# **RGGI Workshop** Township of Ocean | Hosted by NJDEP



# AGENDA

12:45 P.M.	registration & dot voting					
	Workshop Moderator Allison McLeod, Program Manager, NJDEP					
1:15 P.M.	Host Agency Welcome Paul Baldauf, Assistant Commissioner, Air Quality, Energy and Sustainability, NJDEP					
1:25 P.M.	Introduction to the RGGI Strategic Funding Plan Christine Schell, Office of the Asst. Commissioner, Air Quality, Energy and Sustainability, NJDEP					
1:45 P.M.	Question & Answer					
2:00 P.M.	break					
2:15 P.M.	Polling Results					
2:20 P.M.	Breakout Sessions Facilitated discussion at each table.					
3:00 P.M.	Report Out Table Representative(s) will report on priorites, questions and comments.					
3:55 P.M.	Next Steps & Closing Remarks					

4:00 P.M. adjourn

# Paul Baldauf

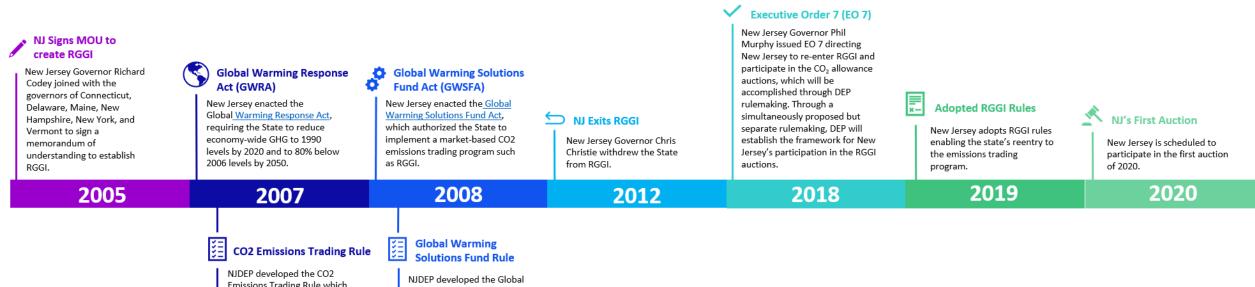
Assistant Commissioner Air Quality, Energy & Sustainability New Jersey Department of Environmental Protection



# Introduction to the RGGI Strategic Funding Plan Christine Schell | NJDEP



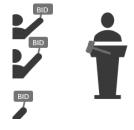
# Back to the Future: New Jersey Rejoins RGGI



Emissions Trading Rule which established the "mechanics" of RGGI participation (e.g., regulated community, auction participation, permitting and enforcement requirements).

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?

Regional greenhouse gas emissions cap is established

• States offer allowances for sale in quarterly auctions

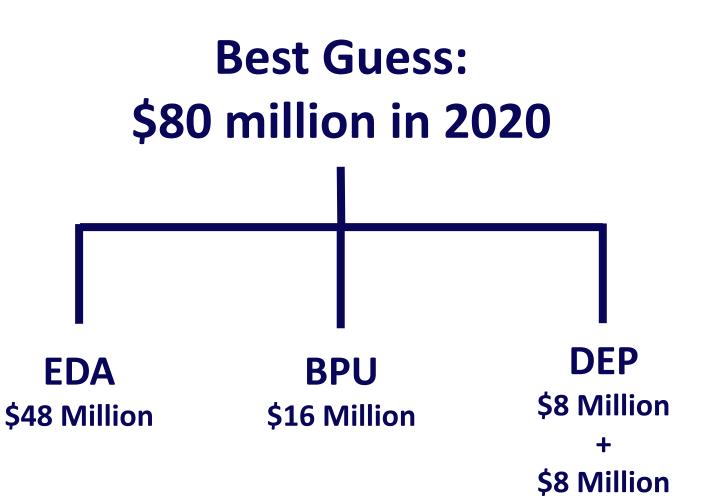
• Electric Generating Units purchase allowances to equal emissions for 3-year control period

