

RGGI STRATEGIC FUNDING PLAN DEVELOPMENT **HYBRID EVENT | ALL TOPICS SESSION**

April 11th, 2023 | 6:30PM – 8:00PM



WELCOME AND INTRODUCTION



Meeting Facilitator & Webinar Moderator, **Helaine Barr**
Bureau Chief, Bureau of Climate Change and Clean Energy, NJDEP

HYBRID EVENT GROUND RULES

- Online participants are muted. During the Facilitated Public Comment Session, we will discuss how to express your questions/comments/concerns
- This meeting is being recorded, by attending this meeting, you consent to being recorded
- A recording of this webinar will be available on our website
- Our panelists will try to address as many questions as possible at the end of the presentation
- Please be courteous of other participants and allow time for meaningful discussion



MEETING AGENDA

- 6:30** *Welcome*
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- Webinar Moderator, Helaine Barr**, NJDEP
- 6:35** **Host Agency Welcome**
Paul Baldauf, Assistant Commissioner, Air, Energy and Materials Sustainability, NJDEP
- 6:40** **Introduction to the RGGI Strategic Funding Plan**
Bob Kettig, Assistant Director, Climate Change, Clean Energy and Sustainability Element, NJDEP
Agency Representatives, NJBPU, NJEDA, NJDEP
- 7:15** **Facilitated Public Comment Session**
Online participants can enter comments into the chat or raise their hand to be added to the queue
In-person participants can raise their hand/come up to the mic queue to comment
- Discussion of Initiatives 1-5 (6 minutes per Initiative)**
- 7:55** **Next Steps & Closing Remarks**
- 8:00** *Adjourn*
-

HOST AGENCY WELCOME



Host Agency | **NJDEP**

Paul Baldauf, Assistant Commissioner, Air, Energy, & Materials
Sustainability, NJDEP

INTRODUCTION TO THE RGGI STRATEGIC FUNDING PLAN

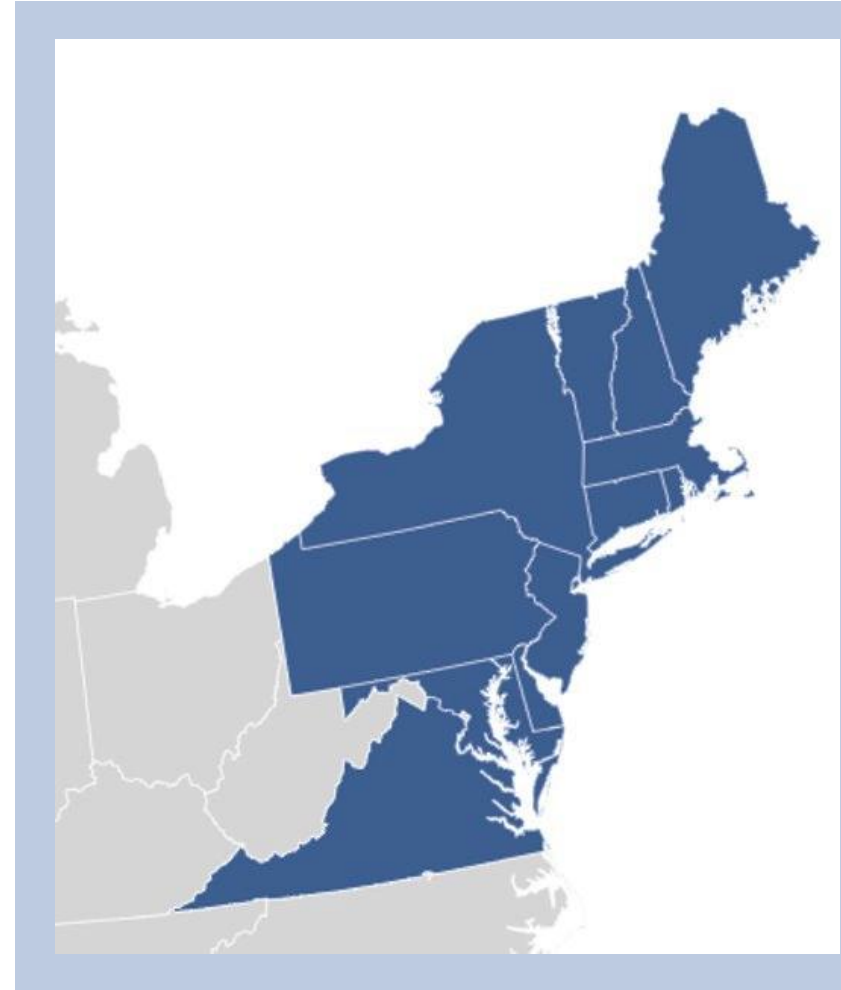


Bob Kettig, Assistant Director, Climate Change, Clean Energy, & Sustainability, NJDEP

WHAT IS RGGI?

The **Regional Greenhouse Gas Initiative** (RGGI) is a market-based program designed to cap and reduce carbon dioxide emissions from fossil fuel power plants at or above 25 MW capacity

- 12 states including New Jersey
- Through statutes or regulations based on the RGGI Model Rule, each state has established individual CO₂ Budget Trading Programs based upon its own statutory or regulatory authority



