

# RGGI Workshop

Rutgers University | Hosted by NJEDA



# AGENDA

- 8:45 A.M.** *registration & dot voting*  

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**Workshop Moderator, Kerry Kirk Pflugh**, Director, Office of Local Government Assistance, NJDEP
- 9:15 A.M.** **Host Agency Welcome**  
**Brian Sabina**, Senior Vice President, NJEDA
- 9:25 A.M.** **Introduction to the RGGI Strategic Funding Plan**  
**Christine Schell**, Office of the Asst. Commissioner Air Quality, Energy and Sustainability, NJDEP
- 9:45 A.M.** **Question & Answer**
- 10:00 A.M.** *break*  

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- 10:15 A.M.** **Polling Results**
- 10:20 A.M.** **Breakout Sessions**  
Facilitated discussion at each table.
- 11:00 A.M.** **Report Out**  
Table Representative(s) will report on priorities, questions and comments.
- 11:55 A.M.** **Next Steps & Closing Remarks**
- 12:00 P.M.** *adjourn*  

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**Brian Sabina**

Senior Vice President, Economic Transformation  
New Jersey Economic Development Authority



# 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 CO<sub>2</sub> 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

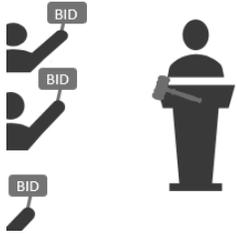


## NJ’s First Auction

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

2020

# How Does RGGI Work?

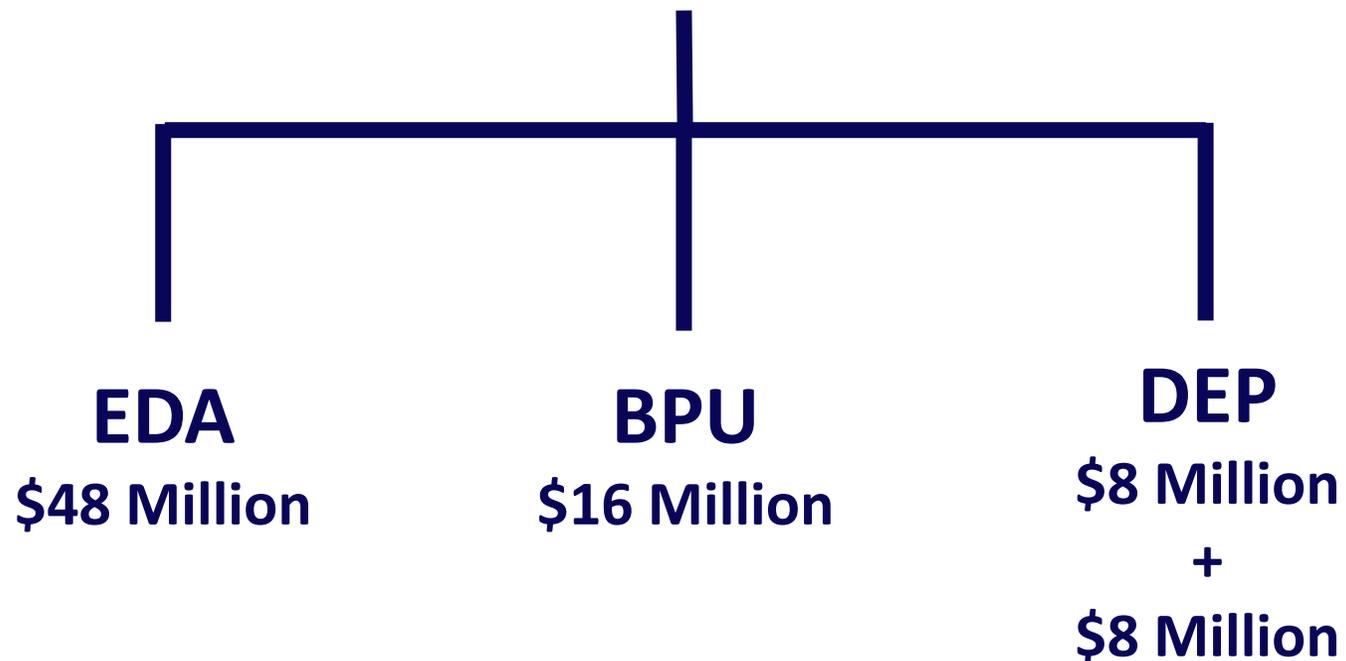


- Regional greenhouse gas emissions cap is established
- States offer allowances for sale in quarterly auctions
- Electric Generating Units purchase allowances to equal emissions for 3-year control period
- States receive revenue from quarterly auctions to invest

