

# New Jersey Department of Environmental Protection (NJDEP) CO<sub>2</sub> Budget Trading Program, N.J.A.C. 7:27C



## Application by a Cogeneration Unit for a CO<sub>2</sub> Allowance Compliance Obligation Adjustment

*Pursuant to N.J.A.C. 7:27C-5.3, the CO<sub>2</sub> authorized account representative (AAR) seeking a CO<sub>2</sub> allowance compliance obligation adjustment (compliance obligation adjustment) for a cogeneration unit, as defined at N.J.A.C. 7:27C-1.2, must submit a complete application to the Department by January 30<sup>th</sup> following the end of the allocation year (reporting year) for which the compliance obligation adjustment is being requested. The Department will determine if the cogeneration unit qualifies for a compliance obligation adjustment. If the cogeneration unit meets the applicable requirements, the Department will adjust the compliance obligation by reducing the total CO<sub>2</sub> emissions by an amount equal to the CO<sub>2</sub> that is emitted as a result of providing useful thermal energy or electricity, or both, supplied directly to the co-located facility during the specified allocation year, as set forth in N.J.A.C. 7:27C-5.3(d). Please carefully read the instructions before completing and submitting the application. The application must be submitted by January 30, 2023.*

### **Instructions to complete Application by a Cogeneration Unit for a CO<sub>2</sub> Allowance Compliance Obligation Adjustment, Forms A and B**

#### ***General Instructions:***

The AAR of the CO<sub>2</sub> budget source (facility) may complete one Form A and one certification for all cogeneration units for which the AAR, with its application, is requesting a compliance obligation adjustment pursuant to N.J.A.C. 7:27C-5.3. The AAR of the CO<sub>2</sub> budget source must complete Form B for each cogeneration unit for which the AAR is requesting a compliance obligation adjustment. **Failure to timely submit a complete application may result in a rejection of the application.**

#### ***Form A. Facility Information***

Provide all required information to identify the CO<sub>2</sub> budget source, facility name, company name, EIA plant code, NJDEP PI number, address). If the CO<sub>2</sub> budget source has more than one cogeneration unit for which a compliance obligation adjustment is being requested and the AAR chooses to submit only one Form A for all of the cogeneration units (with the required corresponding completed Form B), identify each unit ID in the space provided. Also provide all required information to identify the Authorized Account Representative (AAR name, title, address, phone/fax number, email address) and RGGI CO<sub>2</sub> Allowance Tracking System (RGGI-COATS) compliance account name and number for the CO<sub>2</sub> budget source.

#### ***Form B. CO<sub>2</sub> Budget Unit and CO<sub>2</sub> Allowance Information***

The AAR of the CO<sub>2</sub> budget source must complete Form B for each cogeneration unit identified in Form A, for which a compliance obligation adjustment is being requested. For each Form B and attachments, indicate the page number and number of total pages in the upper right-hand corner. Identify the allocation year for which the AAR is requesting a compliance obligation adjustment, the CO<sub>2</sub> budget source (facility name), and the specific CO<sub>2</sub> budget unit for which the compliance obligation adjustment is being requested. The Unit ID entered should correspond to the CO<sub>2</sub> budget unit identified in RGGI-COATS. The Nameplate Capacity (MWe) entered should reference that identified in the Account Certificate of Representation Form.

According to the CO<sub>2</sub> Budget Trading Program Rule at N.J.A.C. 7:27C-5.3, DEP will adjust the compliance obligation of any qualifying cogeneration unit by reducing the total CO<sub>2</sub> emissions of the unit by an amount equal to the CO<sub>2</sub> that is emitted as result of providing useful thermal energy or electricity, or both, supplied directly to the co-located facility during the allocation year. For the Department to make this determination, Form B requires submission of documentation that the CO<sub>2</sub> budget unit meets the definition of a cogeneration unit at N.J.A.C. 7:27-1.2.

Form B also requires the following information: total annual CO<sub>2</sub> emissions (tons) as reported to EPA/AMPD, net electricity generation (MWh), combustion turbine net generation (MWh), behind the meter electricity sold (MWh), total steam generated by the unit (kLbs), and percentage of steam sold (facility wide). The AAR must also attach the calculations and supporting data used to determine the compliance adjustment being requested and an explanation of the data and the methods on which the calculations are based. In the space provided for CO<sub>2</sub> allowance adjustment requested, the AAR must identify the total number of CO<sub>2</sub> allowances requested to be reduced from the compliance obligation of the cogeneration unit identified in Form B.

NJDEP requires the following methodology to be used to determine the number of CO<sub>2</sub> allowances requested.

