

USA - Transportation and Climate Initiative (TCI)

General Information

<p>Summary</p>	<p>Status: ETS under development</p> <p>Jurisdictions: Connecticut, Delaware, Maryland, Massachusetts, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, Washington D.C.</p> <p>The Transportation and Climate Initiative (TCI) is a regional collaboration of 13 northeastern and mid-Atlantic US jurisdictions (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and Washington DC) pursuing a goal of reducing GHG emissions from the transportation sector and minimizing the transportation system’s reliance on high-carbon fuels. In December 2018, a subset of the participating TCI jurisdictions announced the future design of a regional low-carbon transportation policy proposal, which aims to establish a carbon pricing mechanism. The mechanism is the result of several years of consultations and negotiations amongst TCI members.</p>
<p>Year in Review</p>	<p>Over the course of 2019, the participating TCI jurisdictions have engaged in expert and public stakeholder consultations, as well as technical, environmental, and economic analyses of the benefits and costs of a regional transportation carbon pricing mechanism. As a result of this design process, on 1 October 2019 the jurisdictions released a draft framework outlining basic design features of a regional transport sector ETS starting as early as 2022.</p> <p>The program will cap CO₂ emissions from the combustion of gasoline and on-road diesel fuel in the participating states. Compliance obligations fall to suppliers that produce the covered fuels within these states, as well as suppliers that import them to the states. Point of regulation is upstream. The program intends to auction nearly 100% of its allowances with revenues being returned to participating TCI states. Each state can invest the revenue as determined appropriate to achieve TCI program goals, with a key feature of the draft framework being a commitment to address equity concerns. The program will implement a minimum reserve price and include a Cost Containment Reserve (CCR) as well as an Emissions Containment Reserve (ECR). Banking of allowances will be allowed without restrictions.</p> <p>On 17 December 2019, the jurisdictions released a draft memorandum of understanding (MOU) consistent with the policy design elements from the draft framework and announced modeling results for different cap reduction factors. Furthermore, the MOU introduced further design elements such as three-year compliance periods and interim compliance obligations and a program evaluation three years after program launch and regularly thereafter. The final MOU will include a decision surrounding the cap-and-decline trajectory and whether the program will accept limited use of offsets.</p> <p>The current timeline foresees that the MOU is finalized in the autumn of 2020 after considering further public input in January and February 2020. At this point each jurisdiction will decide whether to sign the final MOU and participate in the regional program. Other states would also be able to join the effort at any time. As a next step, the participating jurisdictions will develop a model rule, which will be released by 31 December</p>

	2020. Finally, over the course of 2021 jurisdictions will conduct rulemaking processes to adopt regulations on the state level and start implementing the program as early as 2022.												
Overall GHG emissions (excluding LULUCF)	Emissions: 1034.8 MtCO ₂ e (2014)												
Overall GHG emissions by sector	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>555.6</td> </tr> <tr> <td>Transportation</td> <td>346.8</td> </tr> <tr> <td>Industrial processes</td> <td>52.4</td> </tr> <tr> <td>Agriculture</td> <td>23.3</td> </tr> <tr> <td>Waste</td> <td>56.6</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	555.6	Transportation	346.8	Industrial processes	52.4	Agriculture	23.3	Waste	56.6
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Overall GHG reduction target	No information available yet.												
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.												

ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading period	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other Systems	No information available yet.
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Other Information

Institutions involved	No information available yet.
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	Framework for a Draft Regional Policy Proposal Draft Memorandum of Understanding

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