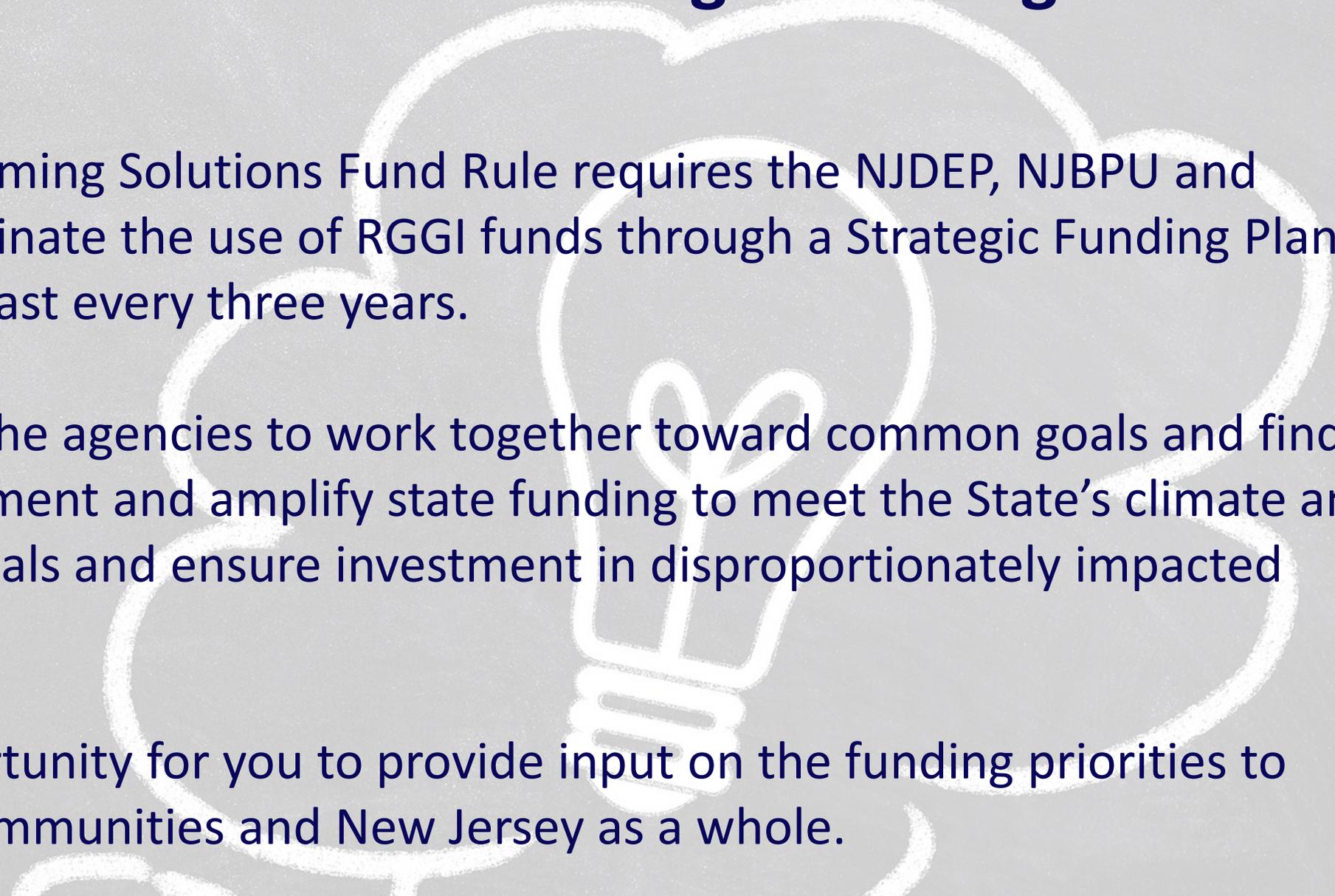
# How Much Money?

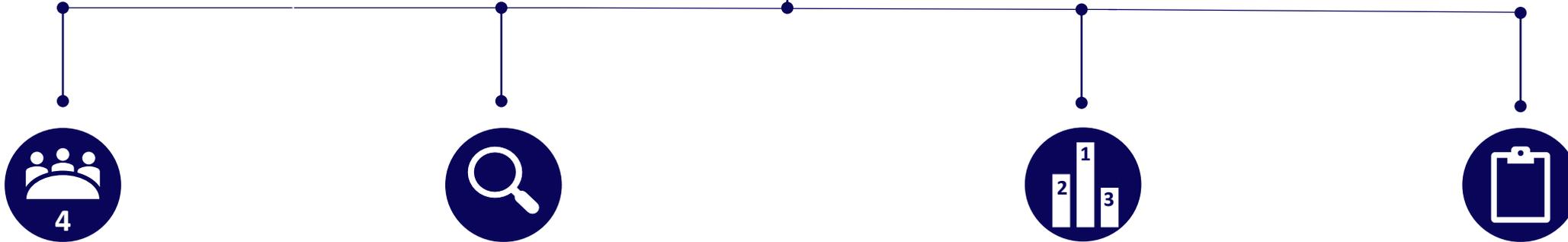
The amount of money received will depend upon the price of carbon at the time of each auction.

**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.
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### 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.

