

RGGI Workshop

Atlantic Cape Community College | Hosted by NJDEP



AGENDA

6:00 P.M.

welcome

Workshop Moderator, Tanya Oznowich, Office of Communications, NJDEP

6:15 P.M.

Host Agency Welcome

Paul Orlando, Division of Climate, Clean Energy and Radiation Protection, NJDEP

6:25 P.M.

Introduction to the RGGI Strategic Funding Plan

Christine Schell, Office of the Asst. Commissioner, Air Quality, Energy and Sustainability, NJDEP

6:45 P.M.

Question & Answer

7:00 P.M.

break

Breakout Sessions

Facilitated discussion at each table.

Report Out

Table Representative(s) will report on priorities, questions and comments.

Next Steps & Closing Remarks

8:30 P.M.

adjourn

Paul Orlando

Director

Climate, Clean Energy and Radiation Protection , NJDEP



Introduction to the RGGI Strategic Funding Plan

Christine Schell | NJDEP



Back to the Future: New Jersey Rejoins RGGI

NJ Signs MOU to create RGGI

New Jersey Governor Richard Codey joined with the governors of Connecticut, Delaware, Maine, New Hampshire, New York, and Vermont to sign a memorandum of understanding to establish RGGI.

2005



Global Warming Response Act (GWRA)

New Jersey enacted the [Global Warming Response Act](#), requiring the State to reduce economy-wide GHG to 1990 levels by 2020 and to 80% below 2006 levels by 2050.

2007



CO2 Emissions Trading Rule

NJDEP developed the CO2 Emissions Trading Rule which established the “mechanics” of RGGI participation (e.g., regulated community, auction participation, permitting and enforcement requirements).



Global Warming Solutions Fund Act (GWSFA)

New Jersey enacted the [Global Warming Solutions Fund Act](#), which authorized the State to implement a market-based CO2 emissions trading program such as RGGI.

2008



Global Warming Solutions Fund Rule

NJDEP developed the Global Warming Solutions Fund rule which established the guidelines and priority ranking system for the distribution of RGGI’s proceeds.



NJ Exits RGGI

New Jersey Governor Chris Christie withdrew the State from RGGI.

2012



Executive Order 7 (EO 7)

New Jersey Governor Phil Murphy issued EO 7 directing New Jersey to re-enter RGGI and participate in the CO₂ allowance auctions, which will be accomplished through DEP rulemaking. Through a simultaneously proposed but separate rulemaking, DEP will establish the framework for New Jersey’s participation in the RGGI auctions.

2018



Adopted RGGI Rules

New Jersey adopts RGGI rules enabling the state’s reentry to the emissions trading program.

2019

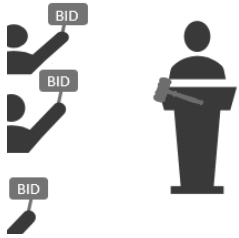


NJ’s First Auction

New Jersey is scheduled to participate in the first auction of 2020.

2020

How Does RGGI Work?

