

## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING** (“MOU”) is made this 24th day of June 2021, by and between,

**THE STATE OF NEW JERSEY, DEPARTMENT OF ENVIRONMENTAL PROTECTION**, with its principal office in the Department of Environmental Protection Building, 401 East State Street, Trenton, New Jersey 08625 (hereinafter referred to as the “DEP”); and

**THE NEW JERSEY BOARD OF PUBLIC UTILITIES**, with its principal office at, 44 S. Clinton Ave., Trenton, New Jersey 08625 (hereinafter referred to as the “BPU”); and are collectively referred to herein as the “Parties.”

**WHEREAS**, the Regional Greenhouse Gas Initiative (“RGGI”) is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce power sector CO<sub>2</sub> emissions; and

**WHEREAS**, RGGI is composed of individual CO<sub>2</sub> Budget Trading Programs in each participating state implemented through independent regulations in each participating state; and

**WHEREAS**, RGGI limits emissions of CO<sub>2</sub> from electric power plants, issues CO<sub>2</sub> allowances and establishes participation in regional CO<sub>2</sub> allowance auctions; and

**WHEREAS**, New Jersey enacted P.L. 2007, c. 340, which enabled the state to participate in a CO<sub>2</sub> emission trading program and established specific state agency funding allocations and programmatic areas of focus, and established the Global Warming Solutions Fund (“GWSF”); and

**WHEREAS**, Section 7 of P.L. 2007, c. 340, codified at N.J.S.A. 26:2C-51, sets forth the terms and conditions upon which New Jersey allocates and distributes RGGI auction funds; and

**WHEREAS**, Funding under the GWSF is allocated by percentage to three state agencies (60% to the New Jersey Economic Development Authority (“NJEDA”), 20% to the BPU and 20% to the DEP), and those agencies are required to spend funds within specific programs areas; and

**WHEREAS**, N.J.S.A. 26:2C-51 requires the BPU to utilize its 20% allocation of RGGI funding to, in consultation with DEP, support programs that are designed to reduce electricity demand or costs to electricity customers in the low-income and moderate-income residential sector with a focus on urban areas, including efforts to address heat island effect and reduce impacts on ratepayers attributable to the implementation of P.L.2007, c.340 (C.26:2C-45 et al.) or to support the light duty plug-in electric vehicle incentive program and the incentive program for in-home electric vehicle service equipment established pursuant to sections 4 and 6 of P.L.2019, c.362 (C.48:25-4 and C.48:25-6); and

**WHEREAS**, DEP has agreed, under the terms and conditions of this MOU, to accept BPU's allocated RGGI funding for calendar year 2020 and to assist BPU with the administration of its obligations under the GWSF Act; and

**WHEREAS**, the Parties agree that this MOU is in the best interests of the public; and

**WHEREAS**, the Parties under the powers vested to them by law, have determined that it is in the Parties' mutual interest to enter into this MOU; and

**WHEREAS**, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter agreements to provide assistance to each other.

**NOW, THEREFORE**, the Parties hereto agree as follows:

**1. PURPOSE/SCOPE OF PROJECT:** To achieve the goals of this MOU, the Parties hereby agree as follows:

a. The BPU shall allocate its total RGGI funding for calendar year 2020 allocated to it under N.J.S.A. 26:2C-51 to the DEP.

b. The DEP shall accept the above funds from the BPU and the DEP shall utilize those funds in accordance with the statutory requirements imposed upon BPU. DEP shall report to BPU the status of funding disbursement quarterly until funds have all been expended to selected awardees.

**2. TERM:** This MOU shall become effective on the date it is fully executed by both Parties and shall continue for a period that is simultaneous with the RGGI Strategic Funding Plan for year 2020, with an option to extend annually for up to two additional years consistent with the RGGI Strategic Funding Plan for year 2021 and/or 2022 upon the Parties mutual written consent.

**3. THIRD-PARTY BENEFICIARIES:** This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status.

**4. DISPUTE:** If there are any disputes among the Parties concerning this MOU, the Commissioner of DEP and the President of the BPU, or their authorized representatives, shall confer to resolve the dispute.

**5. AMENDMENT:** This MOU may be amended only by mutual agreement of the Parties in writing that shall be effective as of the date stipulated therein.

**6. TERMINATION:** Either party may terminate this MOU upon 90 days written notice. The Parties agree to meet within 90 days of termination to provide a final accounting, including the return of any unexpended GWSF funds to the BPU.

**7. NOTICE:**

All correspondence and notices to the DEP regarding this MOU shall be addressed to:

Chief of Staff  
New Jersey Department of Environmental Protection  
401 E. State Street, Trenton, NJ 08625  
(609) 633-1123

All correspondence and notices to the BPU regarding this MOU shall be addressed to:

Chief of Staff  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., Trenton, NJ 08625

**8. INTENT.** This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

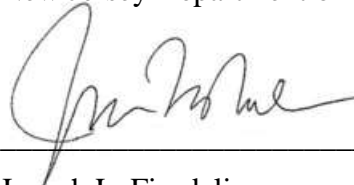
**IN WITNESS WHEREOF,** the Parties have caused this instrument to be signed by their duly authorized representatives or designees.

By:



Shawn M. LaTourette  
Commissioner  
New Jersey Department of Environmental Protection

By:



Joseph L. Fiordaliso  
President  
New Jersey Board of Public Utilities