RGGI Workshop

New Jersey Institute of Technology | Hosted by NJBPU



























AGENDA

5:45 P.M.	registration & dot voting					
	Workshop Moderator, Riché Outlaw, Office of the Deputy Commissioner, NJDEP					
6: 15 P.M.	Host Agency Welcome Paul Flanagan, Executive Director, NJBPU					
6:25 P.M.	Introduction to the RGGI Strategic Funding Plan Christine Schell, Office of the Asst. Commissioner, Air Quality, Energy and Sustainability, NJDE					
6:45 P.M.	Question & Answer					
7:00 P.M.	break					
7:15 P.M.	Polling Results					
7:20 P.M.	Breakout Sessions Facilitated discussion at each table.					
8:00 P.M.	Report Out Table Representative(s) will report on priorites, questions and comments.					
8:55 P.M.	Next Steps & Closing Remarks					
9:00 P.M.	adjourn					

Paul Flanagan Executive Director New Jersey Board of Public Utilities



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.



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.



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.



➤ NJ Exits RGGI

New Jersey Governor Chris Christie withdrew the State from RGGI.



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.



Adopted RGGI Rules

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



NJ's First Auction

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

2005

2007

2008

2012

2018

2019

2020



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).



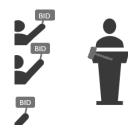
Global Warming Solutions Fund Rule

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

How Does RGGI Work?







States offer allowances for sale in quarterly auctions



 Electric Generating Units purchase allowances to equal emissions for 3-year control period

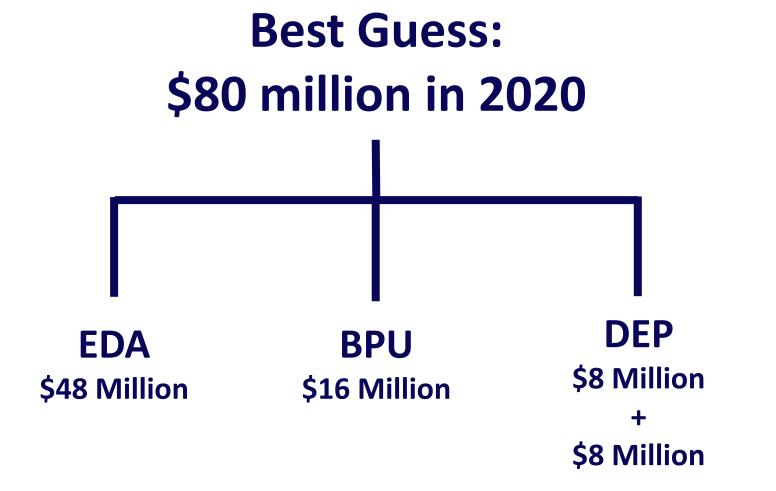


• States receive revenue from quarterly auctions to invest



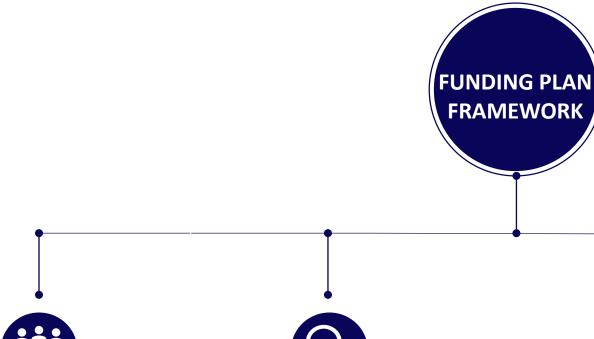
How Much Money?

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



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

Commercial, Institutional, & **Industrial Entities**

EDA

60% of RGGI Proceeds

BPU

Low Income & Moderate Income Residential Sector

20% of RGGI Proceeds

DEP

Local Governments

10% of RGGI Proceeds

10% of RGGI Proceeds

Forest & Tidal

Marshes

PROGRAM REQUIREMENTS

PROGRAM

Required by GWSFA

Required by GWSFA

ALLOCATION

AREAS

PROGRAMS TO SUPPORT:

- End use energy efficiency projects
- New, 'State of the Art'. efficient electric generation facilities
- · Combined and Heat Power production and other high efficiency electric generation facilities
- Innovative carbon emissions abatement technologies
- Development of qualified offshore wind projects

PROGRAMS TO:

- Reduce electricity demand
- · Reduce costs to electricity customers

With a focus on urban areas, and includes efforts to address heat island effect and reduce impacts on ratepayers attributable to the implementation of Global Warming Response Act

PROGRAMS TO:

Plan, develop and implement measures to reduce GHGs, including, but not limited to assistance to conduct and opportunity to sequester implement:

- Energy efficiency
- Renewable energy
- Distributed energy programs
- Land use planning (where results are a measurable reduction of GHG emissions or energy demand)

PROGRAMS TO:

Enhance the stewardship and restoration of State's forests and tidal marshes that provide or reduce GHGs

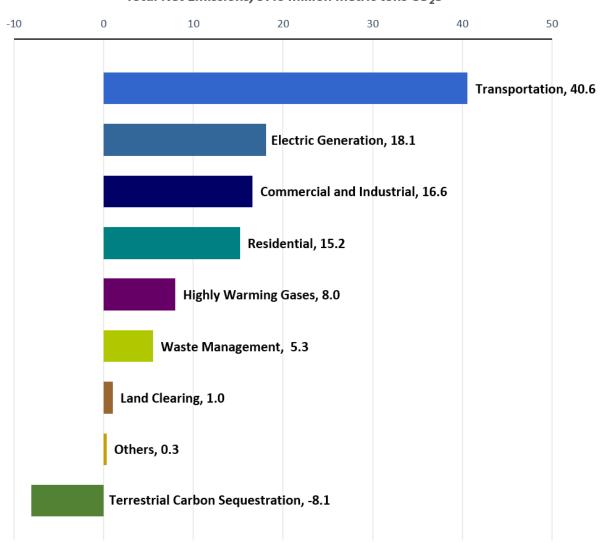
Strategic Funding Plan Objective #1

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

Estimated NJ Greenhouse Gas Emissions, 2018

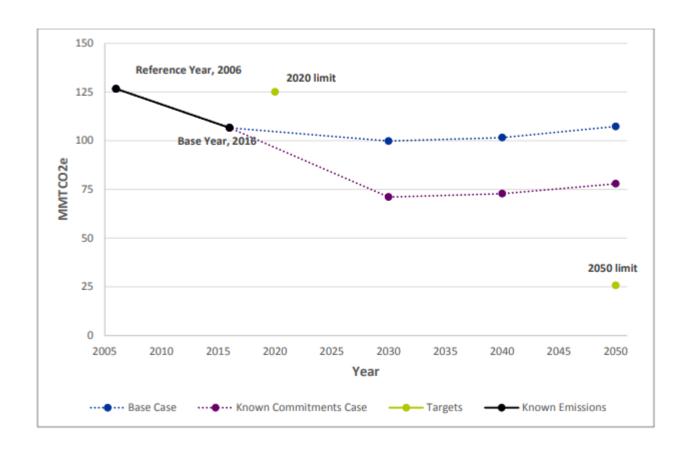
(in million metric tons CO₂e)

Total Net Emissions, 97.0 million metric tons CO₂e



Strategic Funding Plan Objective #2

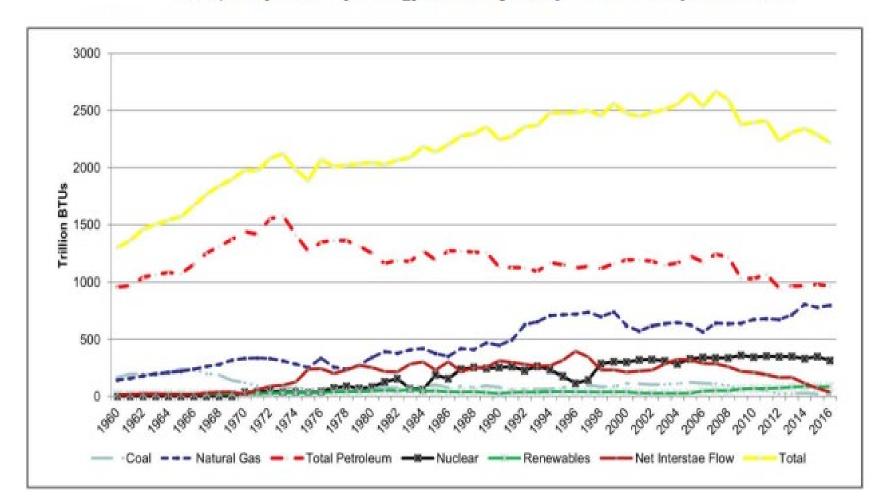
New Jersey's Greenhouse Gas Reduction Targets Including Clean Energy Act Mandates



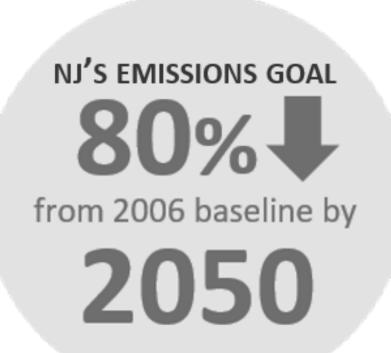
Significant reductions in greenhouse gas emissions or energy demand and/or significant contribution to the achievement of the state's 2050 Global **Warming Response Act** limit (relative to cost).