HOW RGGI WORKS

1



**SETS A DECLINING LIMIT
ON CARBON POLLUTION
FROM POWER PLANTS**

2



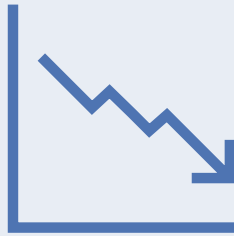
PUTS A PRICE ON CARBON

3



INVESTS IN COMMUNITIES

KEY TENETS OF RGGI

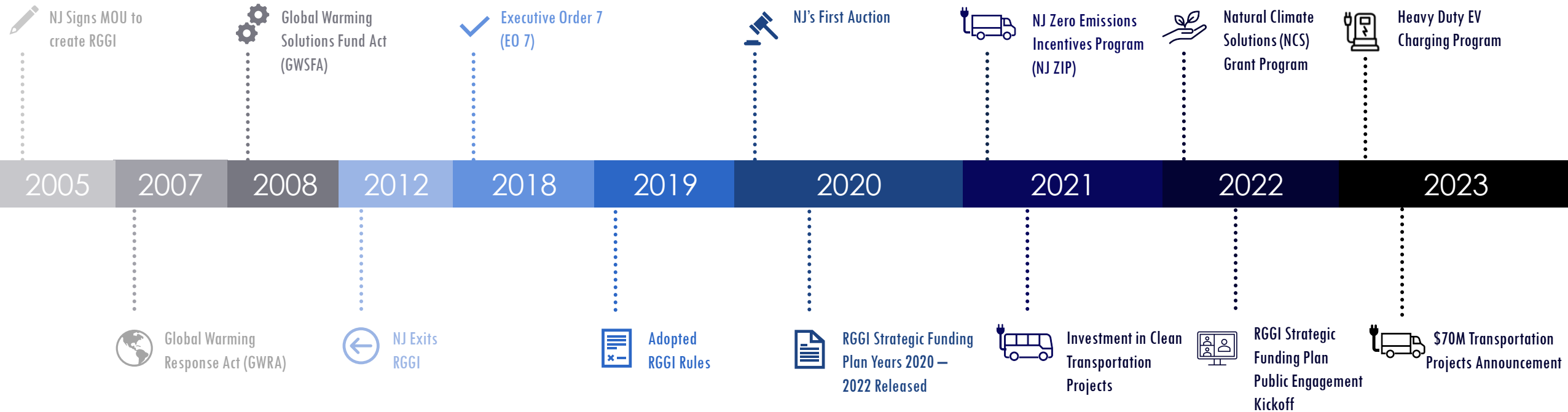


Declining Cap and allowance price send signals to the electricity market. Cost of compliance is less for lower emitting sources



States auction proceeds to achieve GHG reductions and reduce demand for electricity.

NEW JERSEY AND RGGI TIMELINE



RGGI PROCEEDS DISTRIBUTION

- Global Warming Solutions Fund Act (GWSFA) passed in 2008
- Enabled NJ to participate in the CO₂ emission trading program
- Established specific state agency funding lanes to allocate RGGI proceeds
 - Set clear boundaries that require Agencies to spend RGGI funds within specific program areas

	EDA	BPU	DEP	
PROGRAM AREAS	Commercial, Institutional & Industrial Entities	Low Income & Moderate Income Residential Sector	Local Governments	Forest Tidal Marshes
FUNDING ALLOCATION	60%	20%	10%	10%
ELIGIBILITY CRITERIA	<p>PROGRAMS TO SUPPORT:</p> <ul style="list-style-type: none"> • End-use energy efficiency projects. • New, 'state of the art', efficient electric generation facilities. • Combined heat and power production and other high efficiency electric generation facilities. • Innovative carbon emissions abatement technologies. • Development of qualified offshore wind projects. 	<p>PROGRAMS TO:</p> <ul style="list-style-type: none"> • Reduce electricity demand. • Reduce costs to electricity customers. • Support state electric vehicle goals. <p>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.</p>	<p>PROGRAMS TO:</p> <p>Plan, develop and implement measures to reduce greenhouse gas emissions including, but not limited to assistance to conduct and implement:</p> <ul style="list-style-type: none"> • Energy efficiency. • Renewable energy. • Distributed energy programs. • Land use planning (where results are a measurable reduction of greenhouse gas emissions or energy demand). 	<p>PROGRAMS TO:</p> <p>Enhance the stewardship and restoration of State's forests and tidal marshes that provide opportunity to sequester or reduce greenhouse gas emissions.</p>

WHAT IS THE STRATEGIC FUNDING PLAN?

The Strategic Funding Plan identifies how New Jersey will invest its share of the RGGI auction proceeds. It defines key initiatives that each agency sponsors.



It is jointly developed at least once every three years by the NJ Department of Environmental Protection, NJ Economic Development Authority, and NJ Board of Public Utilities.



Identifies initiatives that will be funded by RGGI auction proceeds.



Ranks the importance of each objective for each initiative.



Summarizes project and program spending and results achieved during the prior strategic funding plan period.



Requires 4 public meetings prior to the release of the plan.



INITIATIVE

An **initiative** is a funding strategy predicted to advanced one or more of the objectives identified in the rule, which the agencies have identified as critical

STRATEGIC FUNDING PLAN OBJECTIVES

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

2 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).

3 Reduce energy use.

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

5 Provide co-benefits to the state.

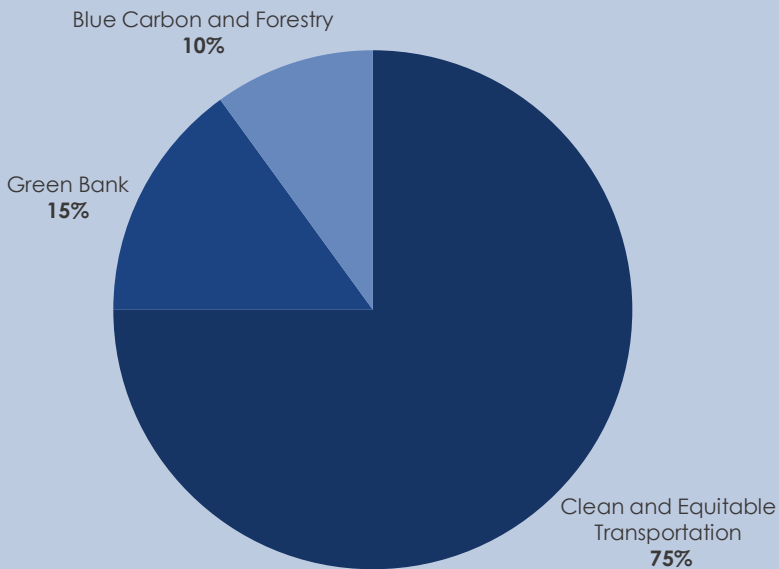
6 Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

Global
Warming
Solutions
Fund Act

EO #7

NJ'S RGGI STRATEGIC FUNDING PLAN: YEARS 2020- 2022

Percentage of Funding by Initiative



The first RGGI Strategic Funding Plan was launched in April of 2020

Four initiatives were identified:

Initiative 1 Catalyze Clean, Equitable Transportation

Initiative 2 Promote Blue Carbon in Coastal Habitats

Initiative 3 Enhance Forests and Urban Forests

Initiative 4 Create a New Jersey Green Bank

RGGI INVESTMENTS FROM 2020-2022 STRATEGIC FUNDING PLAN

\$372,064,000+

New Jersey Total Proceeds; \$260+ million dedicated

153

Projects selected

497

Electric Vehicles Incentivized

16,982

Trees to be planted

56

Acres of Forests to be Restored

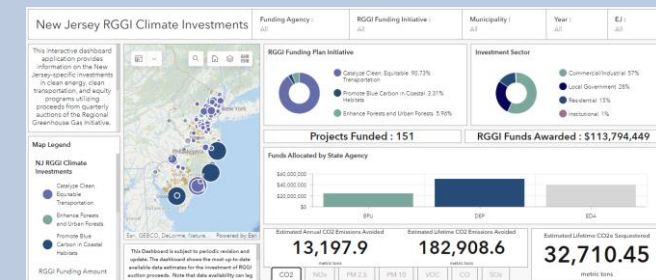
155

Acres of Wetlands to be Restored

208,775

Estimated lifetime CO₂e emissions avoided in metric tons

RGGI Climate Investments Dashboard



www.nj.gov/rggi

POTENTIAL FUNDING INITIATIVES

INITIATIVE 1

Advance
Healthy Homes
and a Stronger
Grid



INITIATIVE 2

Catalyze Clean
and Equitable
Transportation



INITIATIVE 3

Strengthen New
Jersey's Forests



INITIATIVE 4

Promote Blue
Carbon in
Coastal Habitats



INITIATIVE 5

Phasedown
Highly Warming
Refrigerants



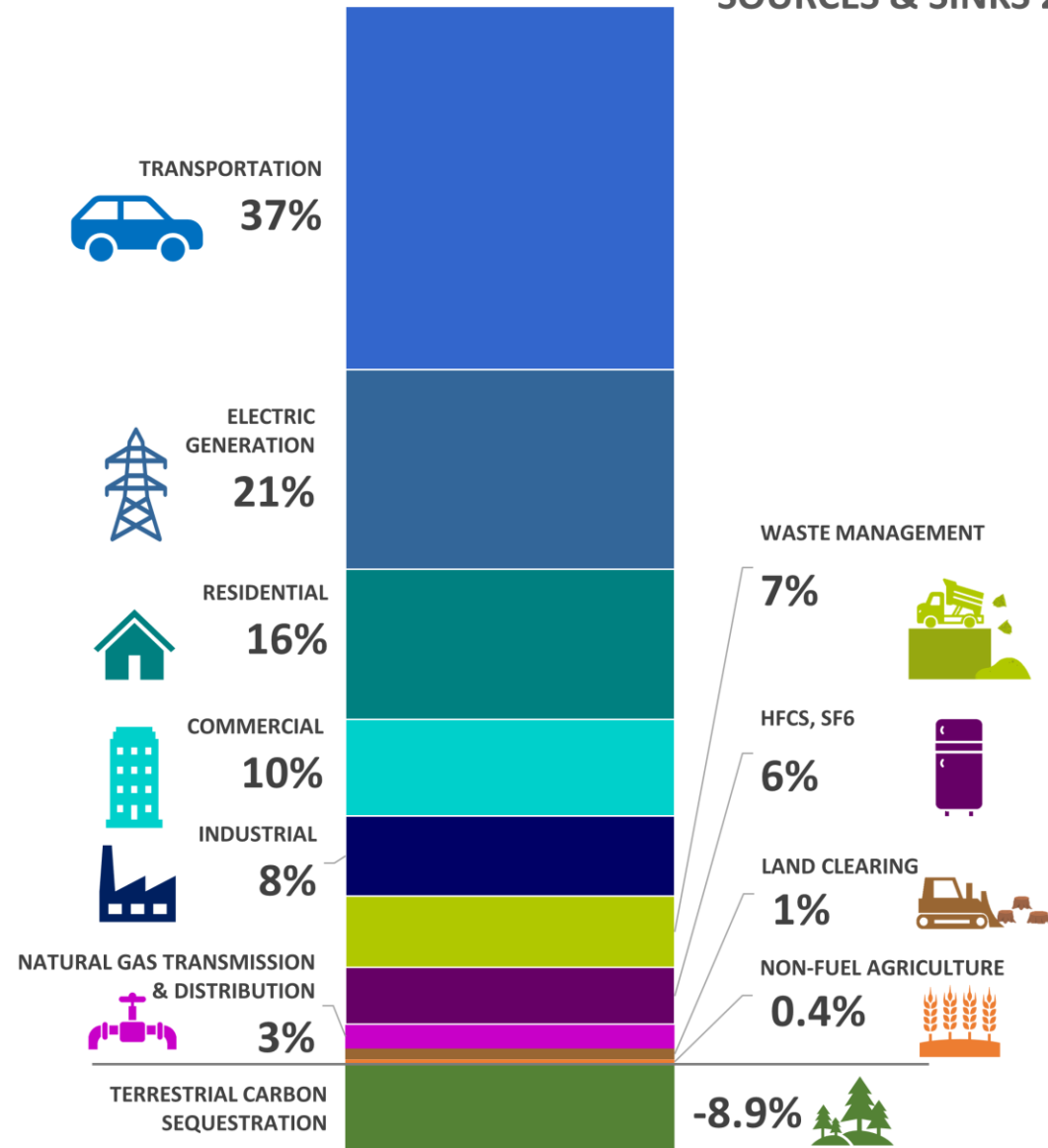
Initiative One: Advance Healthy Homes and a Stronger Grid



Taryn Boland, Chief of Staff, NJBPU

HOW DO BUILDINGS CONTRIBUTE TO THE EMISSIONS INVENTORY

NJ GREENHOUSE GAS SOURCES & SINKS 2020



BACKGROUND ON DECARBONIZATION EFFORTS TO DATE

PLANNING

- Energy Master Plan
- 80x50 Report
- Zero Energy Buildings Codes Collaborative
- Clean Buildings Workgroup
- EO 316 targets:
 - Install zero-carbon-emission space heating and cooling systems in 400,000 Homes and 20,000 Commercial Properties
 - Make 10% of all low-to-moderate income properties electrification-ready by 2030

FUNDING

- Whole House Pilot Program
- Clean Energy Program Energy Efficiency Incentives
- C-PACE (Commercial Property Assessed Clean Energy)

INITIATIVE ONE: ADVANCE HEALTHY HOMES AND STRONGER GRID

A graphic of stylized blue buildings with white window patterns, located in the bottom left corner of the slide.

