

RGGI REGIONAL GREENHOUSE GAS INITIATIVE



AUCTION PROCEEDS SCOPING DOCUMENT

YEARS 2026 THROUGH 2028



NEW JERSEY
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION

NJEDA
ECONOMIC DEVELOPMENT AUTHORITY



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Introduction

New Jersey formally rejoined the [Regional Greenhouse Gas Initiative \(RGGI\)](#) in 2020. Since then, New Jersey’s participation in the program has resulted in \$922.9 million dollars of auction proceeds for the State to invest in projects and programs designed to help meet its climate, clean energy, and equity goals. Initial investments were guided by the [RGGI Strategic Funding Plan: Years 2020 through 2022](#) (hereafter referred to as the 2020 Plan) and the [RGGI Strategic Funding Plan: Years 2023 through 2025](#) (hereafter referred to as the 2023 Plan). As the State embarks upon its sixth year of participation in RGGI, it is developing a new Strategic Funding Plan, as required by law, to steer its investments for the next three years. Three State agencies, the New Jersey Department of Environmental Protection (NJDEP), the New Jersey Economic Development Authority (NJEDA), and the New Jersey Board of Public Utilities (NJBPU) are designated to distribute RGGI auction proceeds according to legislatively mandated funding allocations and program areas of focus. The Global Warming Solutions Fund Act (P.L. 2008, c. 340) allocates funding by percentage to each agency and dictates its investment by specific “funding lanes” shown below.

	EDA	BPU	DEP	
PROGRAM AREAS	Commercial, Institutional & Industrial Entities	Energy Cost Savings to Low & Moderate-Income Residential Sector	Local Governments	Forests Tidal Marshes
FUNDING ALLOCATION	60%	20%	10%	10%
ELIGIBILITY CRITERIA	<p>PROGRAMS TO SUPPORT:</p> <ul style="list-style-type: none"> End-use energy efficiency projects. New, ‘state of the art’, efficient electric generation facilities. Combined heat and power production and other high efficiency electric generation facilities. Innovative carbon emissions abatement technologies. Development of qualified offshore wind projects. 	<p>PROGRAMS TO:</p> <ul style="list-style-type: none"> Reduce electricity demand. Reduce costs to electricity customers. Support state electric vehicle goals.* <p>With a focus on urban areas, and includes efforts to address heat island effect and reduce impacts on ratepayers attributable to the implementation of Global Warming Response Act.</p> <p>*Not limited to LMI</p>	<p>PROGRAMS TO:</p> <p>Plan, develop and implement measures to reduce greenhouse gas emissions including, but not limited to assistance to conduct and implement:</p> <ul style="list-style-type: none"> Energy efficiency. Renewable energy. Distributed energy programs. Land use planning (where results are a measurable reduction of greenhouse gas emissions or energy demand). 	<p>PROGRAMS TO:</p> <p>Enhance the stewardship and restoration of State’s forests and tidal marshes that provide opportunity to sequester or reduce greenhouse gas emissions.</p>

These lanes set clear boundaries about each agency’s target funding recipients and the types of projects and programs their agency’s proceeds can fund. Projects and programs receiving monies under a sponsored initiative must align with the distributing agency’s programmatic requirements. However, the agencies have discretion in the level of funding they can devote to specific projects and programs and are not required to fund all the program types prescribed by the Global Warming Solutions Fund Act.

Further, the NJDEP's [Global Warming Solutions Fund Rule](#) requires these agencies to collectively develop a Strategic Funding Plan which is informed by a robust public engagement process. This *RGGI Auction Proceeds Scoping Document: Years 2026 through 2028* (hereafter referred to as the Scoping Document) fulfills this directive in two ways. First, by providing stakeholders with a common understanding of the legal and regulatory framework surrounding the distribution of the RGGI auction proceeds. Second, by outlining preliminary funding concepts for the public to comment on, to facilitate meaningful public input into the agency decision-making early in the process. The feedback collected during the public stakeholder sessions will serve to inform the *RGGI Strategic Funding Plan: Years 2026 through 2028* (hereafter referred to as the 2026-2028 Plan).

Priority Ranking System

The NJDEP's Global Warming Solutions Fund Rule defines an initiative as “a funding strategy predicted to advance one or more of the objectives listed in N.J.A.C. 7:27D-2.2, which the agencies have identified as critical.” In layman's terms, initiatives are broad areas of focus that seek to strategically address a well-defined issue or need and advance one or more of the six objectives defined in the Global Warming Solutions Fund Rule. In each strategic funding plan released, the state agencies must rank all initiatives against six core objectives.