The qualifying cogeneration allowances are determined as follows-

- a. Steam sold to the co-located facility, i.e., Useful Thermal Energy = Steam generated by unit x Percentage of steam sold
- b. Emissions due to electricity generation, i.e., Electricity based emissions = EAF\* x Total CO<sub>2</sub> emissions
- c. Emissions due to sold steam generation, i.e., Steam based emissions = Total CO<sub>2</sub> emissions – Electricity based emissions
- d. Electricity sold to the co-located facility or Behind the Meter (BTM) electricity generation related CO<sub>2</sub> allowances = (BTM electricity sales/Combustion turbine net generation) x Electricity based emissions
- e. Steam based CO<sub>2</sub> allowances = Steam based emissions
- f. Total qualifying allowances = BTM related CO<sub>2</sub> allowances + Steam based CO<sub>2</sub> allowances

\*Note: To disaggregate CO<sub>2</sub> emissions due to electricity and steam generation<sup>1</sup>, use the electricity allocation factor (EAF) defined as:

$$\text{EAF} = \frac{\text{net generation}}{\text{net generation} + \text{useful thermal energy}}$$

where net generation is the total electricity generated minus the electricity used by the facility for its operation. As per the rule, the useful thermal energy that would be credited is what is sold to the co-located facility.

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<sup>1</sup> [https://www.epa.gov/sites/production/files/2017-02/documents/egrid2014\\_technicalsupportdocument\\_v2.pdf](https://www.epa.gov/sites/production/files/2017-02/documents/egrid2014_technicalsupportdocument_v2.pdf)

<b>FORM A: FACILITY &amp; AAR INFORMATION</b>	
Facility Name	
Company Name	
EIA Plant Code	
NJDEP PI Number	
U.S. DOE/EIA Unit ID:	
Street Address	
State	
Zip Code	
Authorized Account Representative (AAR) Information	
AAR Name	
Title	
Street Address	
State	
Zip Code	
Phone Number	
Fax Number	
Email Address	
COATS Compliance Account Information	
Account Name	
Account Number	

**FORM B: UNIT AND CO<sub>2</sub> ALLOWANCE INFORMATION**

Complete this form for each cogeneration unit at the CO<sub>2</sub> budget source identified in Form A, for which a CO<sub>2</sub> allowance compliance obligation adjustment is being requested. Indicate the page number and number of total pages in the upper right-hand corner. Check the respective boxes for documentation attached with this form.

Allocation Year	
Facility (Source) Name	
U.S. DOE/EIA Unit ID	
Nameplate capacity (MWe)	
Total Annual CO <sub>2</sub> Emissions as reported to EPA/AMPD (Tons)	
Net Electricity Generation (MWh)	
Combustion Turbine Net Generation (MWh)	
Behind the Meter Electricity Sold (MWh)	
Total Steam Generated by the unit (kLbs)	
Percentage of steam sold (facility wide)	
CO <sub>2</sub> Allowance Adjustment Requested	
<input type="checkbox"/>	<i>Attached documentation that the CO<sub>2</sub> budget unit meets the definition of a cogeneration unit (see N.J.A.C. 7:27C-1.2)</i>
<input type="checkbox"/>	<i>Attached calculations and supporting data used to determine the number of CO<sub>2</sub> allowances being requested, and an explanation of the data and methods on which the calculations are based (see N.J.A.C. 7:27C-5.3(c) and (d))</i>

*Insert additional pages if necessary*

**CERTIFICATION STATEMENT**

I certify that I was selected as the CO<sub>2</sub> authorized account representative of the CO<sub>2</sub> budget source (or alternative CO<sub>2</sub> authorized account representative of the CO<sub>2</sub> budget source, as applicable) by an agreement binding with the owners and operators of the CO<sub>2</sub> budget source and each CO<sub>2</sub> budget unit at the source. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CO<sub>2</sub> Budget Trading Program on behalf of the owners and operators of the CO<sub>2</sub> budget source and of each CO<sub>2</sub> budget unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions and by any decision or order issued to me by the Department or court of competent jurisdiction regarding the source or unit.

I further certify that I have not accepted a fixed-price sale offer of CO<sub>2</sub> allowances from the Department pursuant to N.J.A.C. 7:27C-5.5(a) during the calendar year that corresponds to the allocation year identified in this application, on behalf of the CO<sub>2</sub> budget source and CO<sub>2</sub> budget units for which this application is made.

I am authorized to make this submission on behalf of the owners and operators of the CO<sub>2</sub> budget sources or CO<sub>2</sub> budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Signature of Authorized Account Representative (AAR) or Alternate

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Date

\_\_\_\_\_

## SUBMITTAL INSTRUCTIONS

This completed form along with all required attachments and supporting documentation must be submitted to NJDEP Bureau of Climate Change and Clean Energy by January 30, 2023 at the address below.

New Jersey Department of Environmental Protection  
Bureau of Climate Change and Clean Energy  
Attn: NJ RGGI Program,  
401 E. State Street, 2<sup>nd</sup> Floor,  
Mail code 401-02H  
P.O. Box 420  
Trenton, NJ 08625-0420

For any questions or additional information, contact

Douglas Benton  
Phone: 609-984-3355  
E-Mail: [douglas.benton@dep.nj.gov](mailto:douglas.benton@dep.nj.gov)