

Fact Sheet: The Regional Greenhouse Gas Initiative, (RGGI)

What it is: RGGI is the first mandatory, market-based program in the country to reduce emissions of carbon dioxide (CO₂), the principal human-caused greenhouse gas. The 10 State Northeast bi-partisan initiative began operations on January 1, 2009 with the goal of lowering carbon emissions from power plants by placing a fee on carbon pollution beyond a set ceiling. This ceiling, over time is lowered to reduce the overall amount of carbon pollution. The monies collected from power companies are divided amongst the 10 participating states, to be used in each state, as each state decides. RGGI agreed guidelines suggest that each state should use the money to support energy efficiency programs (help families retrofit their homes to be more energy efficient) and to generate funds for clean energy programs by supporting renewable energy companies and new projects with low or no interest loans.

What it does: Emissions by power plants are cut through a surcharge on carbon where fees are put on carbon pollution from the electrical generation plants as well as mandating a 10% cut in carbon pollution from the plants. By 2018. The concept of RGGI is to put a fee on harmful power (i.e. from fossil fuels such as coal) to get utilities and others to move towards cleaner power.

Emission Targets in NJ: According to a report on Statewide Greenhouse Gas Emissions Inventory” released by the NJ DEP on May 26, 2011, in 2008, Statewide greenhouse gas emissions (the latest year that information is available) were already under the 2020 emissions levels set in the State’s Global Warming Response Act and on track to meet the longer term goal of 25% reduction by 2030. It is understood that this data will need to be reviewed in light of the global recession, increased use of (cheaper & cleaner burning) natural gas, reduced transportation and energy use which all accompanied the economic downturn in 2008 and 2009. In fact, and on the “flip side” according to a report released on May 30, 2011 by the International Energy Agency, 2010 worldwide greenhouse gas emissions were the highest ever recorded, a 5% jump over the previous record year, 2008.

RGGI Funding in NJ: According to Environment NJ and Environment NE: “In NJ, RGGI has delivered real benefits to the environment and the economy. Companies that receive RGGI funds have been able to make energy efficiency improvements or build on-site clean energy projects. These projects help companies save energy and money and also support local jobs, putting people to work retrofitting buildings or installing solar arrays and other projects. Just the first 12 RGGI-funded projects in New Jersey helped in-state businesses generate over 167,000 megawatt hours of clean energy per year – equal to the amount of energy consumed by 19,600 households per year – and reduce annual carbon dioxide emissions by 84,000 metric tons.” This issue will be discussed on June 13th, at the State House, in the Telecommunications and Utilities Committee.

Rational for pulling out of RGGI: Governor's Statement on May 26, 2011: "Our analysis of the Regional Greenhouse Gas Initiative (RGGI) reveals that this program is not effective in reducing greenhouse gases and is unlikely to be in the future, in other words the whole system is not working as it was intended to work, it's a failure," said Christie at a news conference. "RGGI does nothing more than tax electricity, tax our citizens, tax our businesses, with no discernible or measurable impact upon our environment," Mr. Christie said. There appear to be no available detailed analytical reports or papers released by the Governor's office or other offices of the state of NJ that provide background to support the Governor's decision on RGGI, or explain specifically how he arrived at this decision.

Quick Summary of Where Things Stand in NJ

On May 26, Gov. Chris Christie announced his plan to withdraw New Jersey from the Regional Green House Gas Initiative (RGGI), stating that "climate change is real and it's impacting our state," but declaring RGGI an ineffective way to reduce greenhouse gas (GHG) emissions. The governor also unveiled the state's new energy plan June 7, which bans construction of new coal-burning power plants in the state but also weakens the state's renewable energy portfolio.

On June 29, the New Jersey Legislature responded to Christie's planned withdrawal by passing legislation (A4108/S2946) requiring the state to remain in RGGI. Christie subsequently vetoed the bill on August 19. The legislature also passed a resolution (ACR-195) June 29 characterizing Christie's planned withdrawal as inconsistent with the legislature's intent. The legislature's resolution does not require the governor's signature, but the governor is under no obligation to act on it.

In his announcement Christie argued that RGGI was not effective in reducing GHGs and noted the existence of other New Jersey programs to promote renewable and alternative energy use. Christie later remarked that the costs of the RGGI were nominal, and said that he didn't want to "overplay" the benefit that consumers would see on their utility bills after the state's withdrawal. (Above Section taken from Georgetown Climate Center, Georgetown University Law School 8/20/11)

What We Can Do to Keep NJ in RGGI

Environment NJ is leading a coordinated effort to keep NJ in RGGI and galvanize citizen support. NJPPN has been asked to be a participatory organization in this effort and continue the pressure on our top three targets (NJ Sen. Sarlo, Sen. Bateman, and Sen. Beck). Here's what NJPPN members can do:

1. Write a letter to the editor - contact info@northjerseypublicpolicy.org for help with talking points.
2. Send an email alert to your members or your contacts to generate emails and calls to the legislators;
3. Help NJPPN organize a district meeting with a senator in your district. Contact info@northjerseypublicpolicy.org to help.

References

Official statements from other RGGI participating States in response to Gov Christie's Announcement.
<http://www.rggi.org/news/njstatements>

Media reports/editorials on Gov. Christie's RGGI announcement.
http://www.nytimes.com/2011/05/31/opinion/31tue2.html?_r=1&emc=eta1
<http://www.nytimes.com/2011/05/27/nyregion/christie-pulls-nj-from-greenhouse-gas-coalition.html>
<http://www.baltimoresun.com/news/opinion/editorial/bs-ed-greenhouse-md-20110531,0,5125713.story>

Statements from NJ Organizations in defense of RGGI, NJ Future & American Planning Association
<http://www.njfuture.org/index.cfm?ctn=9t45e1o30v9g&emn=5u92y86g2h42&fuseaction=user.item&ThisItem=1174>

Sierra Club
<http://newjersey.sierraclub.org/PressReleases/0224.asp>

National Resources Defense Council
<http://www.nrdc.org/media/2011/110526c.asp>

New England Clean Energy Council
<http://www.cleanenergycouncil.org/blog/2011/05/31/weekly-links-5-31-11/>

RGGI Fact Sheets and Background
http://www.rggi.org/docs/RGGI_Fact_Sheet.pdf
<http://www.nj.gov/dep/oce/rggi.htm>
<http://nj.gov/globalwarming/>

Environment NE
Economy wide benefits of RGGI: <http://www.env-ne.org/resources/open/p/id/1089/resource/Economy-wide%20Benefits%20of%20RGGI>

Municipal/Regional RGGI Resolution Repeal Source and Background
Americans For Prosperity (AFP) Website
<http://www.americansforprosperity.org/new-jersey>

AFP Press release on Gov. Christie's announcement
<http://www.americansforprosperity.org/052611-pr>

Source for Resolutions RGGI Repeal for municipalities and mayors
<http://www.americansforprosperity.org/021511-your-rggi-repeal-resource-0>

NJ Supporters of a RGGI Repeal, as listed on AFP website: 3 Municipalities: Garfield, Ramsey and Absecon
7 Freeholder Boards: Atlantic County Freeholder Board; Hunterdon County Freeholder Board; Bergen County Freeholder Board; Morris County Freeholder Board; Sussex County Freeholder Board; Warren County Freeholder Board; Somerset County Freeholder Board; (It appears that all supporting boards adopted AFP resolution, word for word, as written by AFP)

Prepared by Harriet Shugarman, Chair NJPPN Environmental Workgroup, Revised November 11, 2011