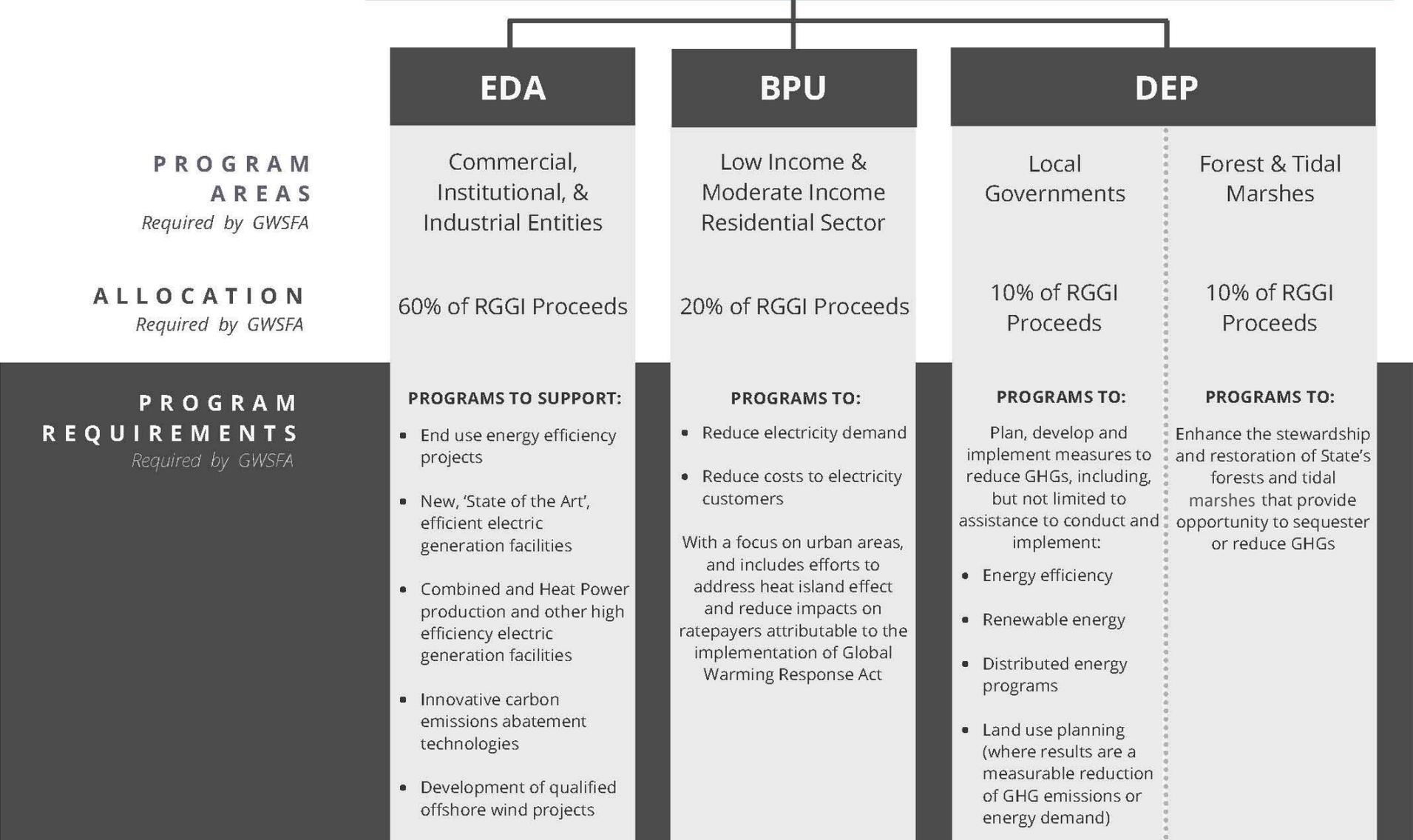
### Report Out

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



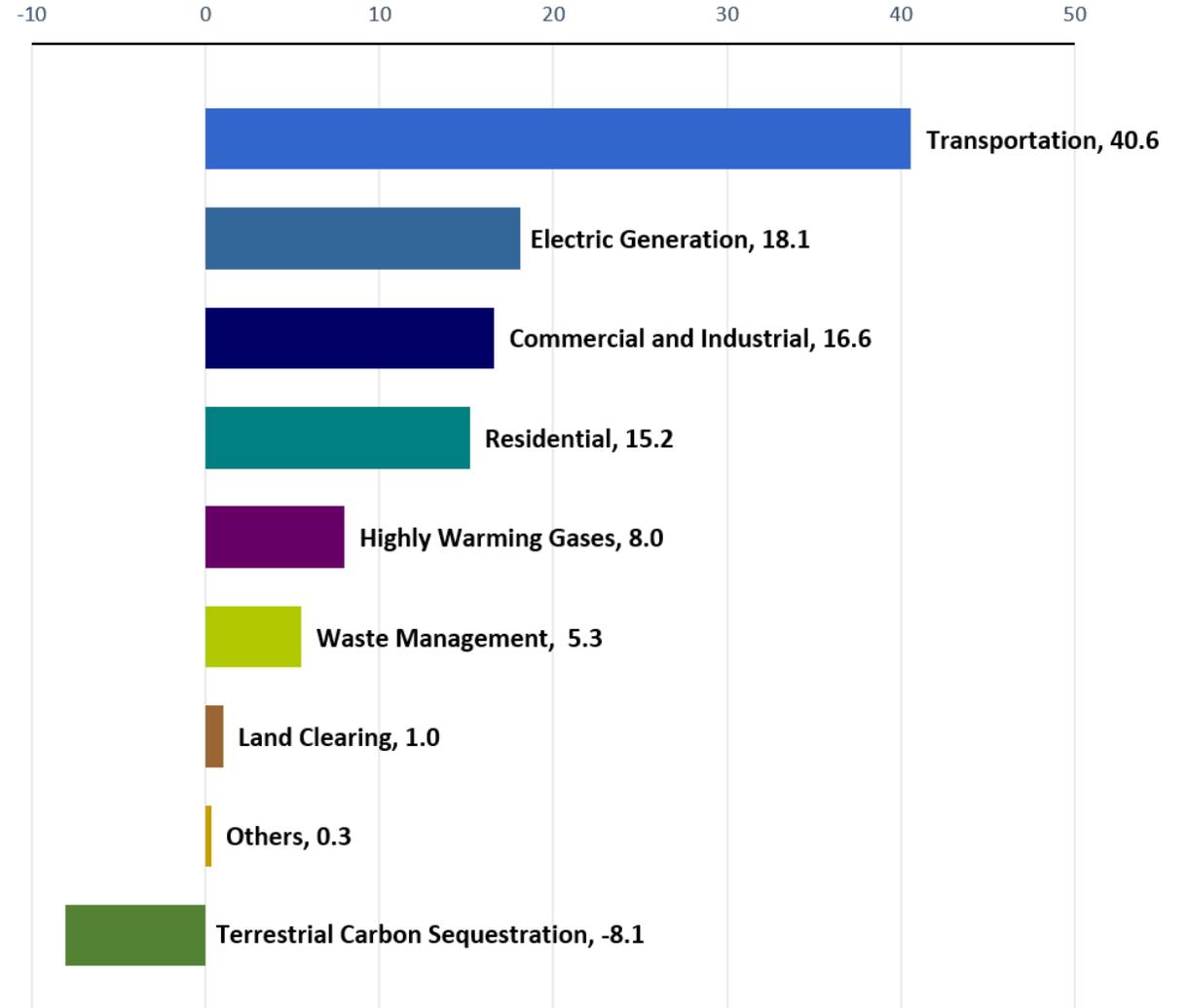
# Strategic Funding Plan Objective #1

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

Estimated NJ Greenhouse Gas Emissions, 2018

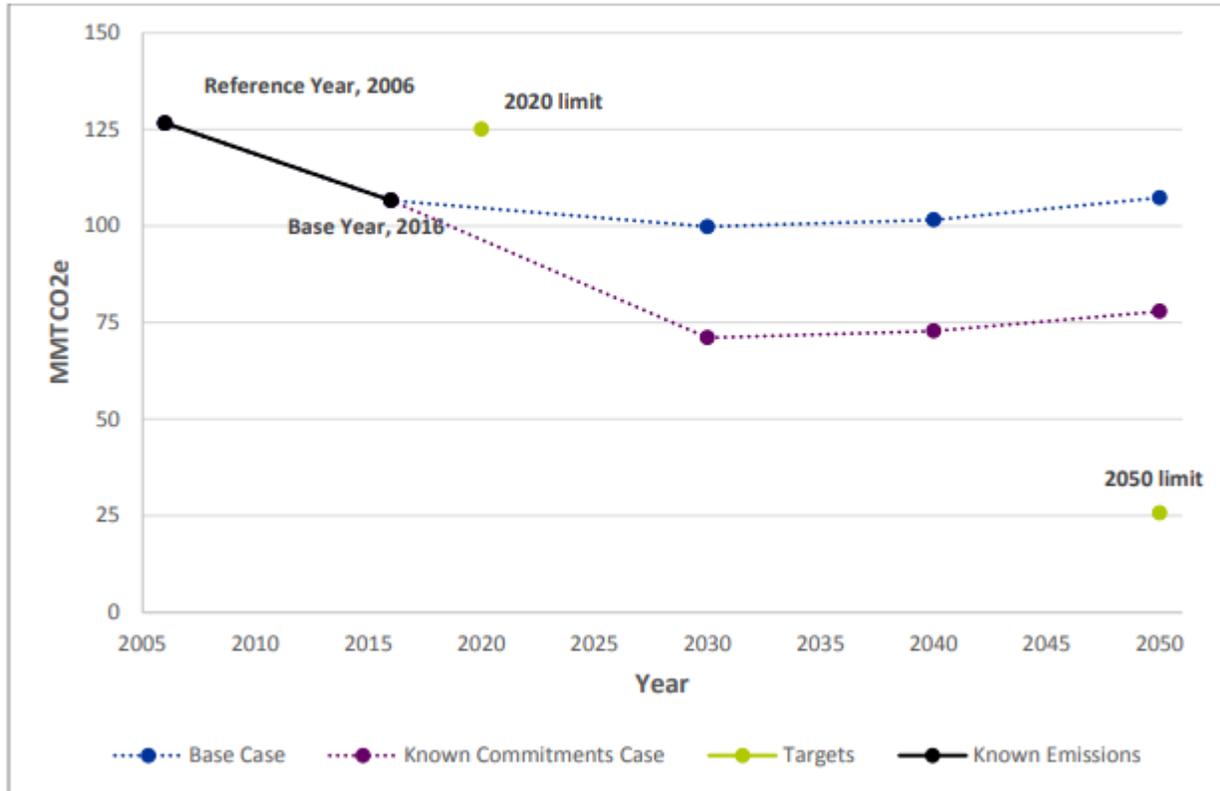
(in million metric tons CO<sub>2</sub>e)

