

From the Ending Racism Task Force

How Emissions Auctions Can Help End Racism

By Nick Sanders

The existence of systemic environmental racism in our country is quite clear. Because of discrimination and associated socioeconomic factors, people of color are disproportionately relegated to communities that experience the greatest impact of climate change.

Support for the Regional Greenhouse Gas Initiative (RGGI) is part of **POWER Interfaith**'s expanding resistance to environmental racism. The initiative aims to reduce and eventually eliminate the use of fossil fuels by utilities that has contributed so much to climate change and its effect on people of color.

RGGI takes a regional economic-market approach to the reduction of carbon-dioxide (CO₂) emissions, a major source of greenhouse gas. The initiative brings together utility regulators in neighboring states in a coordinated effort to lessen climate change. And it commodifies a standard unit of CO₂ emissions through auctions in which utilities buy permissions (called "allowances") to emit units of CO₂.

With this approach regulators are able to reduce, over time, the "cap," or maximum number of allowable units of CO₂ in the region. Reducing the cap raises the economic value of a unit at auction. That is, the purchase of allowable units by a utility

becomes increasingly expensive. The utilities are thus economically motivated to reduce their CO₂ emissions by using cleaner energy or some process of CO₂ capture.

Currently, RGGI has been adopted by 11 states: the six New England states plus New York, New Jersey, Delaware, Maryland, and Virginia. To make it more politically appealing, states may decide how to use the proceeds from the auctions. “Most of the proceeds have been invested by states back into their communities, including funding of clean energy programs, energy efficiency, and bill assistance to local businesses and communities,” according to the RGGI **web site**. POWER wants to target investment specifically at those communities affected by environmental racism.

Last year, the administration of Pennsylvania Governor Tom Wolf moved to include Pennsylvania in RGGI, and the governor vetoed a Republican bill that would prevent it doing so. The opposition in the Pennsylvania legislature failed to override the veto but did obtain a stay of implementation until their case is heard by Pennsylvania’s Commonwealth Court. No date has been set for that hearing. Furthermore, any decision likely will be appealed to the Pennsylvania Supreme Court.

Pennsylvania’s membership in RGGI is on hold. But some point out that political pressure may influence the timing and outcome of the final decision. Although it is fairly certain that a legislative majority will continue to oppose Pennsylvania’s participation, it is uncertain how the new governor, Josh Shapiro, will respond. Shapiro has called for a comprehensive

climate and energy plan. We could help determine what is in it.

RGGI is a distinctive and important tool for combating climate change and its devastating effects on people of color. We should join POWER Interfaith in voicing our support for participation by the Pennsylvania Commonwealth. Please **contact me** about how we can get vocal on this matter.

Nick Sanders is a member of the Ending Racism Task Force.

Caption

Eleven and counting: Pennsylvania should be the Keystone state for RGGI!

Links

POWER Interfaith

<https://powerinterfaith.org/?s=RGGI>

web site

<https://www.rggi.org/>)

carbon and energy plan

[\(https://stateimpact.npr.org/pennsylvania/2022/11/14/josh-shapiro-could-set-new-tone-with-legislature-on-climate-ex-dep-sec-says/](https://stateimpact.npr.org/pennsylvania/2022/11/14/josh-shapiro-could-set-new-tone-with-legislature-on-climate-ex-dep-sec-says/)

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