Comment 1: Michael M. 4-26-2026

From: Michael M[redacted]
To: Shah, Yagna (DNREC); [redacted]
Subject: RGGI prices have gone from $3.00 to $5.00 to $24.99 which is a 733% price increase when PJM's failed market design wholesale auction prices have gone from $28.92 MW-Day to $329.19 MW-Day and when the Data Center monopsony is driving delivery prices thr...
Date: Wednesday, April 29, 2026 10:51:05 AM

The convergence of the RGGI price spike and the PJM capacity market explosion has created what many call a "perfect storm" for Delaware utility bills. Your assessment of the percentage increases is accurate—the 2026-2027 PJM capacity price of $333/MW-day (up from $28.19 in 2024) represents a radical shift in energy economics.

1. Decreasing the Cap & Eliminating Offsets

The "Cap" is the total number of tons of \bm{CO_2} that all power plants in the region are allowed to emit combined.

• What it looks like: Starting in 2027, the cap will drop by roughly 10.5% per year. Imagine a musical chairs game where 10% of the chairs are removed every round. Because there are fewer "allowances" (chairs) available, power plants must bid more aggressively to get one, driving up the auction price.

• Impact of Eliminating Offsets: Currently, a plant can "offset" its emissions by investing in outside projects (like planting trees or methane capture at a farm). By removing offsets in 2027, DNREC is forcing plants to either physically pollute less or buy more expensive allowances. There is no longer a "cheap" alternative way to comply.

2. Can Delmarva Build Its Own Renewables?
This is a critical point of debate in Delaware right now.

• The Barrier: Historically, Delaware law and "deregulation" prevented utilities like Delmarva Power from owning power plants (generation). They were forced to only "deliver" power bought from others.

• The Shift: Because of the price spikes you noted, there is a push (supported by some state officials) to allow Delmarva to build "regulated generation." This would allow them to build their own solar, wind, or hydrogen plants.

• Distribution" or "Base Rate" side of your bill. You et Stabilizers: "Rigging" vs. "Managing"
The replacement of the Emissions Containment Reserve (ECR) with a higher minimum floor price (set to be $9.00 in 2027) essentially creates a "price floor."

• By setting a high floor, the state is effectively ensuring that the price cannot fall back to $3.00, regardless of demand. In a true market, if a plant becomes hyper-efficient, the price should drop. By fixing the floor, the state ensures a steady stream of revenue for its own programs (like Energize Delaware) at the expense of the ratepayer.

Bidding by Non-Compliance Entities (Speculators)

• The "Retire" Strategy: Some non-profits bid to "retire" allowances specifically to keep \bm{CO_2} out of the air. This reduces the supply for power plants, driving the price up.

• The "Cornering" Risk: Financial speculators buy allowances as an investment, betting the price will go up. When they "hold" thousands of allowances, it creates a shortage, which forces power plants to pay record-high prices (like the $24.99 you saw).

• The Consequence: Because utilities are legally allowed to pass "prudent" costs to you, they don't have a strong incentive to fight these prices—they simply pass the bill to the customer.

The Regressive Reality

These increases are unreasonable and unjust regressive taxes. A $50 increase in a monthly electric bill is a minor inconvenience for a high-income household but a crisis for a middle class or working family or people on a fixed income.

Respectfully Submitted
Michael L M[redacted]

https://c.org/FpQDDxp6Sk

Comment 2a: Leatrice B. 5-5-2026

To: Yagna Shah, Division of Air Quality (yagna.shah@delaware.gov)
From: Leatrice B[redacted]
Date: May 5, 2026
Subject: FORMAL COMMENT: Proposed Amendments to 7 DE Admin. Code 1147 (CO_2 Budget Trading Program)

Dear Ms. Shah,

As a resident of New Castle and an independent researcher currently representing a collective of petitioners in **Docket 25-1555**, I am writing to submit a formal objection and **professional warning** regarding the proposed 2027–2037 amendments to the CO_2 Budget Trading Program.

While the Department frames these revisions as part of a long-term environmental vision, I must highlight that the economic modeling presented in the March 2026 workshop fails to account for the current "Triple-Edged Sword" of financial volatility hitting Delaware families.

1. Critique of the $9.00 Minimum Reserve Price

The Department's intent to replace the Emissions Containment Reserve with a **$9.00 minimum reserve price** in 2027 represents a **235% increase** over the current floor.

- **The Error in Modeling:** The workshop claims bill impacts will be under ±1%. This ignores the reality of the **April 2026 price surge to $40+ per ton**.
- **Ratepayer Risk:** Setting an artificially high floor during a period of record inflation acts as a regressive tax on fixed-income seniors, ensuring that utility bills can never decrease even if clean energy costs drop.

2. The Statutory Mandate of the "Prudence Standard" (SB 59)

As of January 1, 2026, **26 Del. C. § 307** mandates that all utility costs must be **prudently incurred**. This new legal standard shifts the burden of proof to the utility and the state to prove that every dollar spent is "objectively reasonable."