Six Objectives Defined in the Global Warming Solutions Fund Rule

1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State's 2050 Global Warming Response Act limit, relative to the cost of the project or program;
3. Reduction in energy use;
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;
5. Provide co-benefits; and
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

Specifically, every initiative in the Plan must rank the importance of each objective as either “critical” or “beneficial” where critical means necessary, and beneficial means tending to help, but not necessary. In addition, each of these six objectives must be ranked critical to at least one of the initiatives, and together, the initiatives in the Plan must rank every objective critical. The [Appendix](#) at the end of this document outlines the State agencies' guidelines for the objectives, providing insight into how the agencies will interpret the language of the objectives when making their ranking determinations.






Potential Funding Initiatives (2026 through 2028)

The NJEDA, NJBPU and NJDEP are considering a portfolio of initiatives to be funded by RGGI auction proceeds received over the next three years, from 2026-2028. The agencies developed these initiatives by considering the legislative mandates of the Global Warming Solutions Act, the directives of Executive Order Nos. 7, 23, and 316, greenhouse gas reduction priorities as outlined in the Global Warming Response Act 80x50 Report and New Jersey's Priority Climate Action Plan and public feedback collected during climate change, clean energy and natural and working lands-related public stakeholder engagement processes conducted since the summer of 2023.

The following detailed summaries of potential initiatives for the 2026-2028 Plan are intended to promote meaningful dialogue prior to the development of the 2026-2028 Plan. These initiatives meet legislative requirements, have at least one objective ranked critical, and are supported by data and research showing programs and projects under these initiatives would benefit the State's efforts to meet its clean energy and greenhouse gas reduction goals. The agencies welcome feedback from the public on the funding initiatives described below as well as suggestions for other initiatives. The initiatives are organized by two general brackets: "Continuing Initiatives," which refers to initiatives that were also found in previous funding plans; and "New Initiatives" which are initiatives that were not part of previous funding plans.

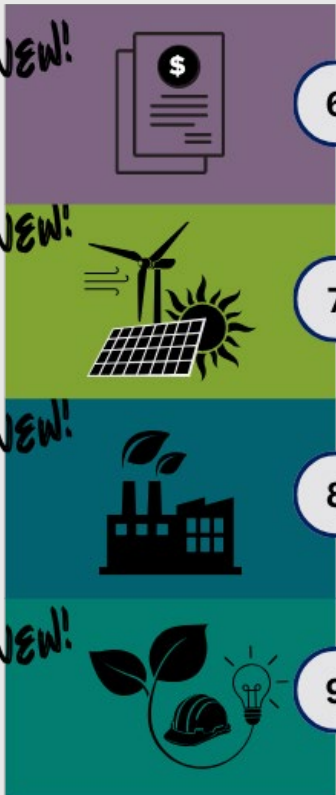
Continuing Initiatives


Initiatives one through five represent initiatives that were featured in New Jersey's two previous RGGI Strategic Funding Plans. While the State has made progress in implementing these initiatives, additional funding will ensure continued greenhouse gas reductions. In some cases, the agencies have added new programs and projects, within those carry forward initiatives, for public consideration (see "New" tag).


-  **1 Catalyze Clean, Equitable Transportation**
Continue the work started in the prior funding plan by accelerating transportation electrification with a focus on reducing emissions from transportation sources in overburdened communities
-  **2 Accelerate Healthy Homes and Building Decarbonization**
Accelerate the pace of decarbonization of buildings in the state by strategically investing in projects and programs to increase building electrification and reduce energy consumption, energy burden, and overall emissions from the building sector
-  **3 Promote Blue Carbon in Coastal Habitats**
Promote, protect and maintain the beneficial role of New Jersey's tidal marshes in the carbon cycle
-  **4 Strengthen New Jersey's Forests**
Maintain and increase the amount of carbon sequestered in the State's natural sinks by managing them to promote, protect, and maintain their beneficial role in the carbon cycle
-  **5 Sustain and Grow the New Jersey Green Bank**
Provide additional capital to the New Jersey Green Bank (NJGB) to be deployed through its financial product offerings and investment capabilities


New Initiatives


Initiatives six through nine introduce four fresh funding concepts for the use of RGGI auction proceeds. The State is actively seeking feedback on these initiatives. Gathering input from stakeholders ensures that these initiatives are well-informed, aligned with community needs, and have the potential for successful implementation. The new proposed funding initiatives are:



NEW!  **6** **Supplement Ratepayer Relief**
Supplement BPU's existing ratepayer relief programs, by providing direct credits or rebates on energy bills for New Jersey's most vulnerable residents

