

MEMORANDUM

To: Members of the Delaware SCR 28 Workgroup
Cc: Delaware Chapter Board of Trustees
From: Roger L. Jones, Jr., Delaware State Director – The Nature Conservancy
Date: December 6, 2007
Re: Delaware RGGI Allowances and Use of Revenues

The Delaware Chapter of The Nature Conservancy strongly encourages Governor Minner and the 144th General Assembly to adopt Regional Greenhouse Gas legislation in Delaware during the upcoming legislative session. This bill represents our top legislative priority and also has implications for creating a new revenue stream to the state. Because the SCR 28 Workgroup has been charged with recommending the quantity of allowances to be auctioned and the potential for use of any revenue in Delaware, we would like to recommend the following for your consideration during your decision-making process:

- A 100 percent auction of RGGI allowances under which the majority of allowance auction proceeds would fund energy efficiency and conservation and renewable energy development;
- Investing up to 10 percent of allowance auction revenues in climate change adaptation projects. This might include modeling and mapping ocean and Delaware Bay water-level rise as well as identification of habitat migration zones, forestland and coastal land preservation, ecological management in anticipation of climate change impacts, and integration of climate change into state Comprehensive Wildlife Conservation Strategies; and
- Expanding the types of offsets that sources can use to meet the emissions limits to include sustainable forest management and conservation.

We strongly support allocation of a portion of the 10 percent of allowance auction revenues referenced above to create a permanent stream of funding for the Delaware Forestland Preservation Program. This program was funded last year through in Governor Minner's FY08 budget request at \$1 million. We encourage that up to \$5 million of CO₂ auction revenue be used to fund the Forestland Preservation Program annually.

Thank you for your consideration of our recommendations.