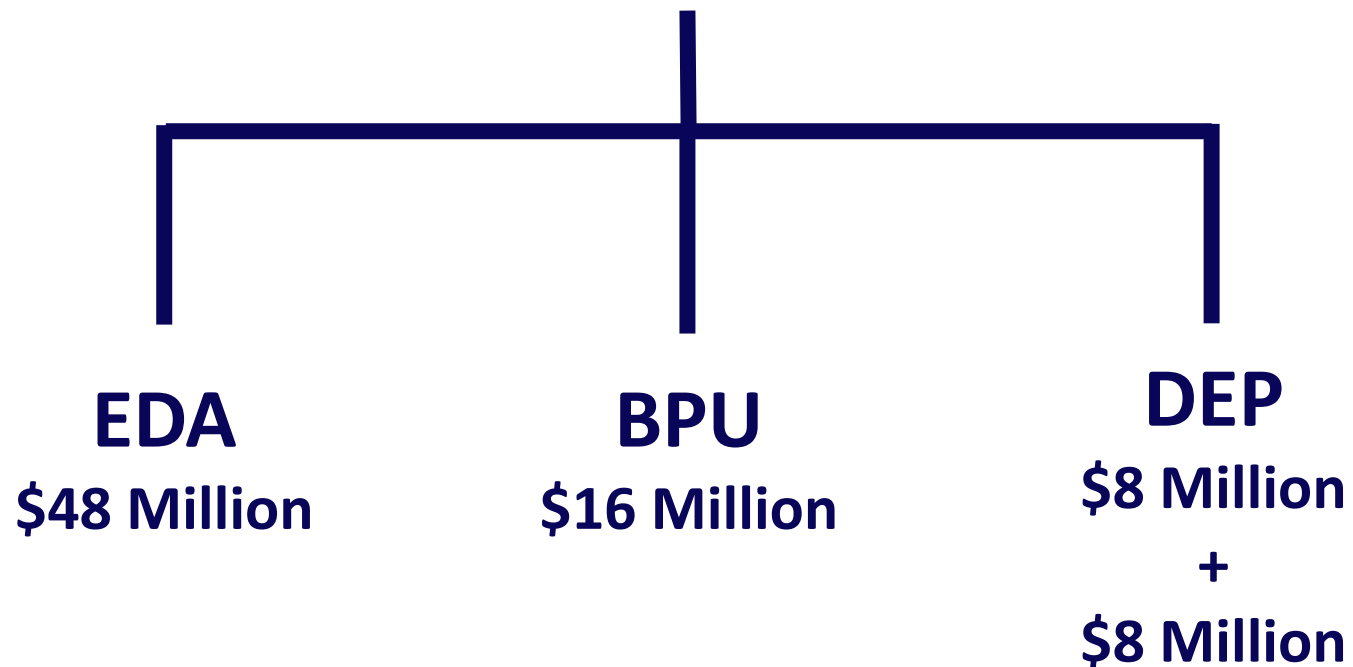


- Regional greenhouse gas emissions cap is established
- States offer allowances for sale in quarterly auctions
- Electric Generating Units purchase allowances to equal emissions for 3-year control period
- States receive revenue from quarterly auctions to invest


How Much Money?

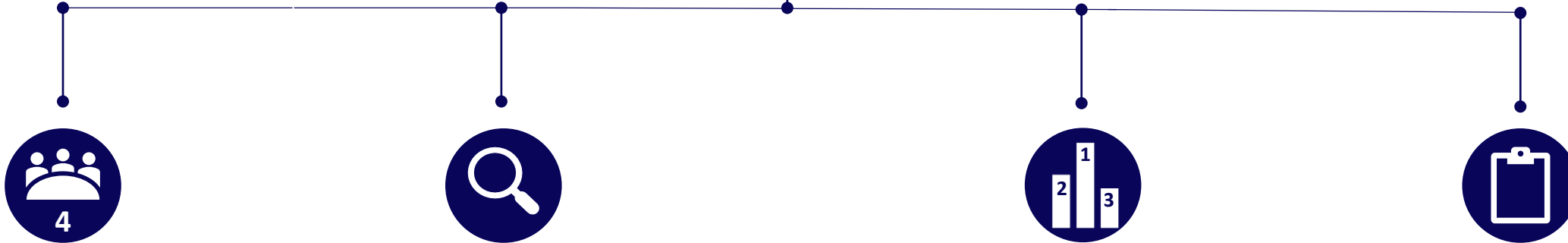
The amount of money received will depend upon the price of carbon at the time of each auction.

**Best Guess:
\$80 million in 2020**



Why you are here: The Strategic Funding Plan

- The Global Warming Solutions Fund Rule requires the NJDEP, NJBPU and NJEDA to coordinate the use of RGGI funds through a Strategic Funding Plan developed at least every three years.
 - The goal is for the agencies to work together toward common goals and find ways to compliment and amplify state funding to meet the State's climate and clean energy goals and ensure investment in disproportionately impacted communities.
 - This is an opportunity for you to provide input on the funding priorities to benefit your communities and New Jersey as a whole.
- 



Public Meetings
Host four public meetings to educate about the funding requirements and to gather input on spending priorities.

Develop Initiatives
Identifies initiatives each agency will sponsor during the corresponding funding period.