• States receive revenue from quarterly auctions to invest



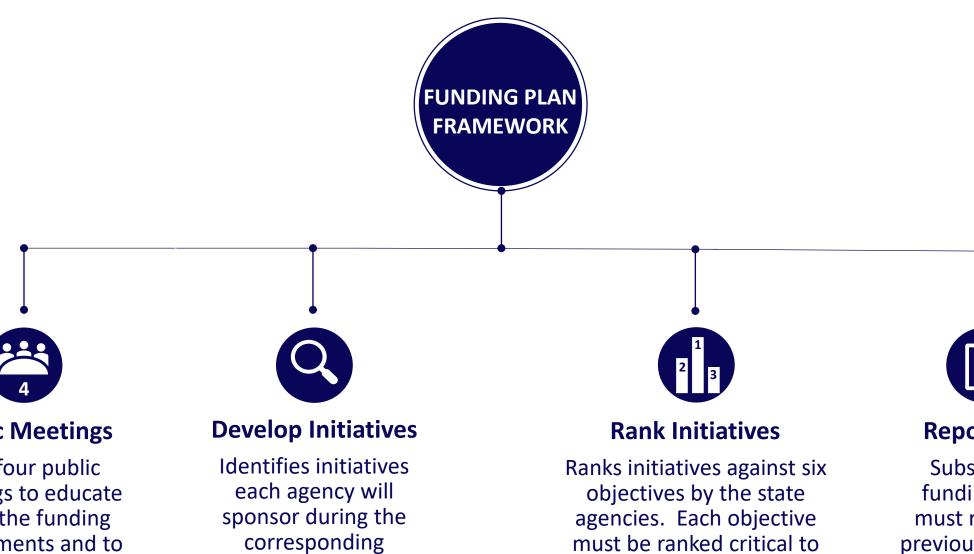
# **How Much Money?**

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



# 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.



#### **Report Out**

Subsequent funding plans must report on previously funded projects and programs.

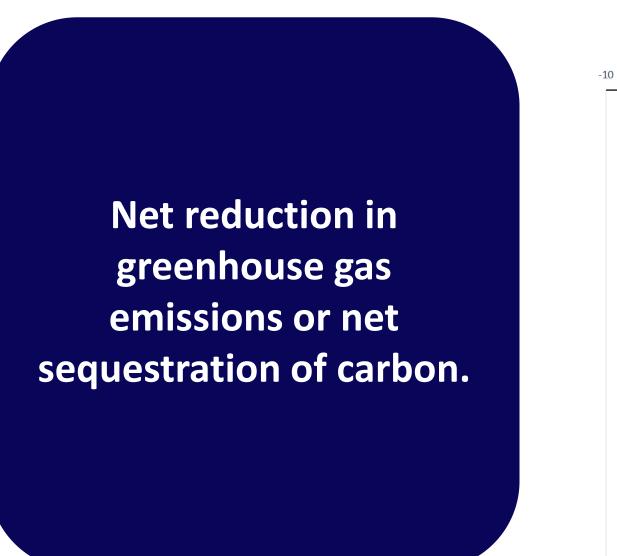
#### **Public Meetings**

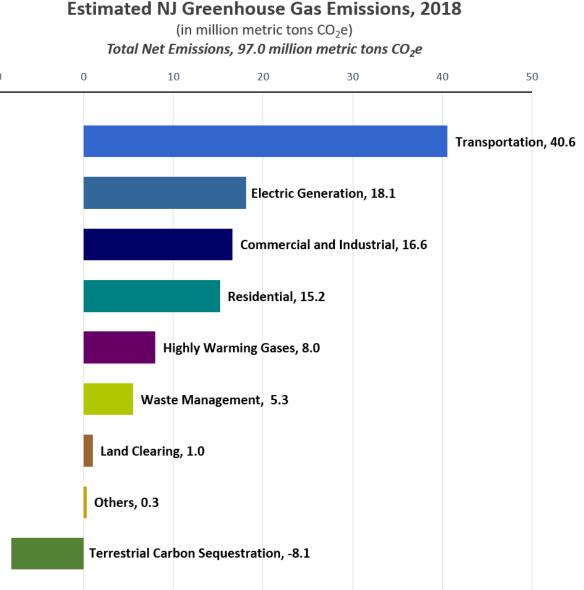
Host four public meetings to educate about the funding requirements and to gather input on spending priorities.

funding period.

