

What is the Regional Greenhouse Gas Initiative (RGGI) Strategic Funding Plan?

The RGGI Strategic Funding Plan identifies how New Jersey will invest its share of the RGGI auction proceeds, estimated to be up to \$80 million annually.

The Plan is jointly developed at least once every three years by the NJ Department of Environmental Protection (NJDEP), NJ Board of Public Utilities (NJBPU), and NJ Economic Development Authority (NJEDA) and describes the initiatives each state agency will sponsor and ranks the importance of six key objectives for each initiative.

The Plan ensures strategic, coordinated use of the New Jersey's RGGI auction proceeds, so the programs and projects funded help achieve New Jersey's clean energy, environmental justice and economic development goals. The Plan will also help the programs and projects complement one another, capitalize on ventures that receive funding from other State agencies, as well as non-State-funded sources, and avoid unintentional duplication. New Jersey's first Plan, governing the investment of auction proceeds from 2020 through 2022, was released on April 16, 2020.

Future plans will summarize the projects and program spending from the prior strategic funding period.

How will the investment of RGGI auction proceeds help achieve New Jersey's environmental justice goals?

Environmental justice is a critical objective of Initiative 1: Catalyze Clean, Equitable Transportation. All funds spent on programs and projects under this initiative must benefit communities disproportionately impacted by environment degradation and climate change. All three agencies are committed to sponsoring this initiative allocating 75% of the total RGGI proceeds over three years towards these efforts.

What is an initiative?

The NJDEP's Global Warming Solutions Fund Rule defines an initiative as "a funding strategy predicted to advance one or more of the objectives listed in N.J.A.C. 7:27D-2.2, which the agencies have identified as critical." In layman's terms, initiatives are broad areas of focus that seek to strategically address a well-defined issue or need and advance one or more of the six objectives defined in the Global Warming Solutions Fund Rule. The State agencies must rank the Strategic Funding Plan initiatives against the following six objectives, which come from New Jersey's [Global Warming Solutions Fund Act](#) and Governor Murphy's [Executive Order 7](#):

1. A net reduction in greenhouse gas emissions or net sequestration of carbon;
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;
3. Reductions in energy use;
4. Responsiveness to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;
5. The provision of co-benefits; and
6. Be directly responsive to the negative effect on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

The agencies must identify at least one objective as critical for each initiative, and each objective must be identified as critical by an initiative.

What Initiatives are in New Jersey's First Plan?

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| CATALYZE CLEAN, EQUITABLE TRANSPORTATION | PROMOTE BLUE CARBON IN COASTAL HABITATS | ENHANCE FORESTS AND URBAN FORESTS | CREATE A NEW JERSEY GREEN BANK |
| <p>SPONSOR AGENCIES</p>  <p>PERCENTAGE OF OVERALL FUNDING COMMITTED: 75%</p> | <p>SPONSOR AGENCIES</p>  <p>PERCENTAGE OF OVERALL FUNDING COMMITTED: 10% (shared with Initiative Three)</p> | <p>SPONSOR AGENCIES</p>  <p>PERCENTAGE OF OVERALL FUNDING COMMITTED: 10% (shared with Initiative Two)</p> | <p>SPONSOR AGENCIES</p>  <p>PERCENTAGE OF OVERALL FUNDING COMMITTED: 15%</p> |
| <p>WHAT COULD BE FUNDED?</p> <ul style="list-style-type: none"> ➔ NJEDA deployment of electric medium- and heavy-duty vehicles by commercial and institutional establishments; ➔ NJBPU new or enhanced transportation options for low- and moderate-income households; ➔ NJDEP expand transportation efforts started with VW settlement funds | <p>WHAT COULD BE FUNDED?</p> <ul style="list-style-type: none"> ➔ NJDEP Large-scale restoration projects with significant carbon sequestration potential. | <p>WHAT COULD BE FUNDED?</p> <ul style="list-style-type: none"> ➔ NJDEP Grant programs and outreach aligned with the Forest Stewardship Plan; State forest stewardship and management; and/or support for the New Jersey Urban & Community Forestry Program. | <p>WHAT COULD BE FUNDED?</p> <ul style="list-style-type: none"> ➔ NJEDA Establish a Green Bank to leverage private funds towards clean energy in the commercial and industrial sectors. |

How does the State report the investment of auction proceeds?

The State is bound by two separate reporting requirements for the RGGI auction proceeds. RGGI Inc. requires the State to report annually on its investment of the auction proceeds and the Global Warming Solutions Fund Rule requires the Department of Environmental Protection to report every three years, in the latest version of the RGGI Strategic Funding Plan.

Learn about RGGI, Inc. report at <https://www.rggi.org/investments/proceeds-investments>

How much money will New Jersey receive from the CO₂ allowance auctions?

The amount of money received will depend upon the price of carbon at the time of each auction. For example, RGGI's 47th auction in March of 2020 closed at a clearing price of \$5.65. Assuming that price held for the all four 2020 auctions, with New Jersey's initial state budget of 18 million tons in 2020, this would result in \$82,941,000 for that year.

Learn more at <https://www.rggi.org/auctions/auction-results>

What should I do if I have a project or know of a program that should be funded?

For more information about eligibility join the RGGI funding listserv at <https://nj.gov/rggi/>.

Where can I find more information about the RGGI Strategic Funding Plan?

Learn more at <https://nj.gov/rggi/>