*Total Net Emissions, 97.0 million metric tons CO<sub>2</sub>e*



# Strategic Funding Plan Objective #2

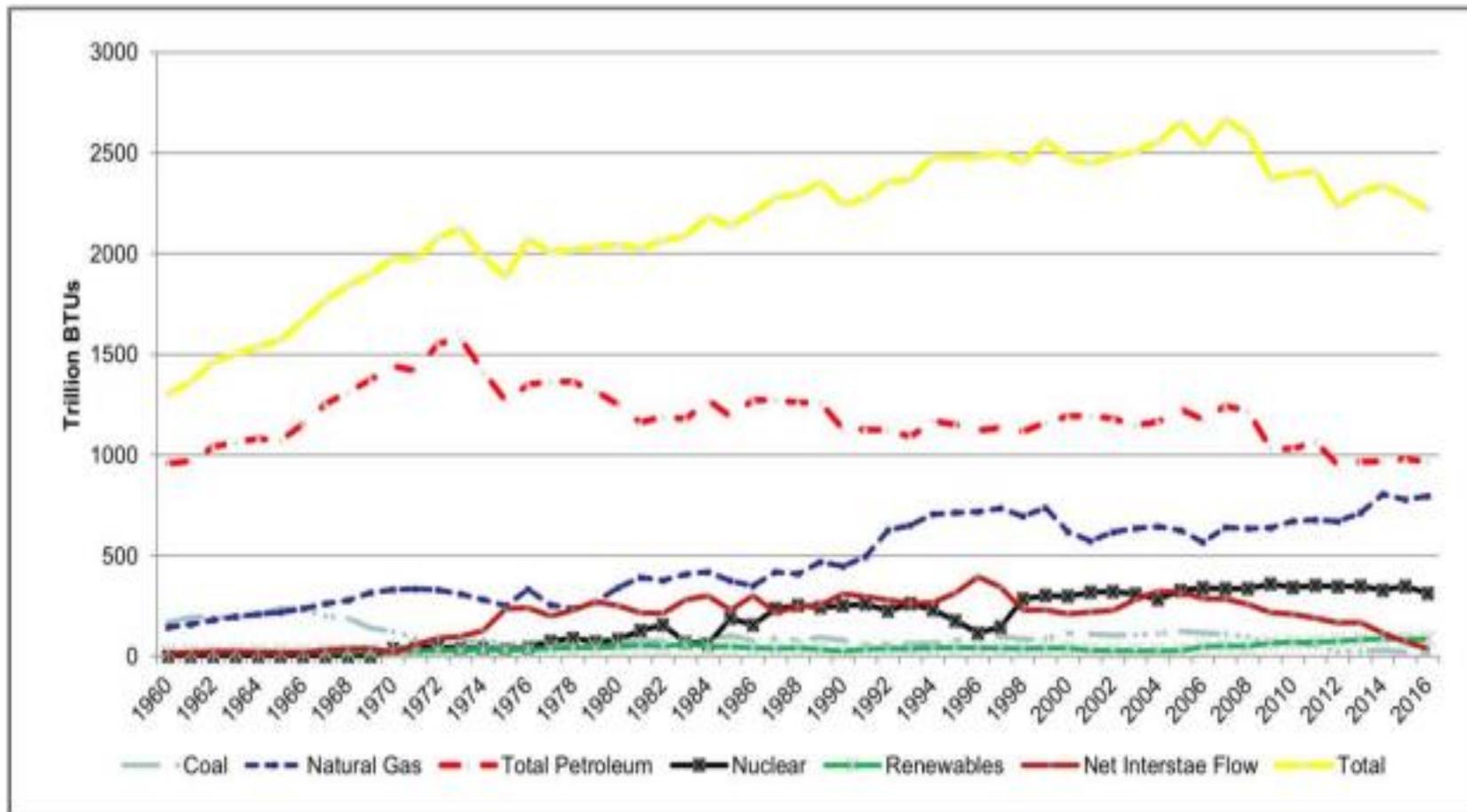
New Jersey's Greenhouse Gas Reduction Targets Including Clean Energy Act Mandates

