

RGGI: A Powerful Energy Affordability Tool

Turning Pollution into Community Investments

June 5, 2026



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Center**

Advancing the Clean Energy Future

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RGGI's Track Record of Affordability, by the Numbers

For more than 17 years, RGGI has served as an engine for energy savings, lower energy costs, and reduced emissions. The 10-state, bipartisan program requires power plants to purchase allowances for their carbon emissions and reinvesting the proceeds in programs that benefit consumers and communities, such as energy efficiency.

At a time when energy affordability and cost-of-living is a central concern for millions of households in the region, RGGI is generating hundreds of millions of dollars each year that flow back to consumers in multiples as long-lived savings on their energy bills. The RGGI program reinvests proceeds into weatherization, efficiency upgrades, other forms of clean energy, and bill relief for families who need it the most. But the benefits do not stop at savings for those who participate in RGGI-funded programs directly. By investing in programs that reduce energy demand and lower peak electricity use, RGGI helps keep electricity prices down for all ratepayers and the entire regional energy system. Through this impact, RGGI continues to deliver billions in energy savings to ratepayers, keeps electricity prices lower for everyone, and serves as a proven grid reliability tool.

\$20B+	\$1.9B+	\$128M	>\$3 for each \$1
Lifetime energy bill savings for homes and businesses since 2009, on \$9B invested (RGGI Inc.)	In bill savings from 2023 energy efficiency investments (64% of funds in all states) (RGGI Inc.)	In direct bill credits returned to households & businesses in 2023 (RGGI Inc.)	Return on investments generated by RGGI's 2023 proceeds across all reinvestment programs (RGGI, Inc.)

Three Ways that RGGI Lowers Energy Bills

DURABLE SAVINGS

Efficiency upgrades that save money for years to come

Weatherization, insulation, heat pumps, and appliance upgrades funded by RGGI proceeds reduce how much energy a household consumes for years and even a decade-plus to come. A household that uses less power pays less every month for as long as that efficiency measure lasts.

IMMEDIATE RELIEF

Direct bill credits & assistance

States can and do use a small portion of RGGI proceeds for on-bill credits and low-income bill assistance programs. In 2023, four states directed 15% of their funds to direct bill relief, generating \$128 million in credits. This is money that directly shows up on bills right away for low-income families.

MARKET-WIDE BENEFITS

Lower wholesale prices and grid infrastructure costs for everyone

When RGGI proceeds fund efficiency at scale, overall electricity demand falls. That pushes down wholesale market clearing prices and reduces the fixed costs of the grid (transmission and distribution), which will benefit every ratepayer in the region – not just those who receive upgrades. The savings are diffuse but real and measurable.

What Goes Out Vs. What Comes Back

Residential Customer Perspective – Example from New Jersey

The Costs: NJ Utility Riders				The Returns: Bill Savings and Relief	
~\$2-\$4/month				\$2.7 Billion	
For a typical NJ residential customer (EIA) paying ~\$138 for 650 kWh per month, the RGGI-related rider adds ~\$2-\$3.50/month – just 1-3% of the total bill.				Lifetime energy bill savings flowing back to 200,000 households and 1,600+ businesses from 2023 investments alone across the region (RGGI Inc.).	
Utility	Rate	650 kWh Monthly Cost	Docket	\$123 Million	
JCP&L	0.53¢/kWh	~\$3.45	ER24020075	In 2025, the Board of Public Utilities approved a Universal Bill Credit, a \$100 credit (\$8.33/month equivalent) applied to all New Jersey residential bills regardless of income. The total amount committed was \$385 million, \$123 million of which was from the BPU's RGGI funds (NJPP, 2026).	
Rockland Electric	0.46¢/kWh	~\$2.99	ER24020072		
ACE	0.32¢/kWh	~\$2.08	ER22070415		

Why RGGI is Such a Powerful Energy Affordability Tool

1. **Efficiency savings are long-lived:** A weatherized home saves money every single month for, in many cases, up to 10 or 20 years. RGGI directs the majority of its proceeds towards durable solutions to drive recurring savings, and the data shows it: \$20 Billion in cumulative bill savings and counting.
2. **Reaching households with the highest energy burden:** When it comes to programs like energy efficiency and direct bill rebates, the RGGI program is encouraged to direct proceeds towards these households. [NEEP](#) found that 9 out of 10 of the RGGI states prioritized low and moderate income (LMI) investments in 2023.
3. **Reducing demand and energy prices for everyone:** Everyone benefits when efficiency programs reduce total electricity consumption across hundreds or thousands of homes, because the entire wholesale market responds, and it puts downward pressure on peak infrastructure costs. Less demand means lower prices for the whole grid across generation, transmission, and distribution.
4. **Dedicated and reliable funding:** RGGI doesn't compete with state budget priorities for energy affordability funding. It is a dedicated and predictable stream of dollars directed straight toward effective programs that lower bills.
5. **Staying in RGGI means access to the benefits:** In states like NJ where around 40% of electricity is imported from other states, the state still had to pay for the RGGI-influenced wholesale price of imported power but collected nothing in return when the state was out of RGGI from ~2012 to 2020. That meant no proceeds, no reinvestments, no bill credits to customers. The benefits last only as long as states remain participants in the program.

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