

USA - New Jersey

General Information

ETS Description

On 29 January 2018, New Jersey's Governor Phil Murphy signed 'Executive Order No. 7' which directed the Department of Environmental Protection (DEP) and Board of Public Utilities (BPU) to take all necessary regulatory and administrative measures to ensure New Jersey's timely return to full participation in RGGI.

After working with the other RGGI states to determine how best to re-engage in the program, New Jersey's DEP proposed CO2 Budget Trading Program rules were made consistent with the 2017 RGGI Model Rule on 17 December 2018.

That proposal establishes New Jersey's initial emissions cap at 18 million short tons CO₂e (16.3 MtCO₂e) in 2020. The cap will decline by a set amount annually (2.5% in 2020 and then by 30% over the next 10 years through to 2030). The proposal also establishes the applicability of the RGGI program to those power plants providing 25 MW or more to the grid and commits the state to participation in RGGI's Emissions Containment Reserve (ECR) beginning in 2021 and in the Cost Containment Reserve (CCR).

Simultaneously, New Jersey proposed the 'Global Warming Solutions Fund Rule' which would establish a framework, guidelines, and priority ranking system that the DEP, Economic Development Authority, and BPU will use to select eligible programs and projects to receive RGGI auction proceeds. To maximize coordination and avoid overlap between the uses of the auction proceeds, the proposal requires the three agencies to develop a multi-year strategic funding plan demonstrating that funds will advance one or more of six key objectives.

After a 60-day public comment period in early 2019, on 17 June 2019 the DEP adopted final regulations which are based on the 2018 proposal text and establish an ETS in the state and rejoin RGGI in January 2020. The state anticipates participating in the first RGGI auction of 2020.

ETS Status

no status

Jurisdictions

New Jersey

Emissions & Targets

GHG reduction targets

BY 2020: GHG emissions equal to or below 1990 emissions

BY 2050: GHG emissions equal to 80% below 2006 emissions

Flexibility & Linking

Links with other Systems

New Jersey will join the RGGI cap-and-trade program January 2020 (see above).

Other Information

Institutions involved

New Jersey Department of Environmental Protection;

Board of Public Utilities;

Economic Development Authority

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