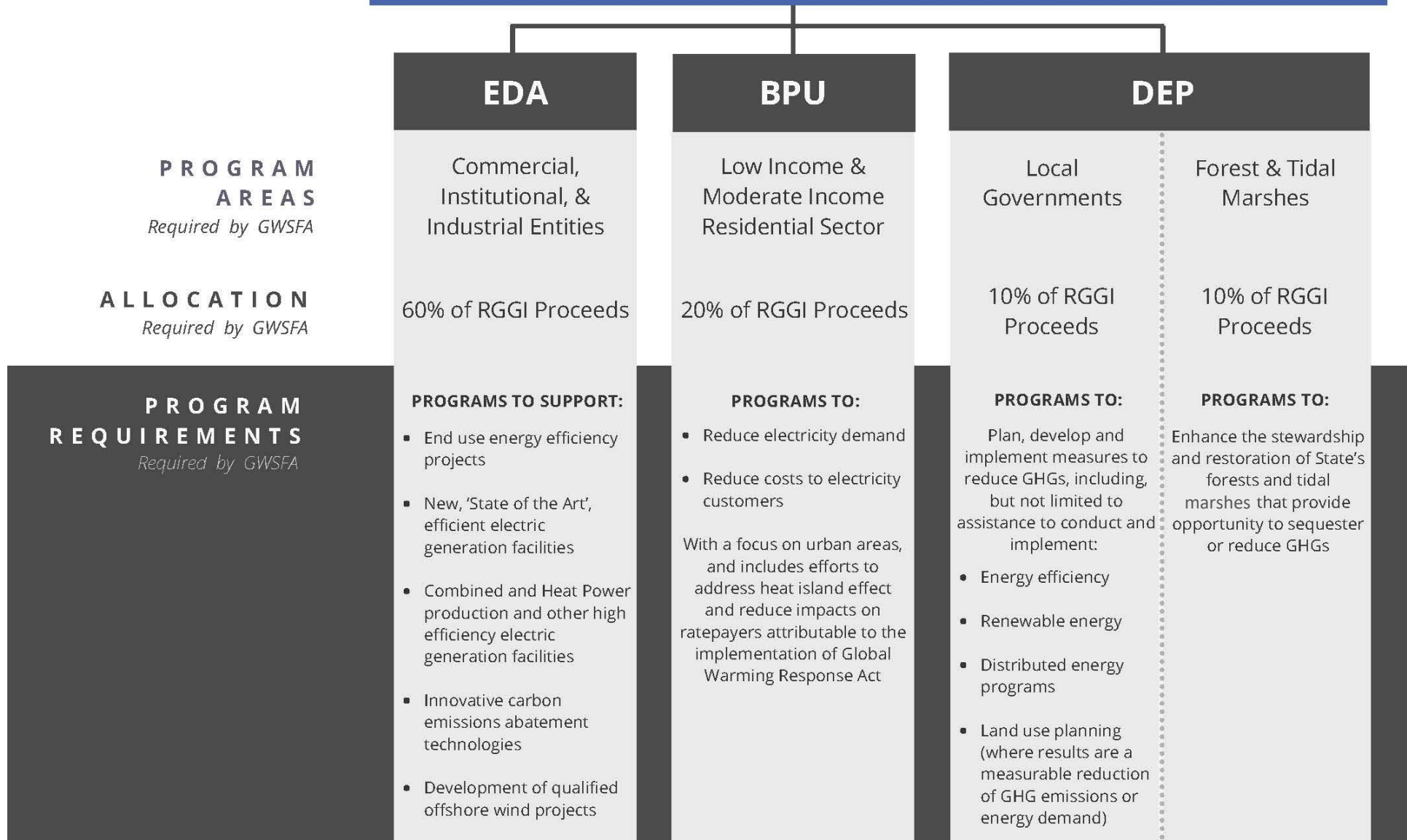
Rank Initiatives
Ranks initiatives against six objectives by the state agencies. Each objective must be ranked critical to at least one initiative.

Report Out
Subsequent funding plans must report on previously funded projects and programs.

GLOBAL WARMING SOLUTIONS FUND ACT (GWSFA)

N.J.S.A 26:2C-52

- Allocates funding by percentage to three NJ Agencies
- Requires Agencies to spend RGGI funds within specific program areas



