

Appalachian Mountain Club Key Talking Points for NJ Department of Environmental Protection's proposed CO₂ trading rule to rejoin the Regional Greenhouse Gas Initiative.

General Comment:

- I applaud and strongly support Governor Murphy's commitment to rejoin RGGI, which will reduce climate-changing emissions of CO₂, protect public health, and benefit the state and its residents both environmentally and economically.
- In light of the significant environmental and economic impacts to New Jersey from climate change that are expected only to become more severe, rejoining RGGI is the right thing to do. When NJ was part of RGGI from 2009 to 2011, it generated more than \$150 million in revenue and added 1,700 job-years to the state's economy.

Specific Rule Comments:

- I support NJ adopting the latest 2017 RGGI program agreement of the nine current RGGI states that advances the program through 2030 and commits to further carbon pollution reductions from power plants of 3 percent per year, as well as the continued auctioning of carbon allowances to secure energy efficiency investments and other program benefits.
- I also support including important new elements in the 2017 agreement including the Emissions Containment Reserve (or ECR) that will further strengthen RGGI in future years if the costs of doing so are low.

Comments on the proposed cap:

- I support DEP's approach that aims to set a 2020 carbon pollution cap that would be no higher than the level of expected power plant pollution in the state next year, but I am concerned that the 18-million-ton cap that DEP proposes for 2020 is too high.
 - I ask DEP to consider NRDC's analysis and modeling that has found that emissions in New Jersey are falling more quickly than previously anticipated because of the state's clean energy policies and other market changes throughout the region, independent of RGGI.

A cap that is too high and suppresses allowance prices will also lower RGGI revenues and threaten the programs and investments New Jersey is committing to under the proposed Global Warming Solutions Fund Rule that will be discussed in a separate hearing later this afternoon.

- As New Jersey looks to re-enter RGGI, I also urge the state to work with pollution-affected, overburdened, low-income, and climate at-risk communities that have carried the largest pollution burden historically to identify other policies and programs, in addition to RGGI, that will further reduce pollution burdens and improve public health.

Appalachian Mountain Club Key Talking Points for NJ Department of Environmental Protection's proposed Global Warming Solutions Fund rule and rejoin the Regional Greenhouse Gas Initiative.

General comments

- Thank you for the opportunity to comment on the proposed framework for determining how to use the revenues raised under the Regional Greenhouse Gas Initiative, as outlined in the proposed Global Warming Solutions Fund Rule.
- I applaud and strongly support Governor Murphy's commitment to rejoin RGGI and resolve to ensure the use of RGGI funds benefits communities that are disproportionality impacted by the effects of environmental degradation and climate change.
- As I mentioned at this morning's hearing on the CO₂ Budget Trading Program rules, setting an ambitious pollution limit for New Jersey is key to achieving RGGI's promise and potential, and to ensuring New Jersey does its part to combat climate change.
- New Jersey's cap must be set at a level that supports a healthy and economically viable program.
 - An analysis by NRDC from the current RGGI states during their most recent program review showed that a more ambitious carbon cap produces *more* revenues for investments as well as greater pollution reductions, while a weak cap would result in less of both.

Benefits from RGGI investments in other states:

- In determining how best to allocate its share of RGGI revenues, New Jersey can look to the examples and experience from the other RGGI states over the last ten years.
 - Both independent analyses and analyses by the RGGI states have shown that investing RGGI revenues in clean energy produces enormous benefits. Specifically, independent economists at the Analysis Group have concluded that the program has already contributed at least \$4.3 billion in growth and more than 44,000 job-years to the region's economy, thanks significantly to the states' wise investments of RGGI revenues in clean energy programs.
 - Moreover, the Analysis Group has concluded that "Since RGGI's commencement in 2009, energy and dollar savings resulting from all states' investments in EE [energy efficiency] and RE [renewable energy] has more than offset" the costs of the RGGI program.
- As you develop New Jersey's RGGI investment plans, I strongly urge you to work with environmental justice organizations and communities to ensure that these investments provide specific benefits to communities in the state that are disproportionately affected by environmental degradation and climate change.