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An NRG Energy Company

August 14, 2026

Secretary Greg Patterson
DNREC – Office of the Secretary
Delaware Department of Natural Resources and Environmental Control (DNREC)
89 Kings Highway, Dover, Delaware 19901

Re: Comments on Proposed Delaware Regional Greenhouse Gas Initiative (RGGI) Regulations
Docket #2026-R-A-0003

Dear Secretary Patterson,

NRG Energy appreciates the opportunity to comment on Delaware's proposed updates to its Regional Greenhouse Gas Initiative, or RGGI, regulations through the Program Review process. NRG Energy is a leading integrated energy company that owns and operate wholesale generation resources and provides customer flexibility solutions, including demand response and virtual power plant capabilities, that help lower costs, improve reliability, and sustainability. NRG supports policies that advance environmental objectives while maintaining affordable electric service, preserving system reliability, and encouraging investment in the resources needed to meet growing electricity demand. As Delaware evaluates implementation of RGGI program changes, we encourage the Department to prioritize reliability, customer affordability, and investment certainty.

Ensuring Reliability and Resource Adequacy

Reliability should be a central part of any future RGGI review. Delaware is part of the PJM electric grid, which is currently managing growing electricity demand, power plant retirements, delays in building new generation resources, and concerns about having enough power during peak periods. Existing power plants still play a key role in keeping the lights on while the region seeks to add cleaner resources. NRG encourages participating RGGI states to evaluate the interaction between future cap reductions and regional resource adequacy needs. Effective emission reduction programs must be implemented alongside policies that support timely development of new generation, storage, transmission and demand-side resources necessary to maintain reliability.

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Protecting Customer Affordability

Customer bills are already a major concern in Delaware as evidenced by recent 2025 and 2026 ratepayer hearings and affordability legislation passed by the 153rd General Assembly. NRG appreciates the inclusion of cost-containment mechanisms within the RGGI framework, however, those tools generally do not take effect until prices have already risen and been applied. As a result, customers may see higher electricity costs before any protection is available. Future RGGI reviews should consider earlier and clearer safeguards to help prevent sudden bill increases while still supporting emissions reductions.

In addition, if allowance prices rise materially over time, Delaware should continue evaluating how RGGI auction proceeds can be used to support customer affordability, energy efficiency, grid modernization, and emerging technologies that provide measurable customer benefits. Delaware must evaluate how to mitigate the overall cost to energy supply which may include leading RGGI reform in the next program review and developing alternative price caps that retain carbon emissions revenue,

Additionally, the state's ongoing energy storage pilot initiative may provide valuable information regarding the ability of Virtual Power Plants and demand-side resource aggregation to reduce peak demand, improve system flexibility, and lower customer costs over time. While outside the scope of this proceeding, that effort highlights the importance of pursuing affordability and emissions-reduction objectives through multiple complementary tools.

Encouraging New Investment

The electric sector is expected to require significant investment over the coming decade to serve new load growth. Investors and developers need clear and predictable rules before they can make long term commitments within an auction process to invest in new power plants, battery storage, transmission, and other energy infrastructure. If RGGI costs rise quickly or become hard to predict or the declining bank of allowances is not addressed, it can make new investment more expensive and more difficult. Delaware should avoid policies that unnecessarily limit and undermine the types of resources that can help meet future electricity needs. NRG encourages Delaware and participating RGGI states to maintain clear, transparent, and data-driven review processes that provide stakeholders with adequate visibility into future program changes. Predictable implementation pathways improve investment confidence while helping the state meet its environmental, affordability, and reliability goals.

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Recommendations

RGGI decisions can affect customer bills, reliability, and economic investment if they are not coordinated with broader energy planning. RGGI evaluations should incorporate impacts to affordability, reliability, and Delaware's ability to attract economic investment.

In conclusion, NRG respectfully recommends that Delaware:

1. Continue to evaluate customer affordability impacts within the State of Delaware as part of any future RGGI program reviews.
2. Monitor the effectiveness of Cost Containment Reserve mechanisms and other affordability safeguards as allowance prices evolve and consider alternative mechanisms that mitigate energy cost and retain current CO2 based revenue.
3. Coordinate future emissions-reduction decisions with PJM reliability and resource adequacy assessments.
4. Maintain transparent modeling and stakeholder engagement processes for future program changes.
5. Continue evaluating how RGGI proceeds can deliver measurable customer benefits, including energy efficiency and additional clean, flexible power mechanisms to support affordability.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "David Bacher".

David Bacher
Regional Manager, NRG Environmental Business

CC: Lisa Vest, Hearing Officer
Valarie Gray (DNREC)
Sarah Battisti (NRG)