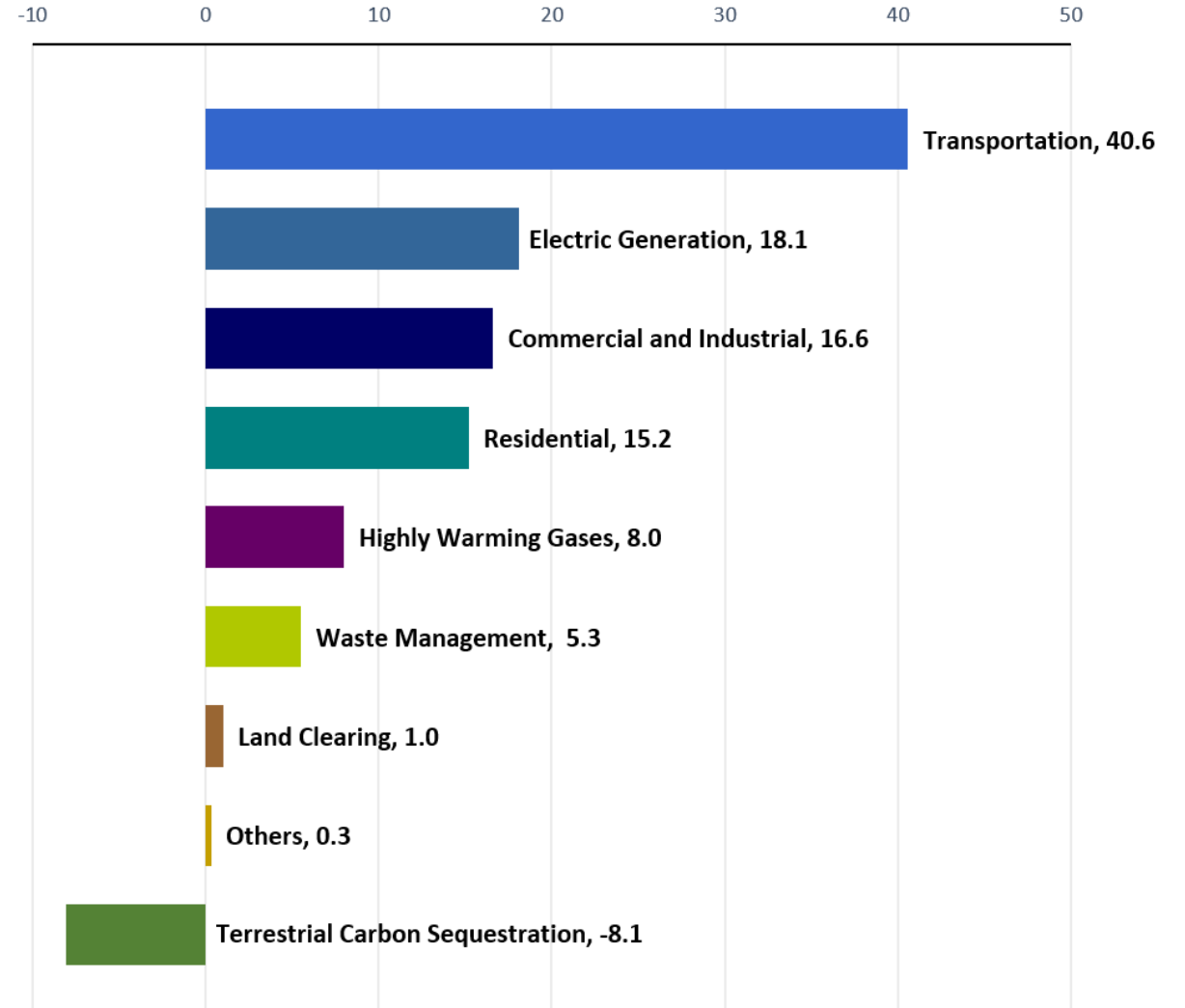
Strategic Funding Plan Objective #1

Net reduction in greenhouse gas emissions or net sequestration of carbon.

Estimated NJ Greenhouse Gas Emissions, 2018

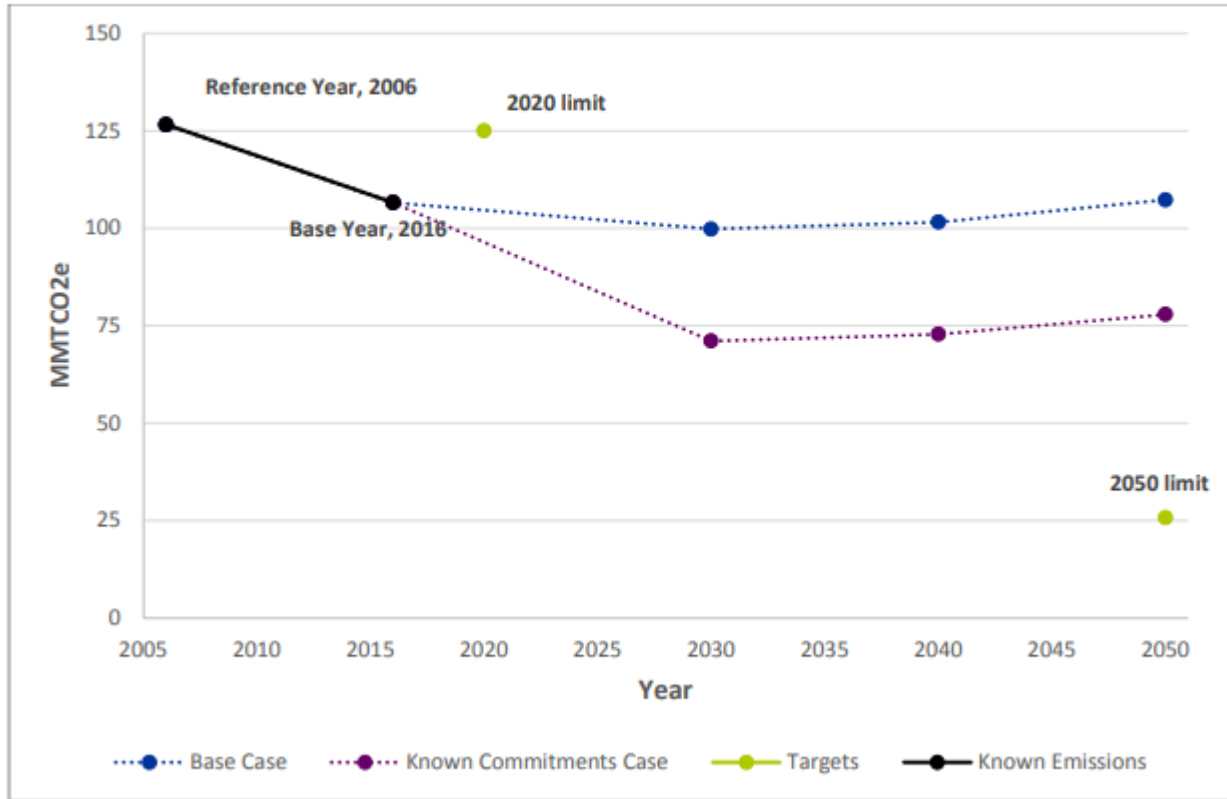
(in million metric tons CO₂e)