NJBPU funding could be dedicated to projects and programs that:

- Develop building electrification programs, such as heat pump installation in low-to-moderate income residential properties;
- Implement the Whole Home Pilot Program; and
- Continue to build upon existing energy efficiency programs, including benchmarking.

INITIATIVE ONE: ADVANCE HEALTHY HOMES AND STRONGER GRID

A graphic of stylized blue buildings with white window patterns, located at the bottom left of the page.

NJEDA funding could be dedicated to projects and programs to:

- Implement grid resiliency projects which reduce electrical outages in overburdened communities;
- Finance beneficial electrification, renewable energy, distributed energy resources, or energy efficiency projects; and
- Provide innovation grant funding for research, development and piloting of new renewable technologies, equipment, materials, or software, such as the Clean Tech Seed Grant Program.

Initiative Two: Catalyze Clean and Equitable Transportation

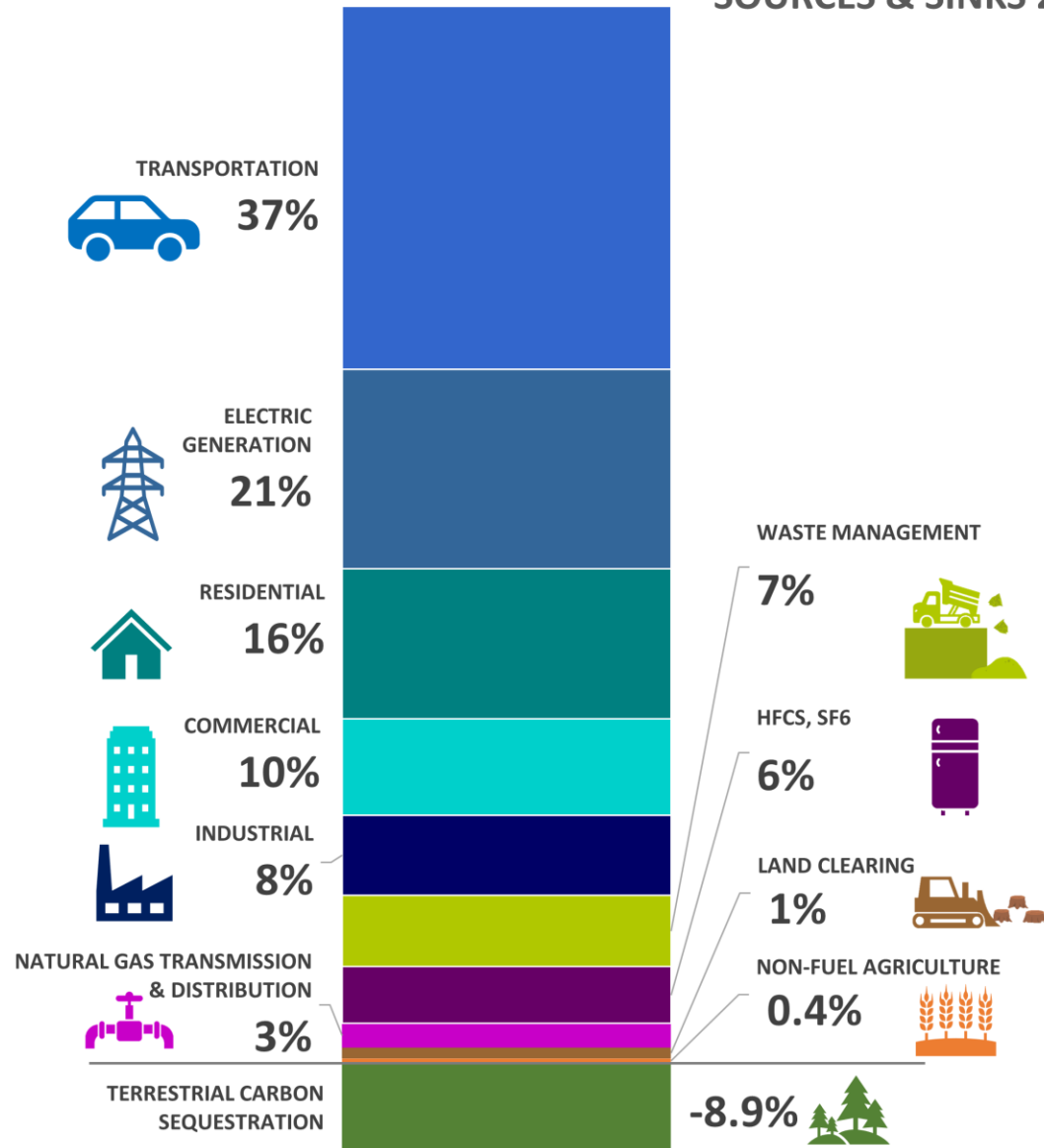


Peg Hanna, Assistant Director, Air Quality Monitoring & Mobile Sources, NJDEP

HOW DOES THE TRANSPORTATION SECTOR CONTRIBUTE TO THE EMISSIONS INVENTORY

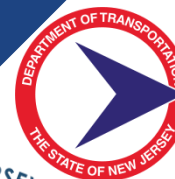
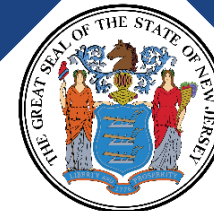


NJ GREENHOUSE GAS SOURCES & SINKS 2020



PARTNERSHIP TO PLUG IN: DRIVING CHANGE IN NJ

A strategy for catalyzing clean and equitable transportation, for all New Jerseyans



RELEVANT EV INCENTIVES

NJDEP

- ZEV sales tax exemption
- It Pay\$ to Plug In –corridors, communities, MUD, workplace, fleet
- Diesel fleet modernization program – Class 2b-8 electric vehicles and charging stations
- Emobility grants
- Drive Change. Drive Electric (consumer awareness)
- Ride & Drives (consumer experience)
- PlugStar (dealer education)

NJEDA

- NJZIP – Class 2b-8 electric vehicles

NJBPU

- Charge Up NJ (cash on the hood)
- EV charging at MUDs
- EV charging at tourist attractions
- Clean Fleet program (LD EVs and charging for govt)
- Utility EV charging and make ready programs

Federal

- Up to \$7500 tax credit

INITIATIVE TWO: CATALYZE CLEAN AND EQUITABLE TRANSPORTATION



NJDEP funding could be dedicated to projects and programs that:

- Electrify vehicles owned by local government or that provide services to local residents, such as garbage trucks, school buses, and municipal fleet vehicles;
- Fund charging hubs to serve residents in multi-unit dwellings, some of which are employed by ride hailing services; and
- Fund ride sharing/rider hailing programs including charging hubs.

