May 2, 2006
Contact – Joseph Carpenter

Workgroup Recommendations and Other Potential Control Measures
Stationary Combustion Sources Workgroup

SCS005B – Potential Emission Savings from Implementation of an Emission Portfolio Standard

What is an Emission Portfolio Standard (EPS)?
An EPS requirement would set a standard for pollutants emitted per Megawatt-hour by load serving entities (LSEs) servicing New Jersey electric demand. Placing the EPS requirement on LSEs, rather than generation facilities, captures out-of-state sources in the generation mix sold to NJ customers. EIA data for 2002 breaks out NJ's generation mix as follows:
Current usage: 88.6 million MWh annually
In-state generation: 75.7 million MWh annually
Imported power: 12.9 million MWh annually

What is the Enabling Legislation?
The Electric Discount and Energy Competition Act (EDECA), NJSA 48:3-49 et seq, section 38, states that "the board [of Public Utilities] may adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment, an emissions portfolio standard applicable to all electric power suppliers and basic generation service providers, upon a finding that:
(a) The standard is necessary as part of a plan to enable the State to meet federal Clean Air Act or State ambient air quality standards; and
(b) Actions at the regional or federal level cannot reasonably be expected to achieve compliance with the federal standards

Policy Recommendation
The NJDEP should recommend the NJ Board of Public Utilities (NJBPU) adopt a Board Order, establishing an Emissions Portfolio Standard.

The NJDEP should provide consultation to the NJBPU in development and implementation of the Board Order.

The EPS should require that all power sold in the NJ market meet the NJ emissions benchmarks as currently established for NJ –based generators. This will result in a reduction versus the current emission profile of imported power from the Pennsylvania Jersey Maryland (PJM) regional power pool system average emissions.

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	New Jersey Benchmarks	PJM Average	Difference	Annual Emission Reduction
Nox – Lbs/MWh	1.93	2.86	0.93	5999 tons/yr
SO2 – Lbs/MWh	1.68	8.50	6.82	43,989 tons/yr
CO2 Lbs/MWh	690	1194	504	3.25 million tons/yr
Hg Lbs/MWh	0.0000032	0.0000356	0.0000324	0.2 tons/yr (418 lbs/yr)

Brief Rationale for Policy Recommendation

It is prudent to require similar emission standards for imported electricity, as for in-state generation, as imported power is delivered from within the PJM region, a shared "airshed" affecting NJ's clean air compliance.

This will become more important in the future as a new transmission line into New Jersey has recently been proposed, for completion by the year 2014. This proposed 765 Kv line, originating in West Virginia and terminating in New Jersey, will have the ability to deliver approximately 5000 MW annually of predominantly coal-fired generation into our State.