



November 5, 2019

Kathleen Theoharides, Secretary  
Massachusetts Executive Office of Energy and Environmental Affairs  
Chair, TCI Leadership Team

R. Earl Lewis, Jr., Deputy Secretary  
Maryland Department of Transportation  
Vice Chair, TCI Leadership Team

**Re: Joint Comments on Transportation and Climate Initiative Framework**

Dear Secretary Theoharides and Deputy Secretary Lewis,

**I. Introduction**

The Northeast Clean Energy Council (“NECEC”) and Clean Energy NH (“CENH”) (together, the “Joint Commenters”) appreciate the efforts made to date by each of the jurisdictions in advancing the conceptual underpinnings of the Transportation and Climate Initiative (“TCI”). The Joint Commenters are pleased to have the opportunity to provide comments on the TCI Framework (“the Framework”) released on October 1, 2019.

NECEC is a clean energy business, policy, and innovation organization whose mission is to create a world-class clean energy hub in the Northeast, delivering global impact with economic, energy and environmental solutions. NECEC is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including clean transportation, energy efficiency, wind, solar, energy storage, microgrids, fuel cells, and advanced and “smart” technologies. Our members are excited by the possibilities for TCI.

CENH is a membership-based organization with a mission to promote clean energy and technologies through education and advocacy for a stronger economic future. CENH's work includes transportation issues as the convener of Drive Electric NH.

## **II. The Framework Provides a Valuable Platform on Which to Build a Program**

The Joint Commenters are strongly supportive of regional efforts to tackle greenhouse gas emissions, as emissions in one state affect the climate and health in all other states. The Framework represents an opportunity to provide a model for national and global jurisdictions to tackle transportation emissions in a meaningful and coordinated manner. The potential of this opportunity cannot be overstated and it is therefore critically important that the program design ensures success.

The design contemplated in the Framework contains the elements necessary for success, most notably upstream regulation, allowance banking, and flexible investment of proceeds. The Joint Commenters would like to highlight the importance of the initial cap and rate of allowance decline. The Regional Greenhouse Gas Initiative (“RGGI”) suffered from an initial cap that was set too high and an allowance decline rate that was not aggressive enough in the early years. As a result, program revisions were required to adjust those mechanisms downwards. This experience should (a) inform the process of setting appropriate program limits and (b) highlight the importance of establishing a review mechanism for adjusting core program mechanics, as necessary, in the early years of the program.

The Framework envisions a regional cap-and-invest program, in which upstream fuel emissions are capped via an emissions allowance auction and proceeds are invested based on each jurisdiction’s needs and desires. Upstream regulation, especially, is important to ensuring an efficient and effective program, and the TCI jurisdictions should consider regulating fuel as far upstream as possible. The Joint Commenters support the high-level design principles and urge the jurisdictions to continue working expeditiously towards program implementation.

The ability for each jurisdiction participating in TCI to determine how to invest its proceeds from the program recognizes the unique opportunities and challenges each faces. The Joint Commenters support this approach and urge the jurisdictions to commit a portion of the investment into innovative solutions to transportation emissions, including transportation electrification. Reinvesting proceeds into innovative projects that combine private, public, and nonprofit clean transportation partners will leverage the success of the program to accelerate the research, development, and commercialization of products, services, and business, financial, and partnership models that will steepen the decline of emissions from the transportation sector and accelerate the introduction of and transformation to 21<sup>st</sup> century clean transportation systems. Ultimately, this reinvestment strategy could contribute to achievement of the program’s goals at a lower cost and should be pursued in each jurisdiction.

## **III. Conclusion**

The Joint Commenters appreciate the opportunity to comment on this exciting regional proposal to address transportation sector emissions. Much work is yet to be

done, but we believe the Framework outlines the components necessary to create a successful program. We look forward to continuing to engage with stakeholders and jurisdictions as this process moves forward. Should you have any questions, please do not hesitate to contact us.

Sincerely,

*/s/ Jeremy McDiarmid*  
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Vice President, Policy and Government Affairs  
Northeast Clean Energy Council

*/s/ Madeleine Mineau*  
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