Total Net Emissions, 97.0 million metric tons CO₂e



Strategic Funding Plan Objective #2

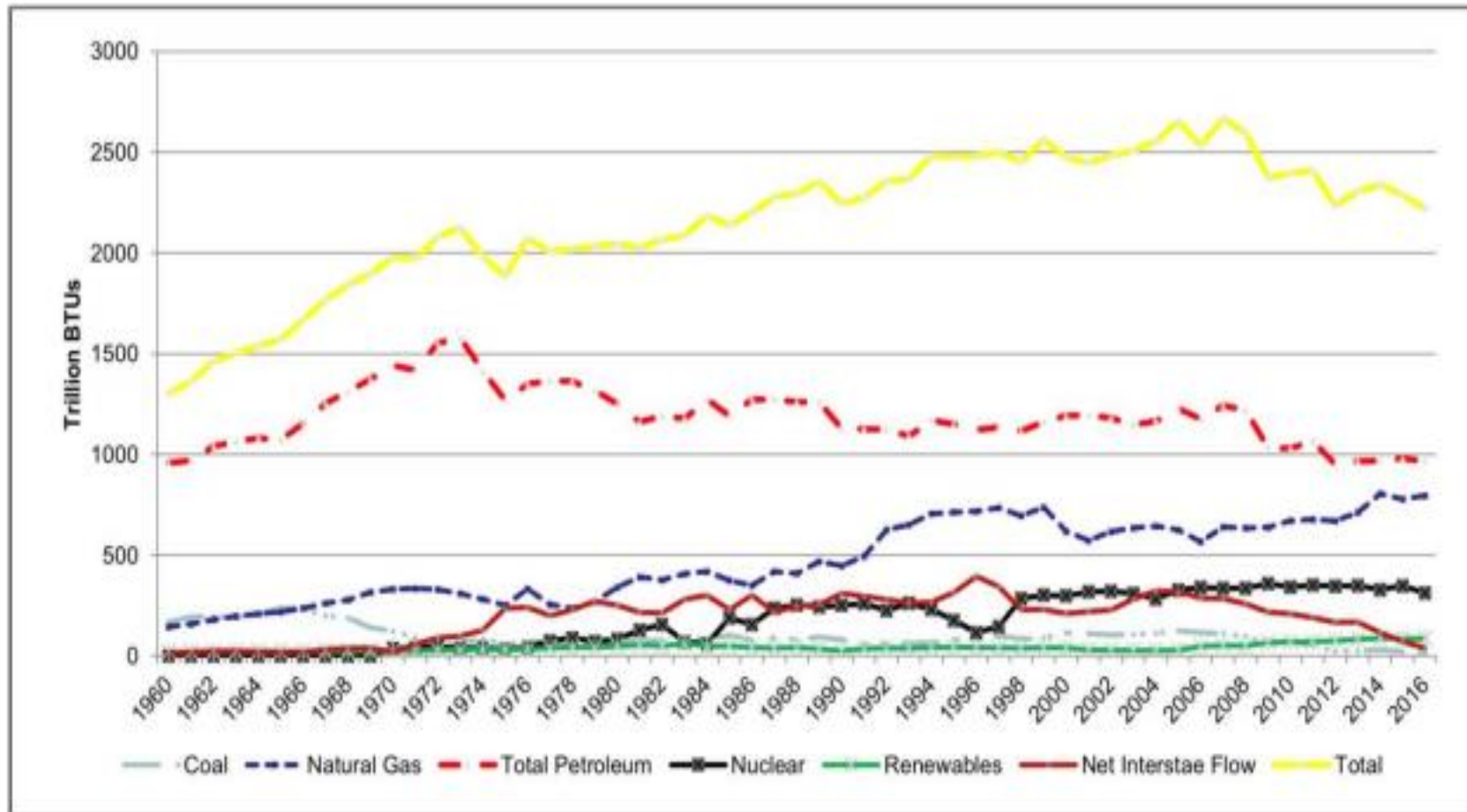
New Jersey's Greenhouse Gas Reduction Targets Including Clean Energy Act Mandates