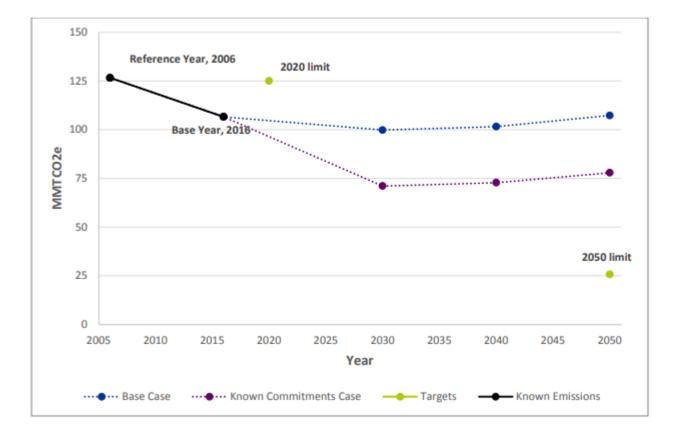
at least one initiative.

	<b>GLOBAL WARMING SOLUTIONS FUND ACT</b> <i>(GWSFA)</i> 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						
	EDA	BPU	D	DEP			
<b>PROGRAM</b> <b>AREAS</b> Required by GWSFA	Commercial, Institutional, & Industrial Entities	Low Income & Moderate Income Residential Sector	Local Governments	Forest & Tidal Marshes			
<b>ALLOCATION</b> Required by GWSFA	60% of RGGI Proceeds	20% of RGGI Proceeds	10% of RGGI Proceeds	10% of RGGI Proceeds			
PROGRAM REQUIREMENTS Required by GWSFA	<ul> <li>PROGRAMS TO SUPPORT:</li> <li>End use energy efficiency projects</li> <li>New, 'State of the Art', efficient electric generation facilities</li> <li>Combined and Heat Power production and other high efficiency electric generation facilities</li> <li>Innovative carbon emissions abatement technologies</li> <li>Development of qualified offshore wind projects</li> </ul>	<ul> <li>PROGRAMS TO:</li> <li>Reduce electricity demand</li> <li>Reduce costs to electricity customers</li> <li>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</li> </ul>	<ul> <li>PROGRAMS TO:</li> <li>Plan, develop and implement measures to reduce GHGs, including, but not limited to assistance to conduct and implement:</li> <li>Energy efficiency</li> <li>Renewable energy</li> <li>Distributed energy programs</li> <li>Land use planning (where results are a measurable reduction of GHG emissions or energy demand)</li> </ul>	PROGRAMS TO: Enhance the stewardship and restoration of State's forests and tidal marshes that provide opportunity to sequester or reduce GHGs			





