



TRANSPORTATION AND CLIMATE INITIATIVE

CLEAN TRANSPORTATION FUTURE FOR RHODE ISLAND

REGIONAL CAP AND INVEST PROGRAM TO PROMOTE CLEAN MOBILITY OPTIONS AND REDUCE GREENHOUSE GAS EMISSIONS FROM THE TRANSPORTATION SECTOR

Rhode Island is part of the multi-state Transportation & Climate Initiative (TCI) aiming to build a regional program that would cap and reduce greenhouse gas emissions from the transportation sector across the Northeast and Mid-Atlantic, and invest the proceeds in a cleaner, more resilient, and more equitable low-carbon transportation system.



TCI will significantly cut pollution, while investing in cleaner transportation and healthier communities for all. This program is expected to:

\$20 million

➤ TCI is projected to bring \$20 million, annually, into Rhode Island.



➤ improve air quality by reducing harmful GHG, NOx, and PM 2.5 emissions



➤ reduce health concerns such as asthma caused by poor air quality



➤ decrease health care costs and lost productivity for businesses



➤ improve public transit system through expansion and electrification



➤ help businesses purchase and support EV fleets and charging stations for employee vehicles



➤ encourage the use of cleaner and quieter vehicles in neighborhoods



➤ reduce congestion for commuting employees and increase productivity



➤ enable drivers to switch to more efficient vehicles and fill up less at the pump



➤ expand safe bike lanes, bike paths, walking trails, and sidewalks



➤ create incentives for continued telecommuting to reduce long commute times



➤ improve high speed wireless internet in rural and low-income areas



➤ create jobs through infrastructure investments and boost the economy



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How does climate change impact RI?

Climate change is already here, and we see it in warmer weather (impacting health outcomes), more intense rains (increased flooding), warmer waters (impacting fisheries and water quality), sea level rise (increased flooding and loss of property) and drought.

In 2018, the State of Rhode Island released Resilient Rhody, one of the first statewide resilience strategies developed in the country. The strategy has catalyzed over \$8 million in additional funding and financing for Municipal Resilience Program projects since 2019. Resilient Rhody responds to changing weather and environmental conditions in Rhode Island caused by climate change.

Rhode Island is a regional leader in creating and promoting a green economy. Preliminary data has shown that RI exceeded its 2020 goal of a 10% reduction in greenhouse gas emissions relative to 1990 levels. Rhode Island's participation in the Regional Greenhouse Gas Initiative – a program that has halved regional GHG emission from the electric sector – has allowed the state to invest in energy efficiency, conservation, and renewable energy. What this means for Rhode Islanders: better jobs, cleaner air, and healthier communities.

Why focus on clean transportation?

The transportation sector accounts for about 36% of greenhouse gas emissions in Rhode Island. We need to tackle transportation emissions to meet Rhode Island's 2035 greenhouse gas emissions target of a 45% reduction below 1990 emission levels.

People who live or work near busy highways may face greater risk than those who live or work in other parts of the community. A recent DEM study found that levels of air pollutants measured at an air monitoring station near I-95 where it passes through Providence were twice as high as levels at other urban monitoring sites.

How will the program work?

The Transportation & Climate Initiative will require large gasoline and diesel fuel suppliers to purchase "allowances" for the pollution that results from the combustion of fuels they sell in the region. Auctioning those allowances would generate proceeds for the participating jurisdictions to invest in equitable, less polluting, and more resilient transportation. The total number of emission allowances would decline each year, resulting in less transportation pollution. Under the TCI program total emissions in the participating jurisdictions would decline each year, guaranteeing at least a 26% reduction in carbon emissions from transportation from 2022 to 2032.

High level program design elements:

- Ensure carbon reduction goals are met, while creating healthier and more livable communities with a clean, resilient transportation system.
- Create opportunities for jobs and economic growth.
- Ensure that the benefits and burdens of both the pricing mechanism and investments are shared equitably across communities and improve transportation equity and environmental health for currently under-served and overburdened populations. Rhode Island's goal is to work with communities to invest no less than 35% of annual program proceeds in overburdened and underserved communities disproportionately burdened by pollution to create healthier places to live.

How will this program address equity?

Rhode Island and the other participating TCI jurisdictions have committed to work with communities to invest 35% of proceeds to ensure that overburdened and underserved communities benefit equitably from clean transportation projects and programs. These communities experience disproportionately high levels of pollution, increasing vulnerability to health risks. Cutting pollution and investing in transportation will result in healthier communities – with those who are most affected by air pollution seeing significant improvements.

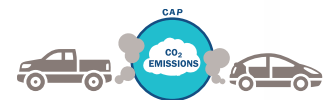
What are the benefits of starting this program now?

Taking smart steps to cut the pollution that fuels climate change cannot wait. Climate change and pollution from transportation, manufacturing and other sources impose an increasingly serious burden on communities across the Northeast and Mid-Atlantic region — with under-served and overburdened communities hit the hardest. Action is needed now in order to avoid the most disastrous effects of climate change and improve public health outcomes for these communities. These investments will create thousands of jobs, boost economic activity, and support transit and transportation solutions that will fuel future economic expansion.



of greenhouse gas emissions in Rhode Island are tied to the transportation sector

CAP AND INVEST: HOW IT WORKS



CAP A limit, or cap, is set on the amount of carbon dioxide (CO₂) that is released from vehicles using transportation fuels. The initial cap is based on a baseline or "business as usual" scenario and that cap will be reduced over time.



ALLOWANCE Transportation fuel suppliers must obtain an allowance for every ton of carbon dioxide resulting from the fuel they sell.



AUCTION The total number of available allowances is limited based on the cap. An auction is held. Transportation fuel suppliers can bid on available allowances.



INVEST States receive payments based on the revenues raised from the sale of allowances. States invest proceeds to reduce transportation carbon emissions through support for lower carbon transportation options.