- I contend that tightening the emissions cap at the same time **PJM capacity prices have spiked by 833%** (reaching $329.17/MW-day) is **statutorily imprudent**.
- The Division must conduct a formal audit to prove that this "steeper cap" does not trigger unnecessary reliability costs that could have been avoided under a more moderate transition.

3. Protection Against Industrial Cross-Subsidization

Recent filings indicate a massive surge in electricity demand from regional **data center clusters**.

- **The Warning:** Residential ratepayers must not be forced to pay a "carbon premium" through Rule 1147 to facilitate the high-energy demands of for-profit data centers.
- I move for a requirement that any 1147-related costs be "ring-fenced" so that residential Standard Offer Service (SOS) customers are protected from subsidizing industrial expansion.

Conclusion
The state’s 2050 "vision" cannot come at the expense of 2026 survival. I request that the Division of Air Quality coordinate directly with the Public Service Commission to ensure these amendments do not violate the **Prudence Standard** or exacerbate the $14.64 monthly increase already projected for Delmarva customers this June.

Respectfully Submitted,

Leatrice B[redacted]
Independent Advocate & Researcher
[redacted]

Comment 2b: Leatrice B. Supplemental Data
5-5-2026

INTEGRATED UTILITY RESEARCH & PUBLIC COMMENT

Impact of Rule 1147 Amendments in context of PSC Docket 25-1555

From: Leatrice B[redacted] Independent Advocate & Researcher
Address: [redacted]
Email: [redacted]
Date: May 5, 2026

I. UTILITY REQUEST SUMMARY: DELMARVA POWER (DOCKET 25-1555)

In its formal testimony, Delmarva Power & Light Company has requested a significant expansion of revenue, citing grid reliability and capital recovery:

- **Requested Revenue Increase: $67.8 Million**
- **Requested Return on Equity (ROE): 10.5%** (Profit Guarantee)
- **Projected Monthly Bill Increase: $14.64** per average residential customer.

II. THE "TRIPLE-EDGED SWORD" MARKET ANALYSIS

As an independent researcher representing 59 petitioners, I submit that the above utility figures are **incomplete**. They do not account for the overlapping "Supply" side pressures which are directly impacted by the proposed **Rule 1147** amendments:

Cost Edge	Baseline / Previous	Current Reality / Proposed
PJM Capacity (Grid)	$28.92	**$333.44** (Administrative Cap)
RGGI Floor (State)	$2.69	**$9.00** (Proposed 235% Jump)
Carbon Market	~$18.00	**$40.00+** (April 2026 Surge)

PJM estimates that without temporary caps, the true market price for capacity would have cleared at **$530**/MW-day, primarily due to hyperscale data center demand.

III. PRUDENCE STANDARD & FORMAL OBJECTION

Statutory Mandate: Pursuant to **26 Del. C. § 307 (SB 59)**, the burden of proof is on the state and utility to prove these costs are **prudently incurred**.

I move that the Division of Air Quality perform a comprehensive audit. Implementing a **235%** increase in the carbon floor while the regional grid is at its absolute breaking point is statutorily imprudent. The state must verify that residential Standard Offer Service (SOS) customers are not cross-subsidizing industrial load growth.

Consolidated filing for DNREC (Yagna Shah) and the Delaware Public Service Commission (Docket 25-1555).

To: Yagna Shah, Division of Air Quality (yagna.shah@delaware.gov)
From: Leatrice B[redacted]
Date: May 5, 2026
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Respectfully Submitted,

Leatrice B[redacted]
Independent Advocate & Researcher
[redacted]

START ACTION NOTICE (SAN)

SAN # 2026-02

1. TYPE OF ACTION AND THE REGULATION NUMBER AND NAME: Amendments to 7 DE Admin. Code 1147 "CO2 Budget Trading Program".

2. PURPOSE OF ACTION: Since 2009, Delaware and nine other states have implemented a regional program to reduce CO2 emissions; known as the Regional Greenhouse Gas Initiative (RGGI). In 2025, Delaware and other participating states finalized revisions to the RGGI program. The purpose of this action is to amend 7 DE Admin. Code 1147 to reflect these revisions. The proposed amendments to 1147 will include an adjustment in Delaware's portion of the regional cap beginning in 2027-2037; replacing Emissions Containment Reserve with increased minimum reserve price; amending the quantity of allowances in the Cost Containment Reserve; adding an additional Cost Containment Reserve; updating the regional base CO2 allowance amount; removing Offsets from RGGI design beginning in 2027 and other minor program adjustments.

3. STATUTORY BASIS: 7 Del.C., Chapter 60 Environmental Control, Subchapter II-A. Regional Greenhouse Gas Initiative and CO2 Emission Trading Program, § 6044. Regional Greenhouse Gas Initiative and 7 Del.C., Chapter 100 Delaware Climate Change Solutions Act

4. IS THIS PROPOSED REGULATORY ACTION REQUIRED AS A RESULT OF FEDERAL STATUTE OR REGULATION? IF SO, PROVIDE LINK TO FEDERAL MANDATE. Not as a result of federal action.