Reduce energy use.

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

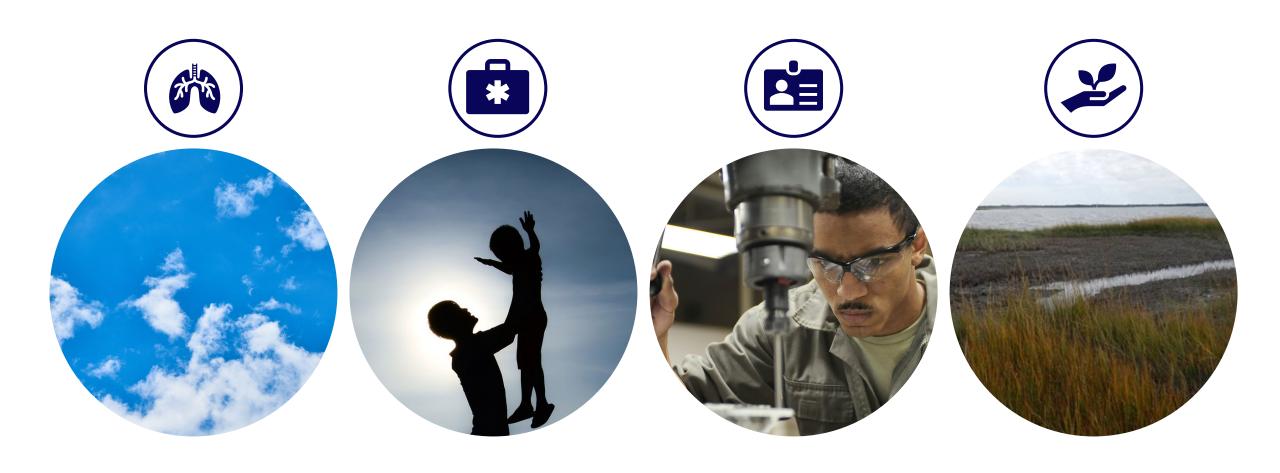


Strategic Funding Plan Objective #4



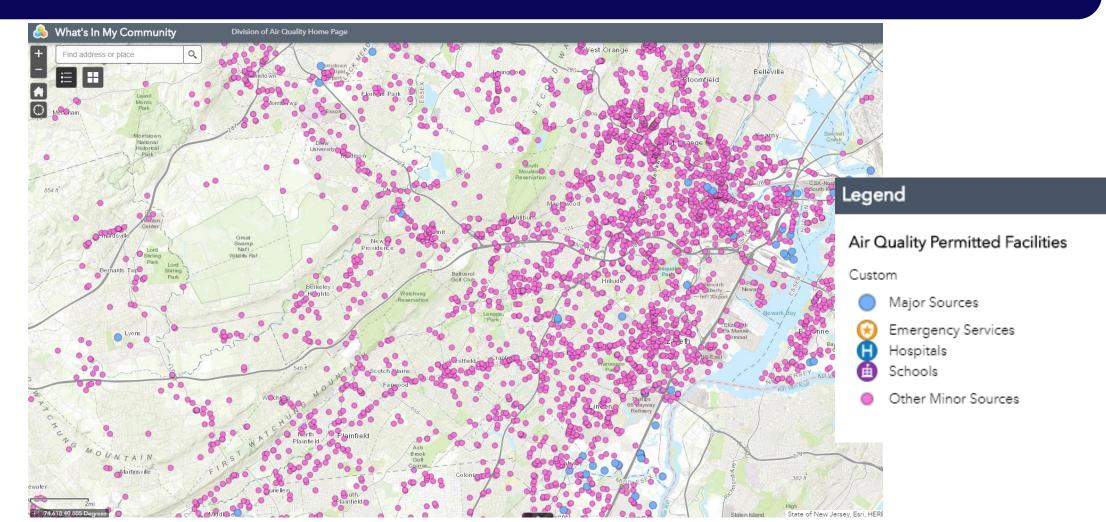
Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act.

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.



Governor's Funding Priorities

Electrification of transportation in the State.

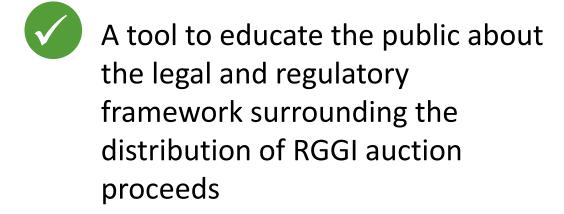




Provide meaningful benefits to communities most affected by pollution and climate change

What is the Scoping Document?

