



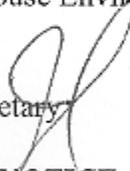
STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
AND ENVIRONMENTAL CONTROL

89 KINGS HIGHWAY
DOVER, DELAWARE 19901

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OFFICE OF THE
SECRETARY

MEMORANDUM TO: Office of the Governor
Members of the Senate Natural Resources and
Environmental Control Committee
Members of the House Environment and Natural Resources
Committee

FROM: John Hughes, Secretary 

SUBJECT: ***START ACTION NOTICE***

DATE: May 1, 2007

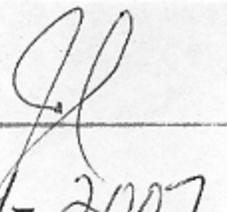
Enclosed for your information is APPROVED Start Action Notice:

**#2007-04 Develop a new air regulation, Regulation 1147 – Regional Greenhouse
Gas Initiative**

CC: Division Directors
Public Affairs
Those on Start Action Approval List
Responsible Staff Member

Delaware's Good Nature depends on you!



APPROVED BY 

SAN 2007-04

DATE 5-4-2007

START ACTION NOTICE

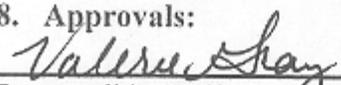
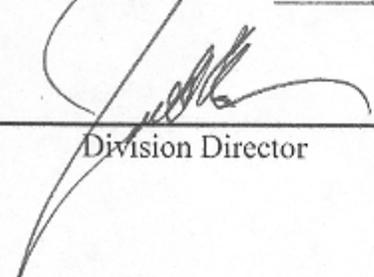
- Type of Action:** Develop a new air regulation, Regulation No. 1147 – Regional Greenhouse Gas Initiative, to address Carbon Dioxide (CO₂) emissions from Electric Generating Units (EGUs).
- Purpose of Action:** This new regulation will create Delaware’s portion of a multi-state CO₂ cap-and-trade program. The cap-and-trade program was developed by the Regional Greenhouse Gas Initiative, or RGGI, which is a cooperative effort among a number of Northeastern and Mid-Atlantic States. The RGGI Memorandum of Understanding was originally signed by Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York and Vermont and subsequently by Maryland, Massachusetts, and Rhode Island. The purpose of RGGI is to reduce the emissions of CO₂ from EGUs. CO₂ is a greenhouse gas that contributes to global warming.

Between 2009 and 2015 the emissions of CO₂ from any EGU with a maximum rated heat input capacity of equal to or greater than 25 megawatts that is located in a RGGI state would be capped at current levels (approximately 7.5 million tons). After 2015 the cap would be reduced incrementally to achieve a 10 percent reduction by 2019. Under the cap-and-trade program one allowance will be issued for each ton of CO₂ emissions allowed by the cap. Each subject EGU will be required to have enough allowances to cover its reported emissions each year. The EGUs may buy or sell allowances, but individual EGU emissions shall not exceed the amount of allowances it possesses. The total amount of the allowances will be equal to the emissions cap for the RGGI states.

- Statutory Basis:** 7 Del. C., Chapter 60, Environmental Control.
- Likely Affected Public:** Any EGU with a maximum heat input capacity of 25 megawatts or more. Any person who may be impacted by changes in weather, sea levels, or land use patterns.
- Proposed Schedule of Activities:**

Review Committee Meetings (06/2007)	Public Notification (05/2008)
Public Workshops (12/2007)	Adoption (05/2008)
Public Hearing (02/2008)	Effective Date (06/2008)
- Review Committee:** Representatives of the Department, environmental organizations, the Delaware Public Utilities Commission, the regulated community, and others will be invited to participate in a review committee to aid in formulating the Departments proposed regulation.

7. Responsible Staff Member:
 Valerie Gray Phone: (302) 739-9402
 Delaware DNREC- Air Quality Management Fax: (302) 739-3106
 156 S. State St., Dover, DE 19901 Email: valerie.gray@state.de.us

8. Approvals:
 3/7/07  4 Apr 2007
 Responsible Staff Member Date Division Director Date