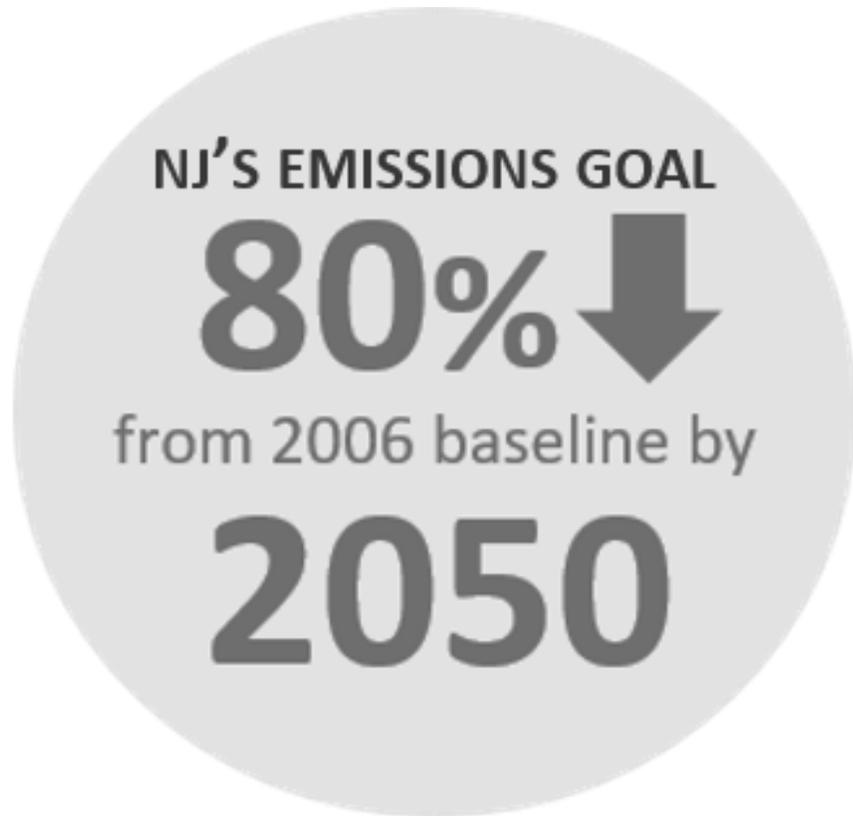


Significant reductions in greenhouse gas emissions or energy demand and/or significant contribution to the achievement of the state's 2050 Global Warming Response Act limit (relative to cost).

## Reduce energy use.

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





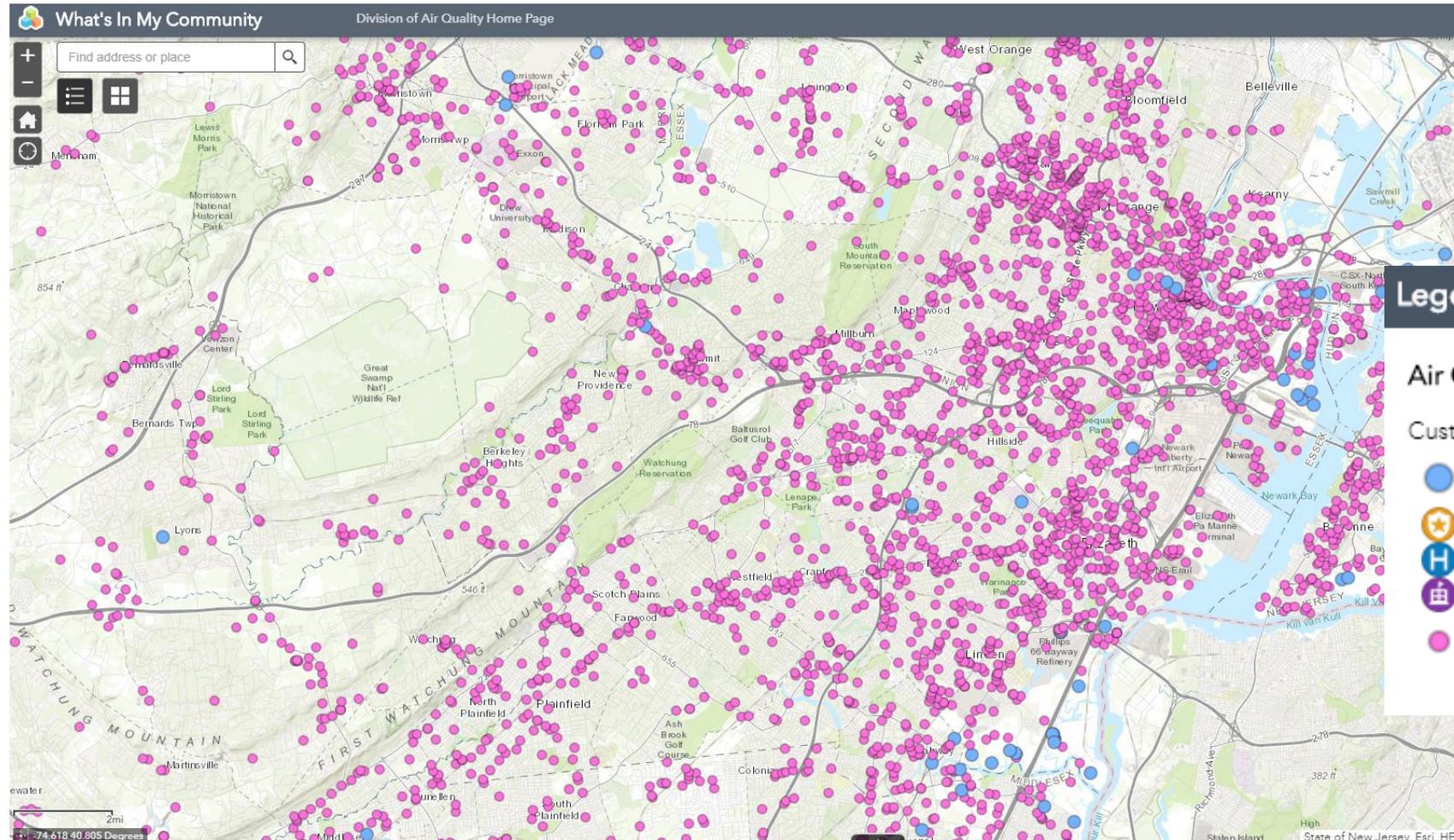
**Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act.**