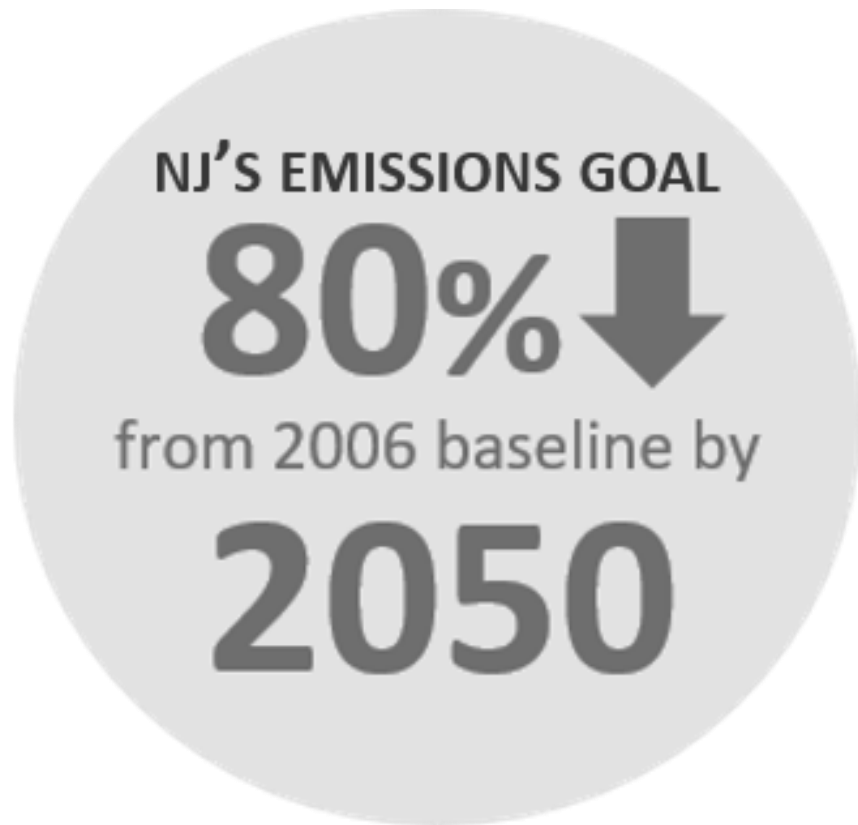


Significant reductions in greenhouse gas emissions or energy demand and/or significant contribution to the achievement of the state's 2050 Global Warming Response Act limit (relative to cost).

Reduce energy use.

New Jersey Primary Energy Consumption (Trillion BTUs) 1960-2016





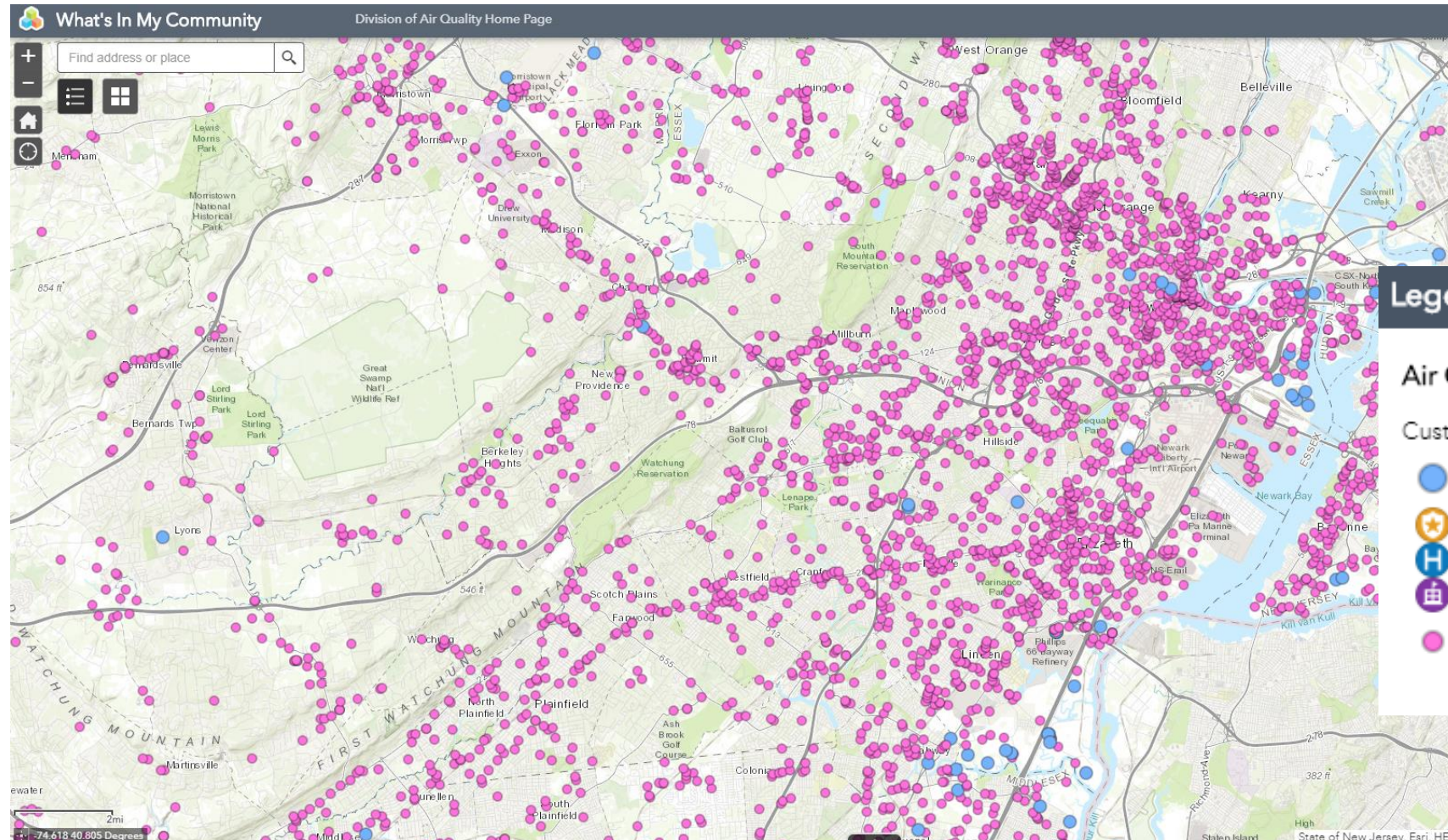
Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act.