Initiative Two: Catalyze Clean and Equitable Transportation



Olivia Barone, Senior Project Officer, Clean Energy Program /
Economic Transformation, EDA

INITIATIVE TWO: CATALYZE CLEAN AND EQUITABLE TRANSPORTATION



NJEDA funding could be dedicated to projects and programs to:

- Turn the NJ Zero Emissions Incentive Program (NJ ZIP) into a multi-year program;
- Finance vehicle and charging infrastructure at commercial and institutional properties;
- Support technology innovation or pilot grant support, such as Hydrogen Fuel Cell development, battery recycling, or vehicle to grid pilots; and
- Fund public transit electrification

Initiative Two: Catalyze Clean and Equitable Transportation



Taryn Boland, Chief of Staff, NJBPU



INITIATIVE TWO: CATALYZE CLEAN AND EQUITABLE TRANSPORTATION



NJBPU funding could be dedicated to projects and programs that:

- Fund vehicle charging infrastructure; and
- Promote light and medium-and-heavy duty electric vehicle adoption.

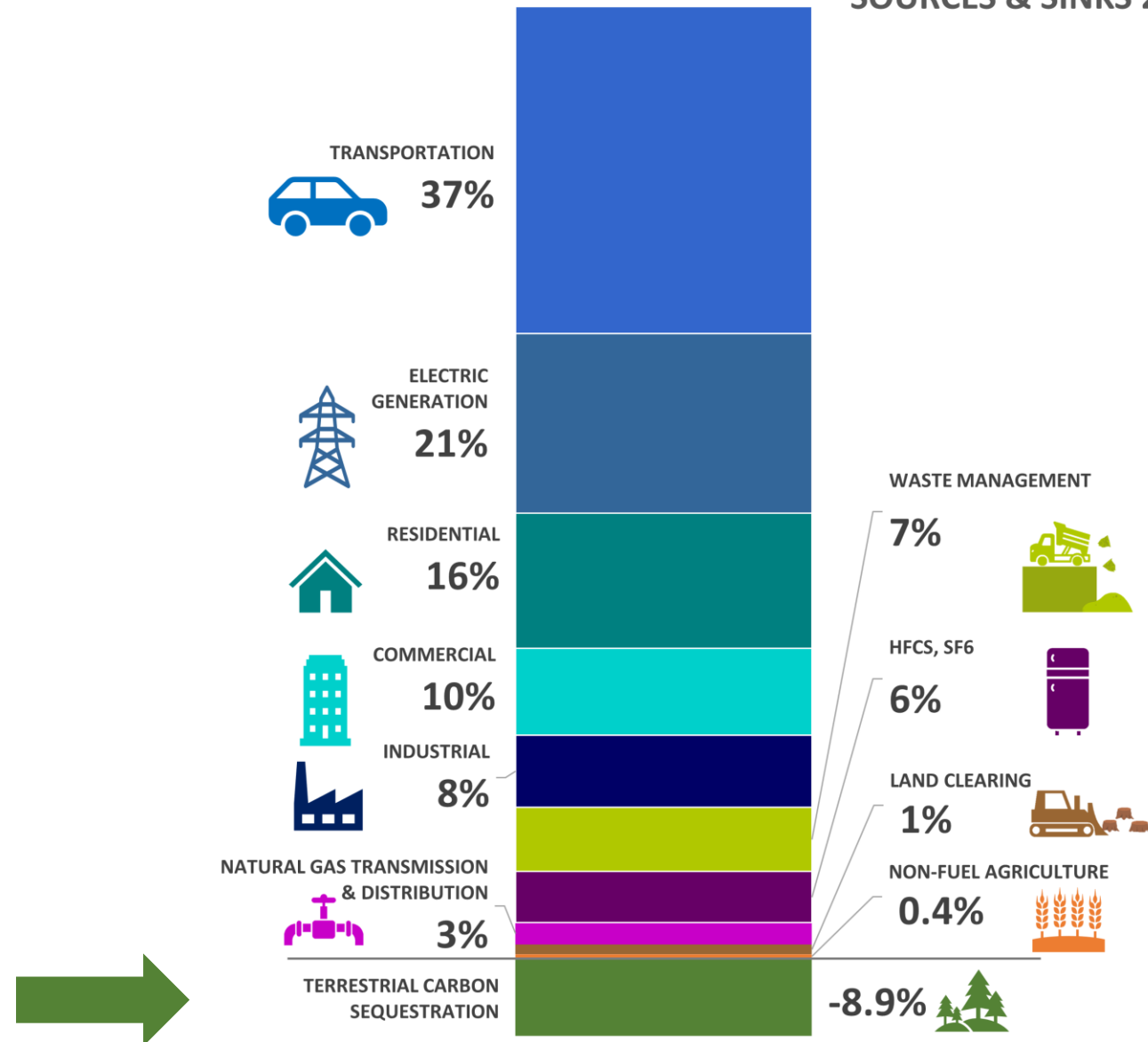
Initiative Three: Strengthen New Jersey's Forests



Lauren Siclare, Forester - Carbon and Climate, NJDEP

WHAT ROLE DOES CARBON SEQUESTRATION PLAY IN THE EMISSIONS INVENTORY

NJ GREENHOUSE GAS SOURCES & SINKS 2020



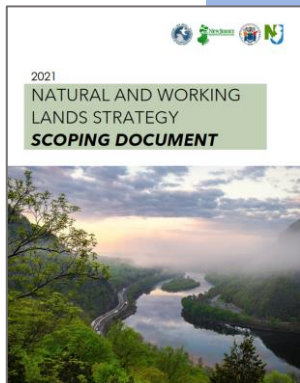
BACKGROUND ON CARBON SEQUESTRATION EFFORTS TO DATE

PLANNING

- 80x50 Report
- Forest Action Plan
- Wetland Program Plan
- Natural Working Lands Strategy

FUNDING

- Urban and Community Forestry Grant Program
- Green and Blue Acres
- Natural Climate Solutions Grant Program



INITIATIVE THREE: STRENGTHEN NEW JERSEY'S FORESTS



NJDEP funding could be dedicated to projects and programs that:

- Fund on-the-ground implementation of projects that create, restore, and enhance New Jersey's carbon sinks, such as forests, and urban trees via the Natural Climate Solutions Grant Program ;
- Support urban and community forestry in overburdened communities;
- Promote the stewardship, conservation, and management of privately held forests; and
- Improve the reforestation and management of forests on public property.

