



# RGGI 101

## Regional Greenhouse Gas Initiative

The Regional Greenhouse Gas Initiative is part of Governor Murphy's goal to achieve 100% clean energy by 2050. Shifting to clean and renewable energy sources reduces greenhouse gas emissions that are already causing climate impacts in New Jersey, particularly in economically disadvantaged communities.

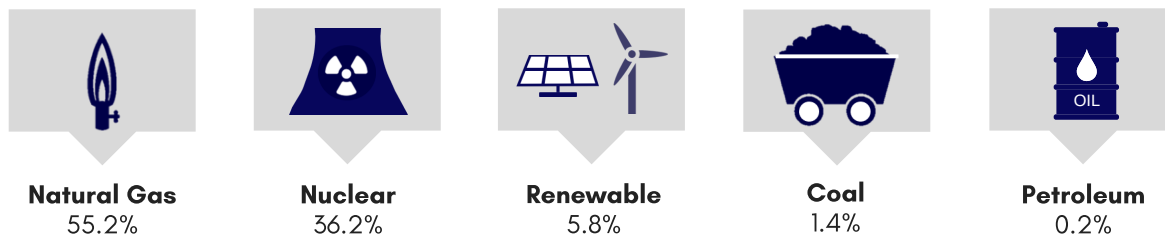
### WHAT IS RGGI?

The Regional Greenhouse Gas Initiative (RGGI) is a market-based program designed to cap and reduce carbon dioxide emissions from fossil fuel power plants. With New Jersey's entry in 2020, ten states currently participate in RGGI with Virginia scheduled to join on January 1st, 2021. Collectively, the RGGI states establish an annual regional limit (cap) on carbon dioxide emissions from their combined electric power sector. The fossil fuel power plants in each state participate in auctions to buy allowances for their annual carbon dioxide emissions (1 allowance = 1 ton of carbon dioxide). Funds from the RGGI auction are invested in energy efficiency, renewable energy, direct energy bill assistance and other greenhouse gas reduction strategies to advance New Jersey's clean energy economy and create local green jobs.

### HOW DOES NEW JERSEY PRODUCE ELECTRICITY?

New Jersey's electricity is generated primarily from the combustion of natural gas and nuclear power. Other fossil fuels, such as coal and petroleum provide less than 2% of New Jersey's electricity generation. Renewable energy resources, such as solar and wind account for more than 5% of electricity generation.

#### ELECTRICITY GENERATION FROM MAJOR SOURCES IN 2019



### WHAT DOES RGGI REGULATE?

RGGI regulates fossil fuel power plants that generate carbon dioxide emissions at or above 25 megawatt capacity. In New Jersey 93 electric generating units at 33 power plants currently participate in RGGI.



33 Power Plants

#### REGULATED ELECTRICITY GENERATION



## HOW DOES RGGI WORK?



A regional cap for carbon dioxide emissions is established.



States offer allowances for sale in quarterly auctions.

*1 allowance = 1 ton of carbon dioxide*



Fossil fuel power plants purchase allowances to equal their carbon dioxide emissions for 3-year control period.

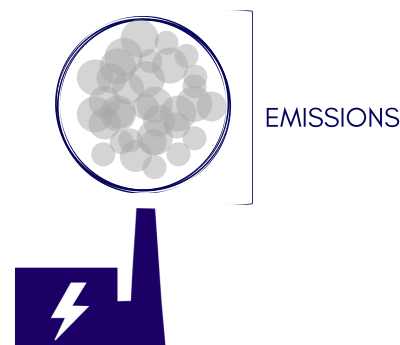


States receive revenue from quarterly auctions to invest.

## WHAT IS THE REGIONAL CAP?

The regional cap is the upper limit of carbon dioxide that power plants within RGGI states can collectively emit in a three year period. The RGGI carbon dioxide cap currently will decline by 30 percent from 2020 to 2030. Power plants can avoid buying allowances by reducing their emissions by installing controls or transitioning to renewable energy resources.

CAP



## RGGI'S IMPACT ON MY COMMUNITY

New Jersey's participation in RGGI will shift the state's power sector towards clean and renewable energy sources, reducing greenhouse gas emissions that are already causing climate impacts in New Jersey, particularly in economically disadvantaged communities. RGGI provides a financial incentive for electricity providers to dispatch cleaner, lower emission sources of energy. Fossil fuel power plants can avoid paying for carbon dioxide allowances by reducing their emissions and embracing cleaner energy sources.

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### TO LEARN MORE

#### **New Jersey's RGGI Program**

[www.nj.gov/rggi/](http://www.nj.gov/rggi/)

Contact: [NJRGGI@dep.nj.gov](mailto:NJRGGI@dep.nj.gov)

#### **RGGI, Inc.**

[www.rggi.org](http://www.rggi.org)

#### **Energy & Emissions in New Jersey**

[www.nj.gov/dep/aqes/oce.html](http://www.nj.gov/dep/aqes/oce.html)