



ICC: New Report by University of Chicago Harris Policy Lab Grad Students to Aid State's Efforts to Reduce Carbon Emissions

Chicago, IL- Graduate students at the University of Chicago Harris Public Policy Labs spent the 2021 winter quarter conducting research into the topic of carbon pricing in the electricity sector, and how it could potentially benefit Illinois. From January to March, the students explored and analyzed relevant and environmental policies at the state and federal levels, and how carbon pricing could be implemented in regional transmission organizations before preparing and presenting their report to the Illinois Commerce Commission.

The report, while limited in scope to the Pennsylvania, New Jersey, and Maryland Regional Transmission Organization (PJM RTO), finds that a carbon pricing mechanism could help Illinois achieve carbon reduction emissions. The report synthesizes a large amount of existing information regarding the development, implementation and potential market impacts of a carbon pricing mechanism and includes recommendations for further analysis specific to the State of Illinois' market context, goals and stakeholders. The report also outlines possible future steps the state might consider in evaluating potential carbon pricing mechanisms.

The Harris Policy Lab students worked on the project under the supervision of Professor Wil Burns and professional advisor Laura Bergedieck. The four graduate students assigned to the project engaged with the Staff of the ICC for guidance in developing the parameters and goals for the report and ICC Chairman Carrie Zalewski provided the students with a virtual 'ICC 101' presentation to give them a greater understanding about the agency.

"This project gave the students first-hand experience at conducting research into a highly technical issue, analyzing complex data, as well as allow them to hone their communication skills, learn how to work as a team, and develop policy recommendations. This report is a good conversation starter for regulators, policy makers and other stakeholders and offers a glimpse into what a carbon pricing mechanism could look like here in Illinois. It was a pleasure working with the students and we applaud their accomplishments in putting together this comprehensive report," **said ICC Chairman Carrie Zalewski.**

The students had 11 weeks to complete the project. The students who authored the report are Brandon Charles, Caleb Kao, Jaymal Patel, and Timmy Yang.

"This project was a quintessential example of the value of Harris Policy Labs, providing an incredible real-world learning experience for the students, and a polished work product of great value to the ICC. We look forward to working with the Commission on future projects," **said University of Chicago Professor Will Burns.**

The student's report is divided into four sections, providing an overview of critical market and carbon pricing concepts, the PJM RTO, the Federal Energy Regulatory Commission (FERC), and the 11-state Regional Greenhouse Gas initiative (RGGI). It includes an in-depth analysis of three RGGI states and a high-level analysis of two alternative carbon pricing programs, as well as the potential market impacts of a potential carbon pricing mechanism in Illinois. The report concludes with a summary of

recommendations for further analysis. If you are interested in reading the report, click [here](#).

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