

CHAPTER 27D**GLOBAL WARMING SOLUTIONS FUND RULES****Authority**

N.J.S.A. 26:2C-37 et seq. and 26:2C-50 et seq.

Source and Effective Date

R.2009 d.373, effective December 21, 2009.
See: 41 N.J.R. 833(a), 41 N.J.R. 4776(a).

Chapter Expiration Date

Chapter 27D, Global Warming Solutions Fund Rules, expires on December 21, 2014.

Chapter Historical Note

Chapter 27D, Global Warming Solutions Fund Rules, was adopted as new rules by R.2009 d.373, effective December 21, 2009. See: Source and Effective Date.

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SUBCHAPTER 1. GENERAL PROVISIONS**7:27D-1.1 Purpose**

- (a) This chapter establishes:

1. A priority ranking system for the EDA, BPU, and the Department to use when allocating funds from the Global Warming Solutions Fund;

2. The process for determining whether new electric generation facilities are state of the art; and

3. The procedure by which the Department will allocate funds from the Global Warming Solutions Fund through the Department's Local Government Greenhouse Gas Reduction Program.

7:27D-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Act” means the Global Warming Solutions Fund law, N.J.S.A. 26:2C-50 et seq.

“BPU” means the New Jersey Board of Public Utilities.

“Carbon dioxide equivalent” means the quantity of a given greenhouse gas multiplied by its global warming potential.

“Co-benefits” means benefits that result or are expected to result from a project or program other than a net reduction in greenhouse gas emissions, net reduction in energy use, or net sequestration of carbon. Co-benefits include, but are not limited to, the creation of job opportunities, reduction of air pollutants other than greenhouse gases, reduction of the costs of electricity or natural gas to consumers, improvements in local electric system reliability, and the contribution to regional initiatives to reduce greenhouse gas emissions.

“Department” means the New Jersey Department of Environmental Protection.

“EDA” means the New Jersey Economic Development Authority.

“Global warming potential” or “GWP” means a measure of the radiative efficiency (heat absorbing ability) of a particular gas relative to that of carbon dioxide (CO₂) after taking into account the decay rate of each gas (the amount removed from the atmosphere over a given number of years) relative to that of CO₂.

“Global Warming Response Act” means N.J.S.A. 26:2C-37 et seq.

“Global Warming Solutions Fund” or “Fund” means the fund established under N.J.S.A. 26:2C-50 administered by the Treasurer, State of New Jersey, that contains monies received as a result of any sale, exchange or other conveyance of allowances through a greenhouse gas emissions allowance trading program; monies appropriated by the Legislature; and any return on investment of monies deposited in the fund.

“Greenhouse gas” means CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and ethers and halogenated ethers that are listed in Table 1B of N.J.A.C. 7:27-21.2(a).

“Local government agency” is one or a cooperating combination of the entities set forth at N.J.A.C. 7:27D-4.1(b)1 through 3.

“Measurable” means that a quantitative value can be assigned based on a method that is sufficiently well described to be repeatable and for which the quantitative value determined by any application of that method will not differ significantly from the value determined by any other application of that method. Generally, a significant difference in this context is a meaningful difference in a practical sense, as opposed to a statistical sense, and should be considered to be a difference of greater than five percent from one measurement to another. However, a difference greater or less than five percent may be appropriate or acceptable depending on the degree of precision and/or accuracy of available methods of measurement, as determined by the EDA, BPU or the Department. The measurement method need not be an actual physical measurement method requiring sampling or analytical equipment, but may be based on quantities that can themselves be reliably measured or estimated and are typically reported or recorded such as kilowatt hours of electricity; volume, mass, or energy content of identified fuels.

“Measurable reduction” means a reduction of a measurable quantity of greenhouse gas emissions or energy use such that there is 95 percent confidence that the quantity of the greenhouse gas emissions or energy use under the direct influence of a project or program area is less by a meaningful or practical amount as a result of the completion of the project or program area than it was prior to the inception of the project or program area. If a 95 percent or higher level of confidence is not achievable due to a lack of precision and/or accuracy of available and appropriate methods of measurement, a level of confidence acceptable to the EDA, BPU or the Department, as applicable, shall be used.

“Net reduction” means a measurable reduction that includes in its evaluation all preliminary steps, accessory supplies, materials, equipment, and other inputs any of which is estimated to the satisfaction of the EDA, BPU, or the Department to contribute at least five percent of the total quantity of emissions, energy use or other parameter associated with the actions that take place because of the project or program area and are not likely to take place without the implementation of the project or program area associated with the reduction.

“Net sequestration” means a sequestration of carbon that includes in its evaluation all preliminary steps, accessory supplies, materials, equipment, and other inputs any of which is estimated to the satisfaction of the EDA, BPU, or the Department to contribute at least five percent of the total quantity of carbon flows associated with the actions that take place because of the project or program area and are not

likely to take place without the implementation of the project or program area associated with the sequestration.

“Program area” means a policy or category of projects identified by the EDA, BPU or the Department, in accordance with this chapter, as eligible for funding from the Global Warming Solutions Fund, and which reflects each agency’s initial policy determination as to how to allocate the resources of the Fund to effectuate the purposes of the Act as outlined for each agency in N.J.S.A. 26:2C-51(b). A program area may consist of one or more projects, or may include no project. For example, a program area that provides direct financial assistance to electricity customers in the low-income or moderate income residential sector is a policy, and may not involve a project per se.

“Project” means a discrete undertaking or series of undertakings that have a tangible result designed to implement or further all or a portion of a program area.

“Sequestration” means the measurable transfer of carbon from the atmosphere or from a flux entering the atmosphere (such as power plant exhaust) by a physical, chemical or biological process to a repository that is expected to contain and thus prevent the subsequent release to the atmosphere of 99 percent or more of that carbon for a period not less than 20 years.

“Significant contribution to the achievement of the State’s 2020 Global Warming Response Act limit” means a measurable reduction of greenhouse gas emissions of more than 1,000 metric tons per year carbon dioxide equivalents, as established pursuant to the Global Warming Response Act.

“Significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit” means a measurable reduction of greenhouse gas emissions of more than 1,000 metric tons per year carbon dioxide equivalents, as established pursuant to the Global Warming Response Act.

“Thermal efficiency” means the useful electricity output of a facility, plus the useful thermal energy output of the facility, expressed as a percentage of the total heat input to the facility, based on the high heating value of the fuel.

“Uncertainty” means the range of a measured quantity or estimated quantity within which the true value is expected to fall with a specified level of confidence.

“Useful electricity” means the net electric energy produced for market or for use by an entity or entities other than the electric production facility itself.

“Useful thermal energy” means the net thermal energy produced for market or for use by an entity or entities other than the electric production facility itself.