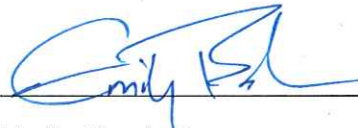


Vermont Agency of Natural Resources  
Department of Environmental Conservation

PROCEDURE FOR THE VERMONT CO<sub>2</sub> BUDGET  
TRADING PROGRAM ALLOWANCE BUDGET  
ADJUSTMENTS AND PRICE CONTROL MEASURES

ADOPTED: DECEMBER 6, 2018



Emily Boedecker  
DEC Commissioner

12/6/18

Date

**PROCEDURE FOR THE VERMONT CO<sub>2</sub> BUDGET TRADING PROGRAM  
ALLOWANCE BUDGET ADJUSTMENTS AND PRICE CONTROL MEASURES**

**1.0 Purpose**

The purpose of this procedure is to inform the actual number of CO<sub>2</sub> allowances that Vermont will make available for sale in the Regional Greenhouse Gas Initiative (RGGI) auctions taking into account Vermont’s CO<sub>2</sub> trading program base budget pursuant to §23-503 of the Vermont CO<sub>2</sub> Budget Trading Program Regulations, scheduled budget adjustments, and adjustments in the event that the emissions containment reserve (ECR) or cost containment reserve (CCR) is triggered during a RGGI auction. A comprehensive table of the adjustments included in **Table A** of this procedure.

**2.0 Scheduled budget adjustments**

The first control period budget adjustment for banked allowances quantities for allocation years 2018 – 2020 are as follows:

Year	2018	2019	2020
Adjustment	60,905	60,905	60,905

The second control period budget adjustment for banked allowances quantities for allocation years 2018 – 2020 are as follows:

Year	2018	2019	2020
Adjustment	101,540	101,540	101,540

**3.0 Emissions Containment Reserve**

The emissions containment reserve exists for the purpose of achieving additional emission reduction in the event of lower than anticipated emission reduction costs. The ECR trigger price is the price below which CO<sub>2</sub> allowances will be withheld from sale by Vermont or its agent at an auction. The ECR budget for each year represents the number of Vermont allowances that will be withheld from sale should the ECR be triggered. The ECR trigger prices for years 2021 – 2030 are as follows:

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Price	\$6.00	\$6.42	\$6.87	\$7.35	\$7.86	\$8.41	\$9.00	\$9.63	\$10.30	\$11.02
Budget	54,063	52,425	50,787	49,148	47,510	45,872	44,233	42,595	40,957	39,319

#### 4.0 Cost Containment Reserve

The cost containment reserve exists for the purpose of containing the cost of CO<sub>2</sub> allowances. The CCR trigger price is the price above which CO<sub>2</sub> CCR allowances will be offered for sale by Vermont or its agent at an auction. The CCR budget for each year represents the number of Vermont allowances that will be added to the auction should the CCR be triggered. The CCR trigger prices for the years 2018 – 2030 are as follows:

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Price	\$10.25	\$10.51	\$10.77	\$13.00	\$13.91	\$14.88	\$15.92	\$17.03	\$18.22	\$19.50	\$20.87	\$22.33	\$23.89
Budget	74,210	74,210	74,210	54,063	52,424	50,786	49,148	47,509	45,871	44,233	42,595	40,956	39,318

Table A

YEAR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
VT Base Budget	610,269	577,390	562,955	540,630	524,247	507,865	491,482	475,099	458,716	442,334	425,951	409,568	393,185
1 <sup>st</sup> CP Adjustment	60,905	60,905	60,905	-	-	-	-	-	-	-	-	-	-
2 <sup>nd</sup> CP Adjustment	101,540	101,540	101,540	-	-	-	-	-	-	-	-	-	-
3 <sup>rd</sup> Adjustment	-	-	-	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Adjusted Budget	447,824	414,945	400,510	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
CCR Trigger \$	\$10.25	\$10.51	\$10.77	\$13.00	\$13.91	\$14.88	\$15.92	\$17.03	\$18.22	\$19.50	\$20.87	\$22.33	\$23.89
VT CCR Budget	74,210	74,210	74,210	54,063	52,424	50,786	49,148	47,509	45,871	44,233	42,595	40,956	39,318
ECR Trigger \$	-	-	-	\$6.00	\$6.42	\$6.87	\$7.35	\$7.86	\$8.41	\$9.00	\$9.63	\$10.30	\$11.02
VT ECR Budget	-	-	-	54,063	52,425	50,787	49,148	47,510	45,872	44,233	42,595	40,957	39,319