5. DATE OF MOST RECENT AMENDMENT/REVIEW (indicate if review was pursuant to 29 **Del.C.** §10407): December 11, 2018

6. LIKELY AFFECTED PUBLIC: Delaware power plants with nameplate capacity > 25 MW. The investments of the RGGI auction proceeds in energy efficiency and clean energy programs reduce the electric bills of Delaware rate payers.

7. PROPOSED SCHEDULE OF ACTIVITIES:
   Stakeholder Engagement – Spring 2026
   Public Workshop(s) – Spring 2026
   Public Hearing – Summer 2026
   Effective Date – Late Fall 2026

8. REVIEW COMMITTEE: The Department will hold a stakeholder meeting with representatives of the regulated industry to review and explain the proposed amendments. The Department believes that the holding of a stakeholder meeting, a public workshop, and a public hearing will provide adequate opportunity for public education, review, and comment on the proposed regulatory amendments.

9. RESPONSIBLE STAFF MEMBER: Valerie Gray, 100 W Water St, Ste 6A, Dover, DE 19904, 302.739.9402, valerie.gray@delaware.gov.

10. APPROVALS:

3/2/2026		3/2/2026	
Valerie Gray Responsible Staff Member	Date	Angela Marconi Director, Division of Air Quality	Date
March 10, 2026			
Gregory Patterson Secretary	Date		

Rev. 0/2024

RGGI Is Not Functioning As Intended: Our Internal Analysis Shows the Program Has Been Increasing Net CO_2 Emissions and Could Cost Consumers ~$9-10 Billion Over the Next Year at Current $40+ Pricing

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NEWS PROVIDED BY
Alpha Inception
Apr 30, 2026, 08:37 ET

+2.86 Million Tons of Estimated Net Additional CO_2 Over the Trailing 12 Months — Equivalent to ~565,000 Extra Cars on the Road – Modeling shows this gets worse with Virginia Participation and with higher RGGI prices.

SALT LAKE CITY, April 30, 2026 /PRNewswire/ -- **Alpha Inception** today released independent empirical analysis estimating that, over April 2025 – March 2026, the RGGI carbon adder caused a **net increase** in PJM-wide atmospheric CO_2 emissions, while current pricing of $40+ will likely expose consumers and businesses to **~$9–10 billion/year** in additional wholesale electricity costs. https://rggi-leakage.alphainception.com/dashboard

Our dispatch model estimates RGGI's carbon adder displaced efficient RGGI-state gas generation; with replacement plants in PA, OH, KY, and WV emitting 30–45% more CO_2/MWh. Net result: **+2.86 million tons** more atmospheric CO_2 versus a no-RGGI world and this gets materially worse in the next year with Virginia rejoining and current RGGI market prices.

At ~$40/ton, RGGI generates **~$3 billion/year** in auction proceeds while imposing **~$9–10 billion/year** in wholesale costs on consumers and businesses, with **~$2 billion** borne by non-RGGI PJM states (PA, OH, IL) with zero auction revenues or consumer rebates.

Comment 3: Andrew O. 5-14-2026

From: Andrew [redacted]
Sent: Thursday, May 14, 2026 8:19 PM
To: Shah, Yagna (DNREC) <yagna.shah@delaware.gov>
Cc: [redacted]
Subject: Public Comment in SUPPORT of DNREC's Proposed Amendments to Delaware's CO2 Budget Trading Program

Dear Members of the Delaware DNREC Division of Air Quality,

I am writing to express my strong support for the proposed amendments to Delaware's CO2 Budget Trading Program (7 DE Admin. Code 1147), which incorporate the latest revisions to the Regional Greenhouse Gas Initiative (RGGI). These changes are a critical step forward in addressing the urgent threat of climate change, protecting public health, and ensuring a fair and sustainable energy future for Delaware.

As a father, I am deeply concerned about the impacts of climate change on my family's well-being and the broader community. The existential threat posed by rising temperatures, extreme weather events, and air pollution demands bold and immediate action. By aligning Delaware's program with the latest RGGI revisions, we can:

- **Reduce harmful air pollution**, protecting public health and lowering healthcare costs for families across the state.
- **Strengthen our economy** by fostering innovation in clean energy and creating jobs in sustainable industries.
- **Ensure environmental justice** by reducing disparities in air quality and health outcomes across communities.
- **Protect ratepayers** from unfair cost-shifting by requiring energy producers to bear the financial responsibility for their pollution, rather than passing fees on to customers.

The proposed amendments, including adjustments to Delaware's share of the regional emissions cap for 2027–2037 and revisions to reserve prices and allowance allocations, are essential steps. However, I urge you to **close loopholes** that allow polluters to escape their responsibilities. Energy producers should not be permitted to simply pass pollution fees on to customers, particularly low-income households and small businesses. Delaware must ensure that polluters—**not ratepayers**—pay the price for their emissions.

These measures will not only help meet our state's emissions reduction goals but also contribute to the collective efforts of the RGGI states to combat climate change. Thank you for your dedication to protecting our environment, public health, and the financial well-being of Delaware's residents.

Sincerely,

Andrew O[redacted]
Newark, Delaware

Ref: https://dnrec.delaware.gov/public-notices/aq20260111/