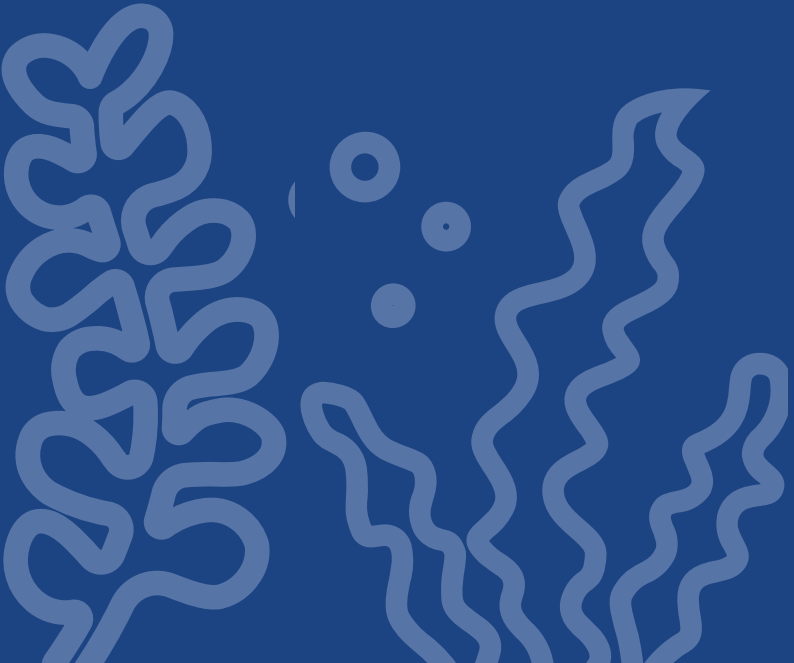
Initiative Four: Promote Blue Carbon in Coastal Habitats



Joshua Moody, Research Scientist, Division of Science and Research,
NJDEP



INITIATIVE FOUR: PROMOTE BLUE CARBON IN COASTAL HABITATS



NJDEP funding could be dedicated to projects and programs that:

- Fund on-the-ground implementation of projects that create, restore, and enhance New Jersey's carbon sinks, such as salt marshes and seagrass beds via the Natural Climate Solutions Grant Program;
- Fund wetland and forest restoration in areas where NJDEP has bought out homes damaged or destroyed in major flood events, leveraging funds from Blue Acres program, Federal NOAA grants, and other blue carbon grant funding sources;
- Encourage coastal habitat conservation and restoration;
- Protect undeveloped upland areas (land lying higher than where tidal flooding occurs) that will become salt marshes as sea level rises; and
- Inventory and prioritize tidal wetlands and marsh migration areas for land conservation through purchase and/or easement.

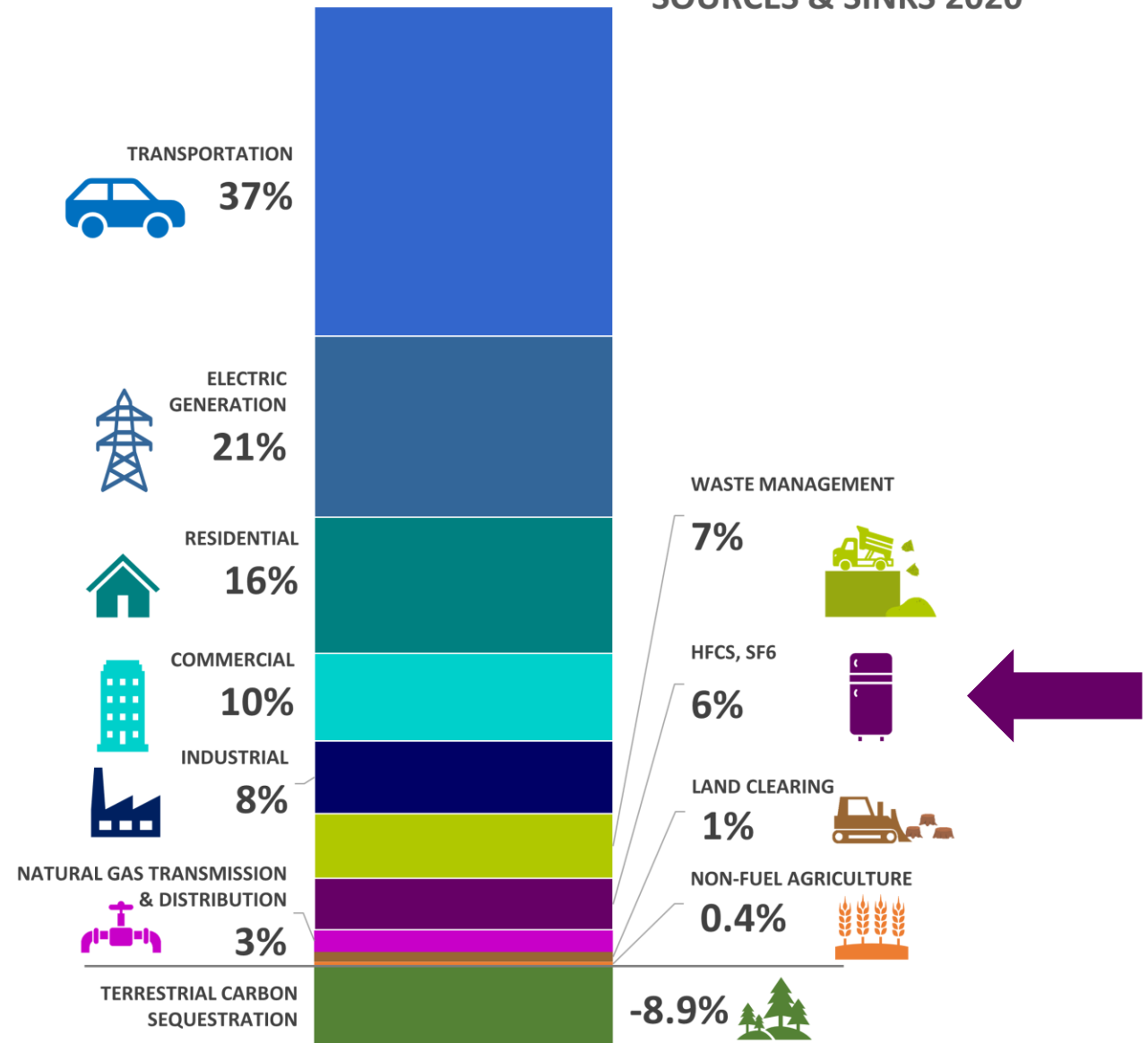
Initiative Five: Phasedown Highly Warming Refrigerants



