

# The Regional Greenhouse Gas Initiative

an initiative of the New England and Mid-Atlantic States of the U.S.

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## January 31, 2019 Stakeholder Meeting

# Meeting Agenda

- 1:00 Welcome and Meeting Procedures**
- 1:05 New Jersey Executive Order 7 and Proposed CO<sub>2</sub> Budget Trading Rule Proposal**
- 1:20 Potential New Jersey Participation in RGGI: Considerations**
- 1:30 Potential New Jersey Participation in RGGI: Questions/Comments**
- 2:00 Adjournment**

# Background: New Jersey Executive Order 7 and Proposed CO<sub>2</sub> Budget Trading Rule Proposal

- In 2012, New Jersey discontinued its participation in RGGI.
- In January 2018, Governor Murphy issued EO-7 mandating the Department of Environmental Protection and Board of Public Utilities to begin the process of re-participation in RGGI.
- In March 2018, New Jersey held a public information session and provided an overview of RGGI and its intended rulemaking process and timeline.
- Over the past year, the RGGI states and New Jersey state agency representatives have had productive conversations to discuss considerations of New Jersey's re-participation.

# Background: New Jersey Executive Order 7 and Proposed CO<sub>2</sub> Budget Trading Rule Proposal

- In December 2018, New Jersey released its CO<sub>2</sub> Budget Trading Rule Proposal and its Global Warming Solutions Fund Rule Proposal.
- On January 8, 2019, New Jersey released IPM modeling analysis to support its proposed rules.
- It held a public hearing on January 25, 2019 on each of the proposed rules.
- It is accepting written comment on the proposed rules through February 15, 2019.
- New Jersey intends to begin its re-participation in RGGI on January 1, 2020.

# Background: New Jersey Executive Order 7 and Proposed CO<sub>2</sub> Budget Trading Rule Proposal

- Some key elements in its CO<sub>2</sub> Budget Trading Rule Proposal include:
  - A 2020 CO<sub>2</sub> allowance budget of 18,000,000 short tons, declining to 12,600,000 short tons in 2030.
  - Implementation of the third bank adjustment from 2021-2025.
  - Implementation of the Cost Containment Reserve.
  - Implementation of the Emissions Containment Reserve.

# Potential New Jersey Participation: Considerations

- The RGGI states have been reviewing New Jersey's draft proposed regulation and believe it appears consistent with the RGGI program in a number of key ways.
- The RGGI states have noted the benefits of a broader trading market in improving economic efficiency, provided that program design is compatible across the market.
  - Key considerations include comparable stringency, as well as consistency with the RGGI improvements announced as an outcome of the program review process.

# Potential New Jersey Participation: Considerations

- The RGGI states now seek insights and feedback from stakeholders on the implications of New Jersey's potential participation in RGGI and how to optimize compatibility between New Jersey's proposed regulation and the 2017 RGGI Model Rule established through program review.
- Note that while the RGGI states seek feedback specifically about compatibility of the two programs, any recommended changes on New Jersey's proposed regulation should be submitted through New Jersey's state-specific process.

# Discussion

- Questions or comments?



# Stakeholder Comments to RGGI States

- Written comments are requested by 5:00 PM ET on February 11, 2019.
- Please send comments by e-mail to [info@rggi.org](mailto:info@rggi.org).
- Written comments will be posted on the RGGI website <http://www.rrgi.org/design/meeting-new-participation>.

# Stakeholder Comments to New Jersey

- Written comments must be submitted by February 15, 2019.
- Comments may be submitted electronically at <http://www.nj.gov/dep/rules/comments> or in hard copy to:

Alice A. Previte, Esq.

ATTN: DEP Docket No. 05-18-11

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# Adjournment

- Thank you!