Provide co-benefits to the state.



Strategic Funding Plan Objective #6

Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.



Legend

Air Quality Permitted Facilities

Custom

- Major Sources
- Emergency Services
- Hospitals
- Schools
- Other Minor Sources




Electrification of transportation in the State.





Provide meaningful benefits to communities most affected by pollution and climate change

What is the Scoping Document?

The Scoping Document is:

-  A tool to educate the public about the legal and regulatory framework surrounding the distribution of RGGI auction proceeds
-  Provides *example* initiatives that put the framework into context
-  Explains the Governor's funding priorities

The Scoping Document is not:

-  A draft strategic funding plan
-  A summary of the final initiatives that will be funded by the state agencies



Example Funding Initiatives



Initiative 1: Clean Transportation

Initiative One seeks to accelerate transportation electrification in the State, focusing on programs and projects that will have a beneficial impact on communities disproportionately impacted by the effects of environmental degradation and climate change.

Agency Sponsor(s):



NJEDA

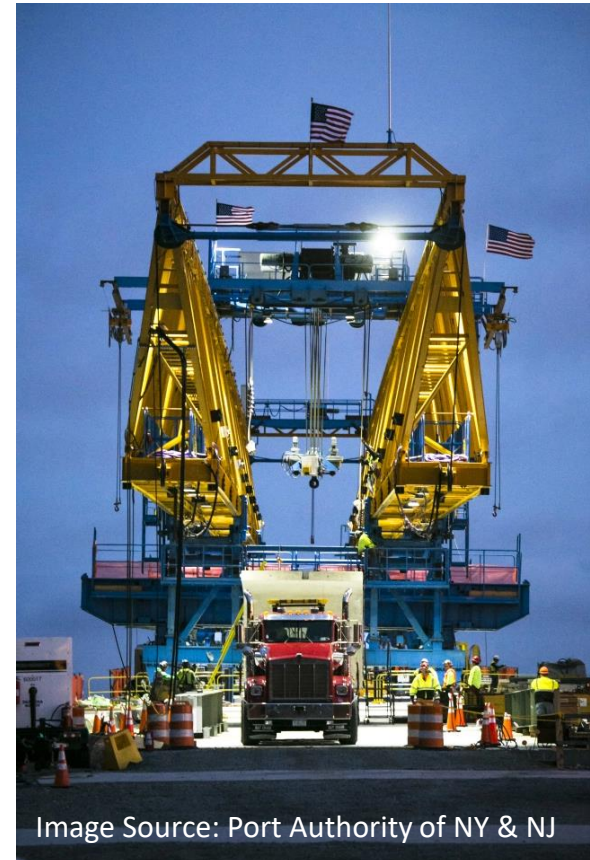


Image Source: Port Authority of NY & NJ

Initiative 2: New Jersey Green Bank

Initiative Two seeks to increase the pace of clean energy investment through the creation of the New Jersey Green Bank. RGGI funding would be used by the NJEDA to capitalize a Green Bank to provide direct loans, or financial enhancements to support private lending.

