

ECONOMIC IMPACT STATEMENT

Note: In completing the economic impact statement, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule. Rules affecting or regulating public education and public schools must include cost implications to local school districts and taxpayers in the impact statement (see 3 V.S.A. § 832b for details). Where this form is insufficient for your purposes, please use additional sheets.

Please complete the following.

1. Title or subject of rule:

Vermont CO2 Budget Trading Program Regulations

2. Agency:

Agency of Natural Resources

3. Please list categories of people, enterprises and government entities potentially affected by this rule and estimate for each the costs and benefits anticipated. If applicable, include small businesses, and complete items 4 and 5 of this sheet as well. Please be as specific as possible, giving full information on your assumptions, data base, and attempts to gather other information on the nature of the costs and benefits involved. Costs and benefits can include any tangible or intangible entities or forces which will make an impact on life without this rule.

See Attachment A

4. Please compare the economic impact of the rule with the economic impact of other alternatives to the rule, including no rule on the subject or a rule having separate requirements for small business.

One alternative would be to have no rule implementing the RGGI program in Vermont. However, this option is in direct conflict with the mandate of 30 V.S.A. § 255 and the RGGI Memorandum of Understanding (MOU) signed by Governor Douglas on December 20, 2005. Both 30 V.S.A. § 255 and the MOU direct the Agency to participate in the RGGI program and to adopt rules establishing a cap-and-trade program to reduce carbon dioxide emissions from power plants. As discussed below, the proposed rule does not impose requirements on small businesses. Thus, a rule with separate requirements for small businesses is not feasible.

5. Flexibility statement: Please compare the burden imposed on small business by compliance with the rule to the burden which would be imposed by alternatives considered in 3 V.S.A. § 832a.

The proposed rule only applies to fossil fuel-fired electric generating units that have a nameplate capacity equal to or greater than 25 megawatts. In Vermont, there are only two facilities, both gas turbines, that are subject to the proposed rule. There is a biomass exclusion (50% or more) that exempts the McNeil generating unit. The facilities subject to the proposed rule are owned by the City of Burlington and Green Mountain Power, which do not meet the definition of small business set forth in 3 V.S.A. § 801(b)(12). Thus, a flexibility statement is not required because the proposed rule does not "provide [] for the regulation of a small business."

EIS-01

CERTIFICATION: AS THE ADOPTING AUTHORITY (see 3 V.S.A. § 801(b)(11) for a definition) OF THIS RULE, I CONCLUDE THAT THIS RULE IS THE MOST APPROPRIATE METHOD OF ACHIEVING THE REGULATORY PURPOSE. IN SUPPORT OF THIS CONCLUSION, I HAVE ATTACHED ALL FINDINGS REQUIRED BY 3 V.S.A. § 832a and § 832b

(Sign here)

Date: / /

George Crombie, Secretary

(Type name here please)