The Scoping Document is:



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.











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): NJ\$EDA

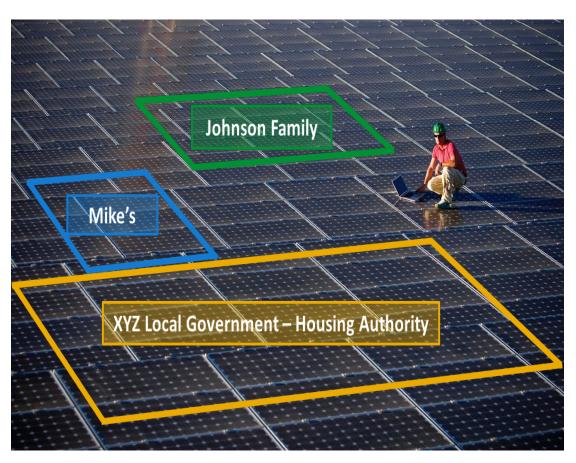




Initiative 3: Community Clean Energy Microgrid

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 multifamily building customers.





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.









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.







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.







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): NJ\$EDA





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
A net reduction in greenhouse gas emissions or a net sequestration of carbon;	СС	С	С	С	С	С	С
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;			С				
3. Reduction in energy use;			С	С			
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	СС		С	С	С	С	С
5. Provide co-benefits; and	СС		С	С	С	С	С
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.	СС		С	С			

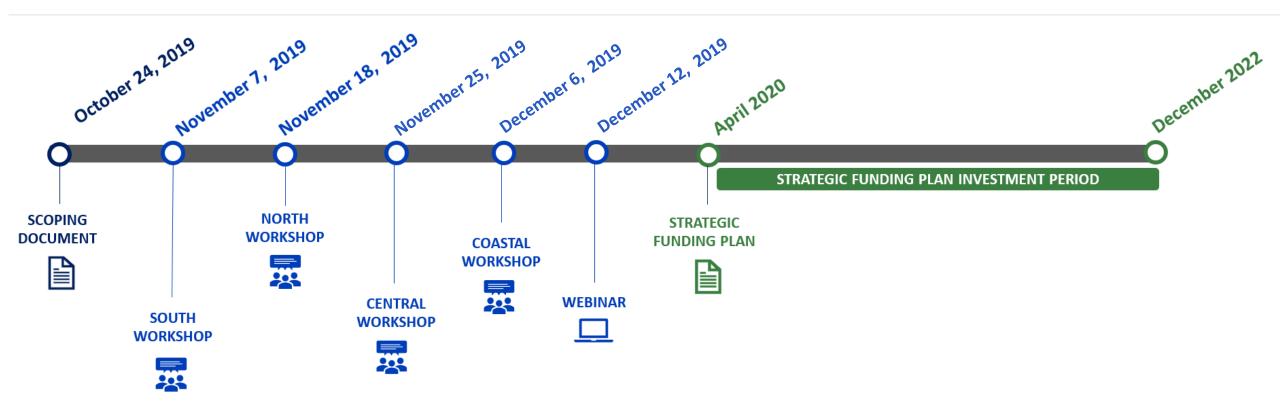
NJEDA

Key

NJDEP Marsh/Forest

NJDEP Local Govt.

Timeline



Question & Answer

Break

Dot Voting Results

Initiative 1: Clean Transportation	18
Initiative 2: New Jersey Green Bank	3
Initiative 3: Community Clean Energy Microgrid	9
Initiative 4: Net-Zero Energy Solutions for Waste Management	4
Initiative 5: Beneficial Role of New Jersey Forests in the Carbon Cycle	17
Initiative 6: Sequester "Blue Carbon" in Coastal Habitats	8
Initiative 7: Strengthen Clean Tech Innovation	13

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 clean energy projects best serve low- and moderate-income communities by providing access to renewable energy and energy efficiency, if our goals are to:

- Reduce emissions in those communities;
- Reduce overall electricity consumption; and
- Reduce costs for low- and moderate-income customers?

Do you have a preference for:

 Dividing the auction funds among different programs/projects for low- and moderate- income community(ies) (if so, why?); or

Dedicating them to one single project/program (if so, why?)

Should NJBPU incorporate a jobs-training or apprenticeship component into one or more low- and moderate- income projects? If so, how could such a program best be formatted and executed?

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:

- Central Workshop | NJEDA Hosting at Rutgers (November 25th from 9-12PM)
- Coastal Workshop | NJDEP Hosting at Township of Ocean, West Park Recreation Center (December 6th from 1-4 PM)
- Webinar | December 12th from 10-12pm