**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):



**NJ**EDA

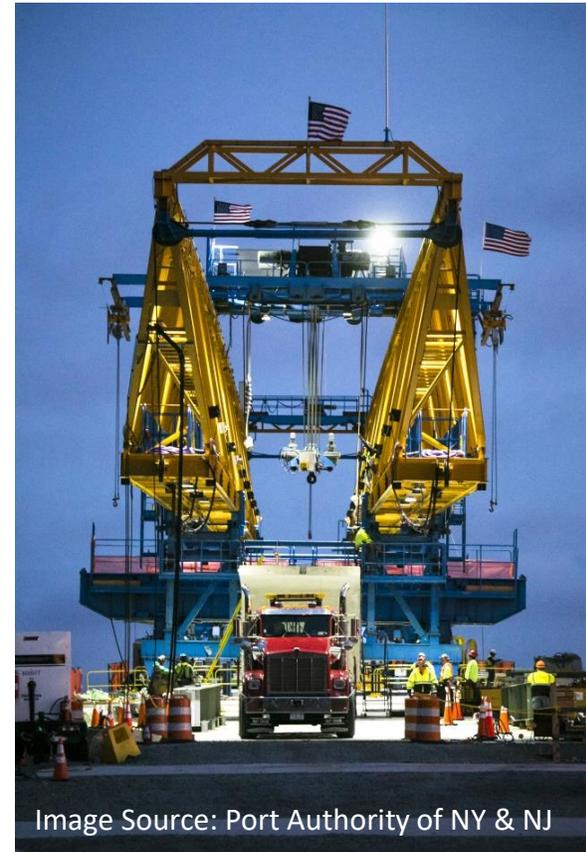


Image Source: Port Authority of NY & NJ

## 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.

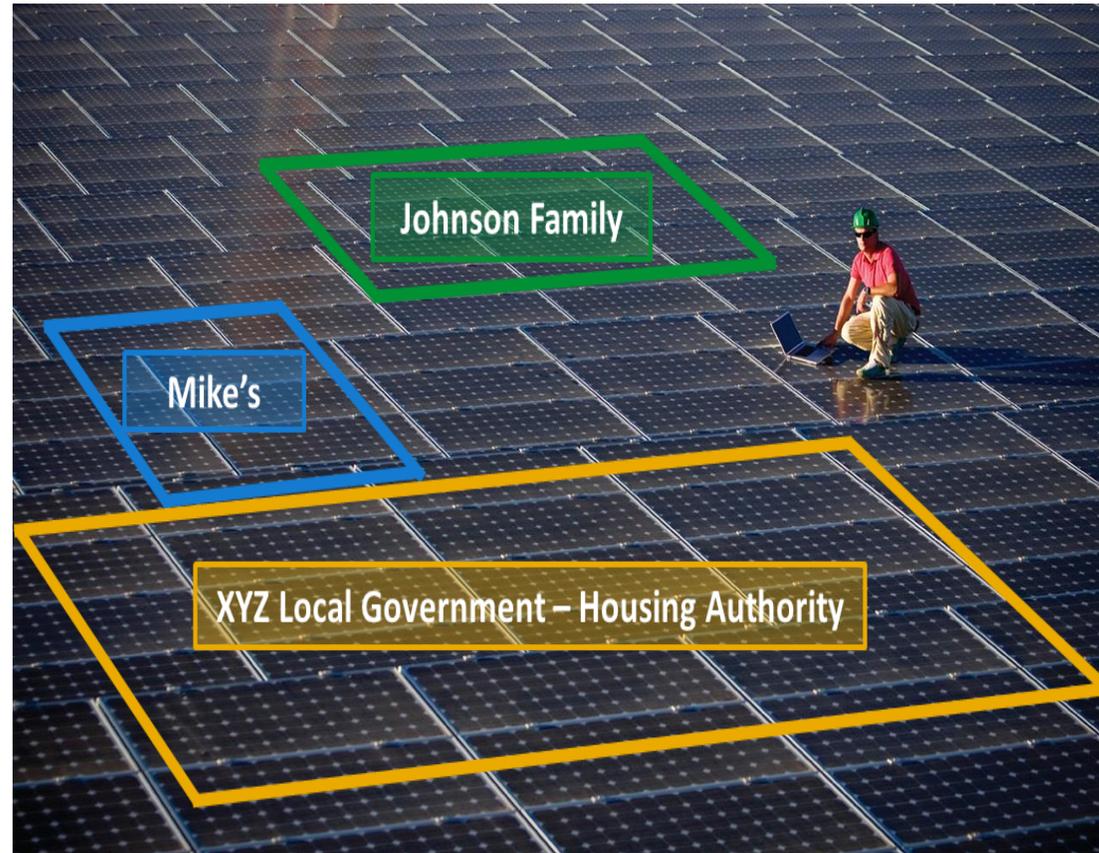
Agency Sponsor(s):