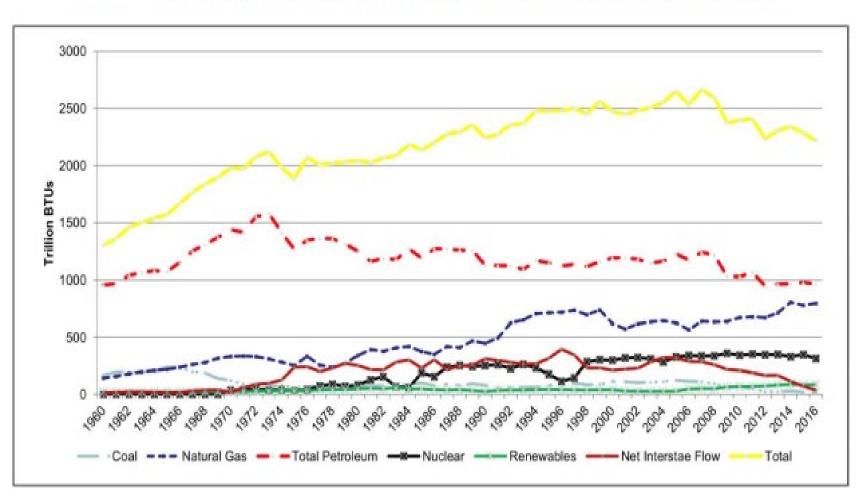
New Jersey's Greenhouse Gas Reduction Targets Including Clean Energy Act Mandates



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



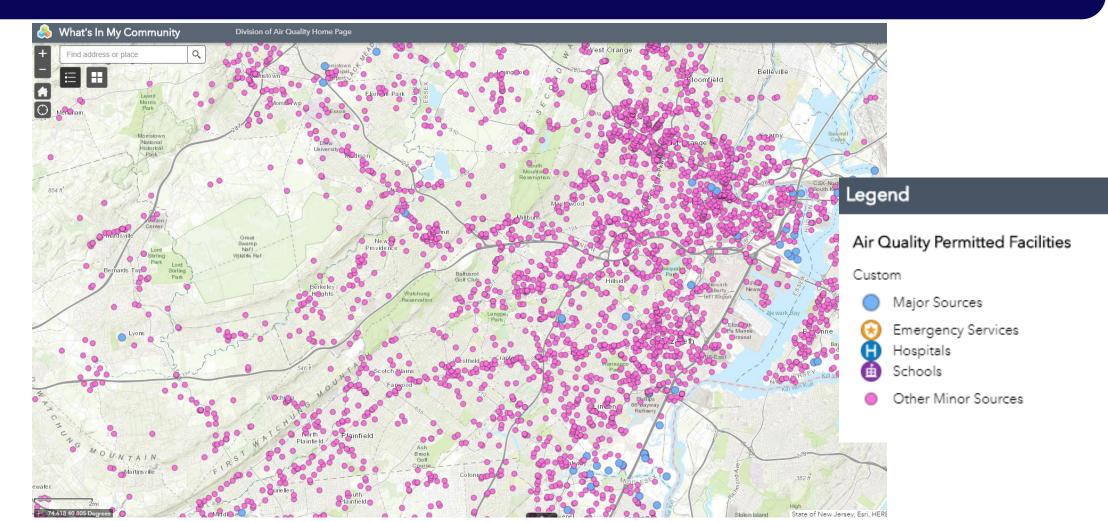
# NJ'S EMISSIONS GOAL 80% J from 2006 baseline by 2050

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.**



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:



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.









### **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.





# **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.





# 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.

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#### 20 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.







# **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
<b>1.</b> A net reduction in greenhouse gas emissions or a net sequestration of carbon;	СС	С	С	С	С	С	С
<b>2.</b> 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				
<b>3.</b> Reduction in energy use;			С	С			
<b>4.</b> 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	CC		С	С	С	С	С
<b>6.</b> 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		С	С			

NJBPU

NJEDA

Key

NJDEP Marsh/Forest

NJDEP Local Govt.

## Timeline



# Question & Answer

Break

# **Dot Voting Results**

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	

# **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 municipalities best reduce greenhouse gas emissions in their communities? How can RGGI funding be utilized to support these efforts?

Are you aware of any current or planned coastal salt marsh creation, enhancement or restoration projects that could utilize future RGGI funding? How should the 10% of RGGI funding allocated to coastal marshes and forests be split between the two programs? Why?

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:** <u>njrggi@dep.nj.gov</u>

Website: nj.gov/rggi/

**Next Workshops:** 

• Webinar | December 12<sup>th</sup> from 10-12pm

