



Memorandum

To: RI Carbon Pricing Study Stakeholders
From: RI Carbon Pricing Study Project Team
Subject: Response to Stakeholder Feedback
Date: December 21, 2020

Overview

Thank you for attending the October 30th webinar on the Rhode Island Carbon Pricing study and for sharing your thoughts during the written comment period. For those who may not have been able to attend, the presentation slides are available at the Rhode Island Office of Energy Resources website [here](#).

The comments received will help inform the final outputs of this study. Below is a summary of key themes from stakeholder feedback, followed by responses from the Project Team. While the Team has reviewed all comments closely, please note that the below list is not comprehensive of every comment received.

Stakeholder Feedback and Responses

1. Several stakeholders highlighted the importance of stakeholder engagement throughout this process. To strengthen stakeholder engagement efforts, one stakeholder suggested that the Office of Energy Resources (OER) maintain a robust, user-friendly public website to help educate and inform residents and potentially creating a space for virtual public comment and feedback.
 - **Project Team Response:** To-date, OER does maintain a [public project site](#) for the Rhode Island Carbon Pricing Study that houses all the key documents that have come out of this study, including slides and the Project Team's response to stakeholder feedback for each of the webinar updates that have occurred throughout the project process. This stakeholder feedback is appreciated and will be taken under consideration.
2. Some stakeholders expressed concern about the price levels examined in this report, and emphasized the importance of an appropriately aggressive price. These stakeholders noted the need to reduce emissions to net zero by 2050, and that the prices in the report are too low.
 - **Project Team Response:** As shared in prior responses, this analysis aims to evaluate the potential contribution of a reasonable carbon price to support a portfolio of carbon reduction strategies, rather than design a price that would independently achieve the state's goals. However, it should be noted that it is not intended to set or constrain eventual policy design.
3. Stakeholders noted that it was helpful to see the illustrative households demonstrating how a carbon price would impact certain residential households, and noted it would be helpful to see how a carbon price may impact Rhode Island businesses.
 - **Project Team Response:** If the State of Rhode Island moves forward with developing a carbon price, it will certainly continue to consider the potential impacts across the state, including on

businesses. However, the inclusion of illustrative businesses within this study does not appear to be the most effective path for analysis. Given the diversity of businesses in the state, selecting profiles and assumptions of a set of businesses would involve a more complex process than the illustrative households analysis, and would also not necessarily result in example businesses that are reflective of a broad set of state businesses.

4. One stakeholder noted that the program design of incentives and investments that benefit low-income and frontline communities should be paramount in carbon pricing and that these communities should be involved in the program design process. As such, this stakeholder suggests including the creation of a state environmental justice advisory committee to inform this process as a recommendation in the final report.
 - **Project Team Response:** As stated in the presentation, ensuring equity is centered in both process and policy design is a key finding of the study. This report is not a stand-in for future policy and programmatic design, which could provide a forum for such considerations to be more fully vetted. More broadly, it is anticipated that the state's EC4 will be discussing energy and environmental justice considerations at upcoming public meetings.

The Project Team is appreciative of all stakeholder feedback received and will be sharing the final report with the public in early 2021.