Matthew Rivas, Environmental Specialist, Bureau of Climate Change and Clean Energy, NJDEP

HOW DO HFCs CONTRIBUTE TO THE EMISSIONS INVENTORY

NJ GREENHOUSE GAS SOURCES & SINKS 2020



BACKGROUND ON HFC DECARBONIZATION EFFORTS TO DATE

- Significant New Alternative Policy Law
 - Prohibition of HFCs in specific end-uses
- Greenhouse Gas Monitoring and Reporting Rule
 - Requirements for refrigeration systems and chillers with 50 pounds or more of high GWP refrigerant charge.

INITIATIVE FIVE: PHASEDOWN HIGHLY WARMING REFRIGERANTS



NJDEP and NJEDA funding could be dedicated to projects and programs that:

- Fund the incremental costs of:
 - Ultra-low GWP commercial refrigeration systems or chillers at new facilities;
 - Replacing high-GWP commercial refrigeration systems or chillers with ultra-low GWP refrigerants in projects located in overburdened communities; and
 - Retrofitting existing high-GWP commercial refrigeration systems or chillers located in overburdened communities with lower-GWP refrigerants.
- Fund leak repair of commercial-grade refrigeration systems and other HFC-emitting systems in overburdened justice communities.

Objectives

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

Initiative 1 Healthy Homes & Stronger Grid	Initiative 2 Transportation	Initiative 3 Forests	Initiative 4 Blue Carbon	Initiative 5 Highly Warming Refrigerants
C	C	C	C	C
C				
	C			C
C	C	C	C	C
C	C	C	C	C
C	C			C

Agency Sponsorship



FACILITATED PUBLIC COMMENT SESSION



Chat



People



Raise



React

POTENTIAL FUNDING INITIATIVES DISCUSSION QUESTIONS



1. Which initiatives, projects and/or programs presented in the Scoping Document should the state prioritize for funding? Why?
2. Are there other funding priorities not listed in the Scoping Document that should be considered? Why?
3. 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?



INITIATIVE 1: ADVANCE HEALTHY HOMES AND A STRONGER GRID

*POTENTIAL FUNDING INITIATIVES
DISCUSSION QUESTIONS*

1. What are some of the key obstacles you see preventing low – and moderate-income customers from fully taking advantage of energy efficiency and decarbonization programs?
2. What financing mechanism(s) could be used for renewable energy, beneficial electrification, distributed energy resource or energy efficiency projects in the commercial and industrial sector?
3. What types of innovative technology development projects could RGGI funding support?



INITIATIVE 2: CATALYZE CLEAN, EQUITABLE TRANSPORTATION

*POTENTIAL FUNDING INITIATIVES
DISCUSSION QUESTIONS*

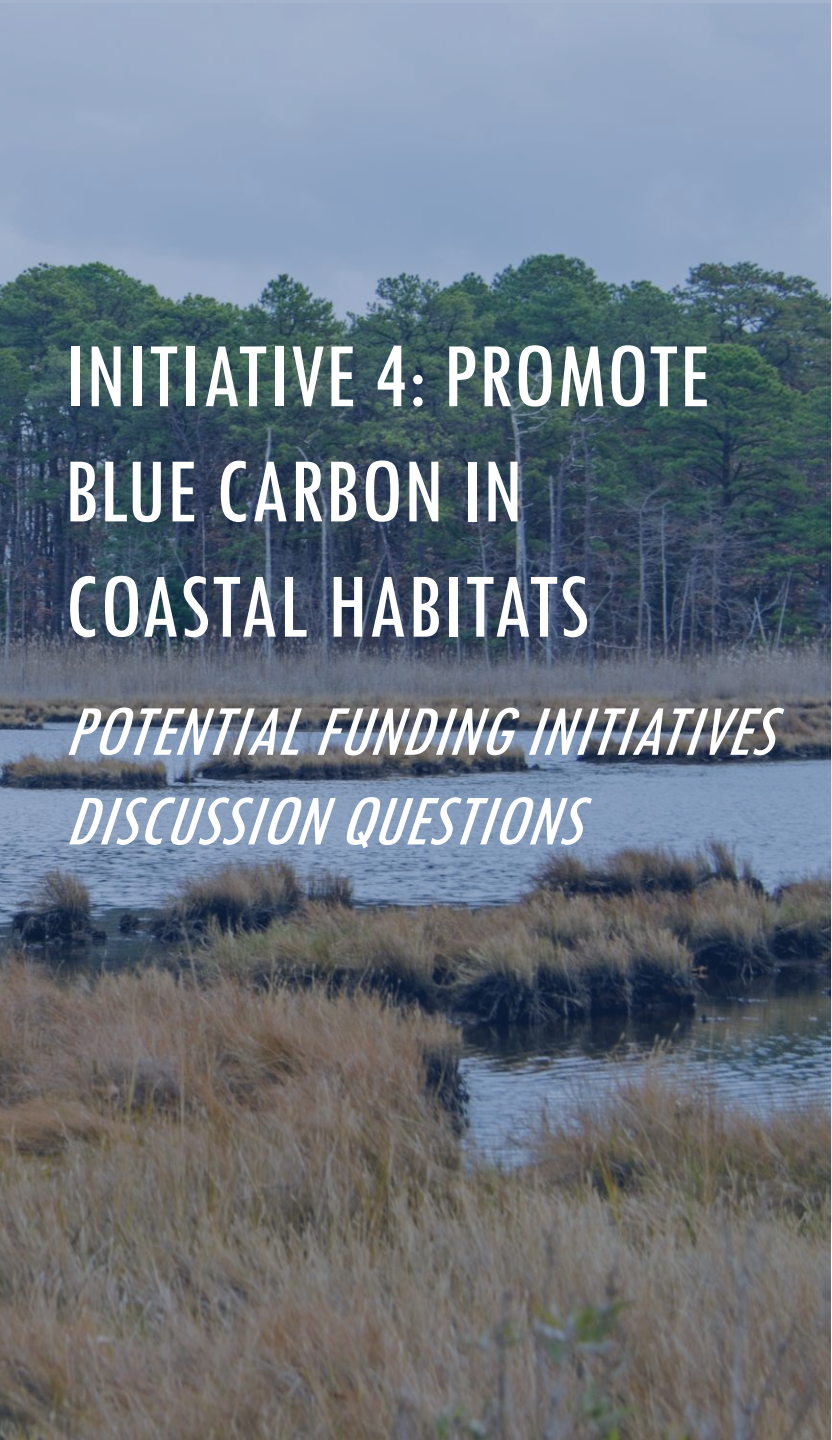
1. What transportation electrification projects are a priority in your community?
2. What obstacles might prevent NJ entities eligible to receive funds from implementing electric vehicle and clean transportation projects?



