap design is established. However this can be overcome if states make provisions for set-aside reserves that might be

[1] VM0038 - https://verra.org/methodology/vm0038-methodology-for-electric-vehicle-charging-systems-v1-0/

[2] This "positive list" is updated by VCS every five years and includes careful nuancing of EV market shares within sub-regions (e.g., U.S. states) to ensure results that are sufficiently conservative.

used to draw against for voluntary market activity, or if states allow for certain in-state voluntary market credits to be counted directly as compliance credits. We strongly advocate consideration of these approaches.

Regional Transportation Infrastructure Bank

The “regional” cap and “locally” invest principles of TCI, should consider a “regional” cap and “regionally” invest principle as well. The Northeastern states would benefit from a portion of the revenues being pooled together and then devoted towards a regional infrastructure bank, or another kind of public-sector focused entity, that could leverage those funds on behalf of states and attract multiples of private capital investment to modernize and decarbonize the transportation infrastructure in the Northeast.

For example, a United State Green Bank, as proposed in 2019 by Senators Murphy Van Hollen, Blumenthal, Whitehouse, and Markey,[3] would support a “group of states” advancing “Clean Energy Projects”[4] as well as “Climate Change Mitigation or Adaptation Projects”[5] that when combined with allowance revenues from TCI through a regional infrastructure bank could drive more investment into the interconnected transportation infrastructure in the Northeastern US. TCI participating states should consider regional allowance pools that can invest proceeds to modernize and decarbonize the transportation infrastructure in the Northeast.

Sincerely,

Bryan Garcia
President and CEO

About the Connecticut Green Bank

Since its inception in July of 2011, the Connecticut Green Bank has mobilized nearly $1.7 billion of investment into the state’s green energy economy at a leverage ratio of $1 of public capital to $7 of private investment. This investment has reduced the burden of energy costs on over 40,000 families and businesses (including underserved low-to-moderate income families and small businesses), while creating more than 20,000 jobs in communities across the state, generating over $80 million of tax revenues, and reducing 5.8MMTCO2 that result in over $200 million of public health savings over the life of the green energy projects. The mission of the Connecticut Green Bank is to confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy.

[3] https://www.murphy.senate.gov/download/green-bank-act-2019

[4] Including solar, wind, geothermal, biomass, hydropower, ocean and hydrokinetic, fuel cell, advanced battery, carbon capture and sequestration, next generation biofuels, alternative fuel vehicle infrastructure, and alternative fuel vehicles.

[5] Including afforestation, reforestation, and land conservation, regenerative agriculture, transit-oriented development and mass transit infrastructure, waste and recycling, water treatment, and wetland protection.