# 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

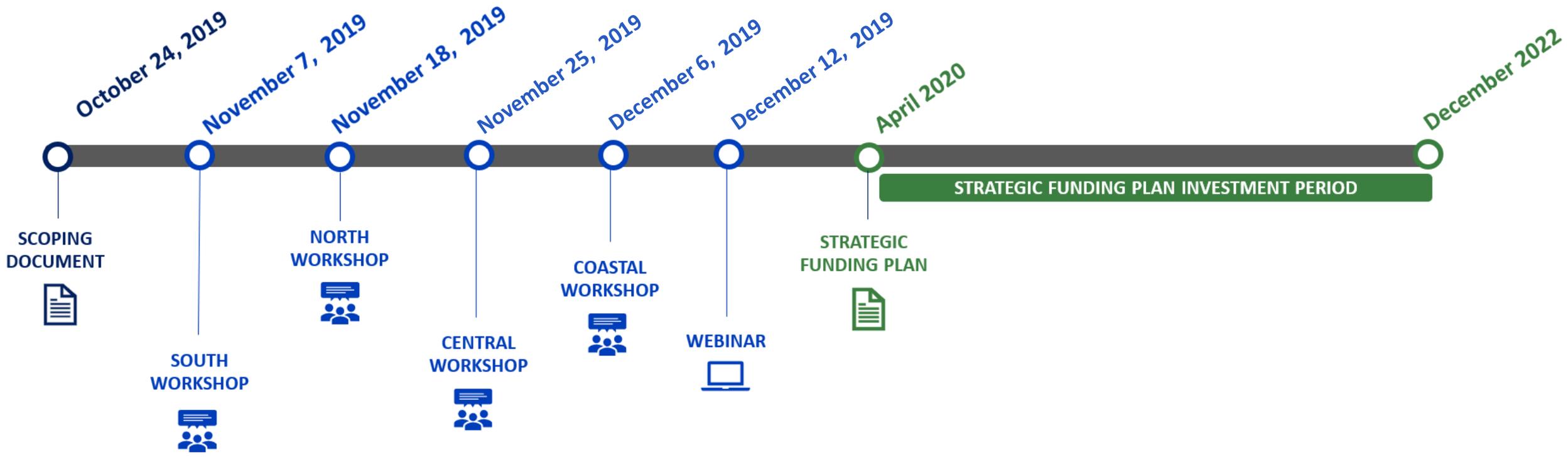
## Objectives

	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

# Timeline



# Question & Answer

**Break**

# Dot Voting Results

<b>Initiative 1: Clean Transportation</b>	<b>19</b>
<b>Initiative 2: New Jersey Green Bank</b>	<b>3</b>
<b>Initiative 3: Community Clean Energy Microgrid</b>	<b>6</b>
<b>Initiative 4: Net-Zero Energy Solutions for Waste Management</b>	<b>3</b>
<b>Initiative 5: Beneficial Role of New Jersey Forests in the Carbon Cycle</b>	<b>22</b>
<b>Initiative 6: Sequester “Blue Carbon” in Coastal Habitats</b>	<b>6</b>
<b>Initiative 7: Strengthen Clean Tech Innovation</b>	<b>9</b>

# 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?**

**What sorts of changes do you think need to happen to help the State both make progress toward decarbonizing our transportation sector as well as improve conditions in environmental justice communities?**

**What sorts of programs or interventions do you think would support/accelerate those changes?**

**More than a dozen other States or regions within the US have some sort of Green Bank mechanism. Do you think establishing such a mechanism in New Jersey would be beneficial? (e.g., Are the private capital markets providing adequate funding support for clean energy-related investment in the state? Where do you see the biggest financing gaps? Where are things working best?)**

**What areas of the clean energy/clean tech economy provide NJ with the best opportunities for job creation? What programs/interventions do you think the State needs to take to strengthen its clean tech innovation ecosystem?**

**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](mailto:njrggi@dep.nj.gov)

**Website:** [nj.gov/rggi/](http://nj.gov/rggi/)

### **Next Workshops:**

- **Coastal Workshop** | NJDEP Hosting at Township of Ocean, West Park Recreation Center (December 6<sup>th</sup> from 1-4 PM)
- **Webinar** | December 12<sup>th</sup> from 10-12pm