INITIATIVE 3: STRENGTHEN NEW JERSEY'S FORESTS

POTENTIAL FUNDING INITIATIVES DISCUSSION QUESTIONS

1. What types of forestry activities would you like to see funded in order to help to mitigate climate change effects on privately-owned forest lands? Examples of activities could include tree planting and protection, invasive species control, density management, etc.
2. What are the current obstacles for municipalities and counties to increase tree canopy coverage in their communities? How can RGGI funding support overcoming this?



INITIATIVE 4: PROMOTE BLUE CARBON IN COASTAL HABITATS

POTENTIAL FUNDING INITIATIVES
DISCUSSION QUESTIONS

1. How could DEP maximize the impact and co-benefits of its RGGI funding for coastal salt marsh and tidal wetland restoration?
2. How could blue carbon projects and programs be more directly responsive to the disproportionate, negative effects climate change has on New Jersey's overburdened communities?

A photograph of a brick building with a window and an outdoor air conditioning unit. The air conditioning unit is white and has a circular fan grille. The text is overlaid on the left side of the image.

INITIATIVE 5: PHASEDOWN HIGHLY WARMING REFRIGERANTS

POTENTIAL FUNDING INITIATIVES DISCUSSION QUESTIONS

1. How can the agencies ensure broad participation in a Highly-Warming Refrigerant Reduction Incentive Program among eligible funding recipients (such as supermarkets, warehouse clubs, hospitals, and smaller independent commercial food retailers)?
2. How should a Highly-Warming Refrigerant Reduction Incentive Program be directly responsive to the disproportionate, negative effects climate change has on New Jersey's overburdened communities?

POTENTIAL FUNDING INITIATIVES PUBLIC COMMENTS

INITIATIVE 1

Advance Healthy Homes and a Stronger Grid



INITIATIVE 2

Catalyze Clean and Equitable Transportation



INITIATIVE 3

Strengthen New Jersey's Forests



INITIATIVE 4

Promote Blue Carbon in Coastal Habitats



INITIATIVE 5

Phasedown Highly Warming Refrigerants

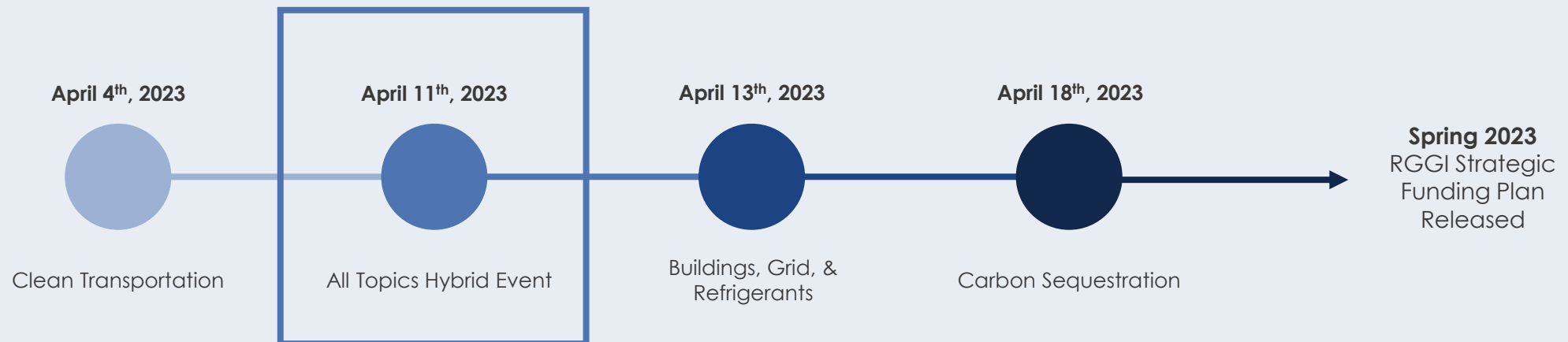


NEXT STEPS

Contact Us | njrggi@dep.nj.gov

For more information on RGGI engagement | nj.gov/rggi/engage

Public Webinars Timeline



HAVE MORE COMMENTS?

Provide feedback on your priorities for reducing greenhouse gases
and fight climate change in New Jersey!

**SCAN THIS
QR CODE**



* Comment period closes on April 21st *

A photograph of a solar farm at sunset. The sky is filled with soft, colorful clouds in shades of blue, purple, and orange. The sun is low on the horizon, partially obscured by a line of trees. In the foreground, several rows of solar panels are visible, tilted towards the sun. The panels are dark and reflect the ambient light. The overall scene is peaceful and serene.

— THANK YOU —