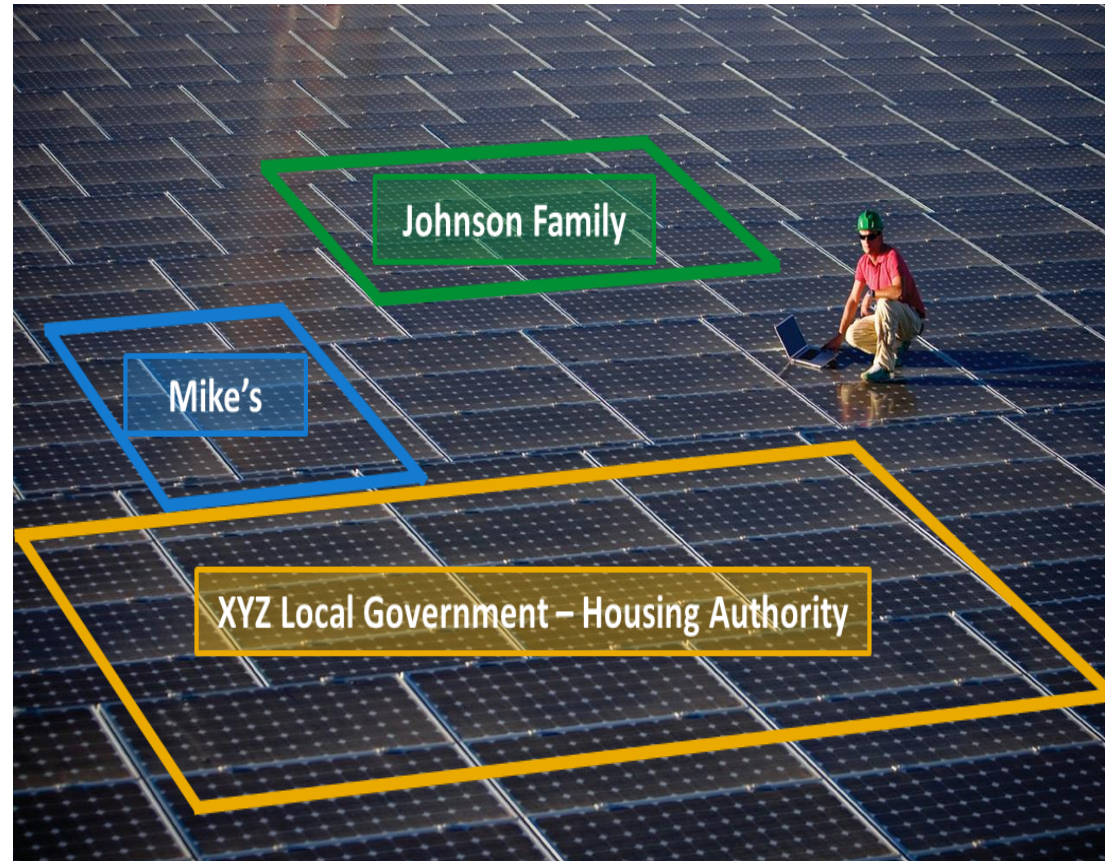
Agency Sponsor(s):



Initiative 3: Community Clean Energy Microgrid

Initiative Three seeks to reduce electricity consumption in low- and moderate-income (LMI) households through the development and implementation of a **Community Clean Energy Microgrid (CCEM) program**, a coordinated, comprehensive, and holistic neighborhood energy approach for all LMI single- and multi-family building customers.

Agency Sponsor(s):



Initiative 4: Net-Zero Energy Solutions for Waste Management

Initiative Four seeks to reduce emissions from waste disposal. Funding would be provided to facilities for net-zero energy use through the implementation of proven technologies and best practices in the areas of energy conservation, demand reduction and enhanced production.

Agency Sponsor(s):



Image Source: Princeton University

Initiative 5: Beneficial Role of New Jersey Forests in the Carbon Cycle

Initiative Five seeks to promote, protect and maintain the beneficial role of New Jersey forests in the carbon cycle.

Agency Sponsor(s):



Image Source: NJ Tree Foundation



Initiative 6: Sequester “Blue Carbon” in Coastal Habitats

Initiative Six seeks to promote, protect and maintain the beneficial role of New Jersey tidal marshes in the carbon cycle.

Agency Sponsor(s):



Initiative 7: Strengthen Clean Tech Innovation

Under this initiative, NJEDA could provide funding and in-kind assistance to strengthen clean tech innovation in the state through support for the innovation ecosystem (e.g., incubators, proof of concept centers, research databases, etc.), the funding of individual early-stage clean tech companies and entrepreneurs, and support for basic research.

Agency Sponsor(s):



Example Funding Initiatives

Objectives

	Initiative 1 Clean Transportation	Initiative 2 New Jersey Green Bank	Initiative 3 Community Clean Energy Microgrid	Initiative 4 Net-Zero Energy Solutions for Waste Management	Initiative 5 Beneficial Role of New Jersey Forests in the Carbon Cycle	Initiative 6 Sequester "Blue Carbon" in Coastal Habitats	Initiative 7 Strengthen Clean Tech Innovation
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C C	C	C	C	C	C	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State's 2050 Global Warming Response Act limit, relative to the cost of the project or program;			C				
3. Reduction in energy use;			C	C			
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C C		C	C	C	C	C
5. Provide co-benefits; and	C C		C	C	C	C	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C C		C	C			

Key

NJBPU	NJEDA	NJDEP Local Govt.	NJDEP Marsh/Forest
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Timeline



Question & Answer

Break

Breakout Session

Which initiatives, projects and/or programs presented in the Scoping Document should the state prioritize for funding? Why?

Are there other funding priorities not listed in the Scoping Document that should be considered? Why?

How can municipalities best reduce greenhouse gas emissions in their communities? How can RGGI funding be utilized to support these efforts?

Are you aware of any current or planned coastal salt marsh creation, enhancement or restoration projects that could utilize future RGGI funding?

How should the 10% of RGGI funding allocated to coastal marshes and forests be split between the two programs? Why?

How should we measure the success of the projects once they are implemented? What metrics are most effective? What would success look like to you?

Any other feedback?

Contact Us: njrggi@dep.nj.gov

Website: nj.gov/rggi/

Next Workshops:

- [North Workshop](#) | NJBPU Hosting at NJIT (November 18th from 6-9 PM)
- [Central Workshop](#) | NJEDA Hosting at Rutgers (November 25th from 9-12PM)