NEW!  **7** **Expand Clean Energy Generation, Transmission, Storage, and Grid Resilience**
Accelerate the pace of clean energy generation, transmission, a renewable energy generation, support other zero carbon generation sources, and develop energy storage capacity

NEW!  **8** **Mobilize Clean Manufacturing and Industry**
Decarbonize manufacturing, industrial processes and related equipment used in the State

NEW!  **9** **Enhance the Clean Energy Supply Chain, Workforce, and Technology Development**
Foster clean energy related economic capacity, innovation, and technological advancement in the State that will allow for enhanced emissions-reduction capacity

Initiative One: Catalyze Clean, Equitable Transportation

This initiative will continue the work started in the prior two strategic funding plans by accelerating transportation electrification with a focus on overburdened communities and expanding electric vehicle (EV) adoption as defined in the RGGI statute. EVs now represent 13% of new vehicle sales although EVs only comprise 3% of the State's light duty fleet. The number of publicly available charging stations increased 30-40% between 2023 and 2024, and there are now 4,400 charging ports available for use, not including home and private chargers which is where most charging occurs. This represents 3.5% of vehicle electrification progress necessary to meet emission reduction goals (as identified in the 80x50 report) for transportation.

As noted in the 2020 and 2023 Plan, the largest source of emissions within the transportation sector is passenger cars. However, emissions from buses, delivery and drayage trucks, and off-road equipment such as construction and cargo moving equipment, especially impact New Jersey's overburdened communities. Continued light-, medium-, and heavy-duty vehicle incentives, new off-road incentives, and expanded charging incentives are all necessary to continue to reduce emissions from the transportation sector.

Projects and Programs

NJDEP funding could be dedicated to projects and programs that:

- Electrify vehicles owned by local governments or that provide services to residents, such as garbage trucks, school buses, and municipal fleet vehicles through continued funding of on-road vehicle electrification in the [Work Clean program](#);
- Support installation of vehicle charging hubs to serve residents in multi-unit dwellings, some of which are employed by ride hailing services through the [It Pay\\$ to Plug In program](#);
- Support development of electric vehicle ride sharing/ride hailing programs including charging hubs through the [eMobility program](#);
- **(New)** Support installation of EV workplace charging; and
- **(New)** Support installation of charging depots for medium and heavy-duty vehicles that operate locally.

NJEDA funding could be dedicated to projects and programs that:

- Replace medium and heavy-duty vehicles with electric through the [NJ Zero Emissions Incentive Program \(NJ ZIP\)](#) and the [NJ Zero Emission Vehicle Finance Program \(NJ ZEV Financing\)](#);
- Support development of EV charging/hydrogen fuel stations (especially focusing on larger, depot-sized projects, freight truck charging stations; transit electrification); and
- **(New)** Support other types of zero emission transportation (ferries, aviation electrification/alternative fuels, off-road vehicles, etc.)

NJBPU funding could be dedicated to projects and programs that:

- Support installation of vehicle charging infrastructure including make ready;
- Promote light and medium-and-heavy duty electric vehicle adoption;
- **(New)** Support managed charging programs and other capacity limiting measures that provide rate relief to customers; and
- **(New)** Promote electric micro-transit and community mobility, public-serving vehicles and related infrastructure.

Initial Public Input

Transportation related projects and programs are responsive to both the high levels of participation in existing RGGI-funded clean transportation programs as well as to the public input the agencies received during public stakeholder meetings held in late 2023 and 2024 to inform the [NJ Priority Climate Action Plan \(PCAP\)](#).

Priority Ranking

Agencies have ranked five objectives as critical for Initiative One:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Reduction in energy use;
- Be directly responsive to the recommendations submitted by the NJDEP to the Legislature pursuant to the Global Warming Response Act;
- Provide co-benefits; and
- Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.


These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

The NJDEP could dedicate all or a portion of its 10% of the funds allocated to local governments to this initiative. The NJEDA could dedicate all or a portion of its 60% of the funds allocated to industrial, commercial and institutional entities to this initiative. The NJBPU could dedicate a portion of its 20% of the funds allocated to furthering the goals of the EV Law (P.L. 2019, c. 362) to this initiative.

INITIATIVE 1: CATALYZE CLEAN, EQUITABLE TRANSPORTATION	
<i>Priority Rankings</i>	
Objectives	Initiative 1
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State's 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	C
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C

Agency Sponsorship



Initiative Two: Accelerate Healthy Homes and Building Decarbonization

This initiative will accelerate the pace of decarbonization of buildings in the State by strategically investing in projects and programs to increase building electrification and reduce energy consumption, energy burden, and overall emissions from the building sector. As the second highest contributor to the State's greenhouse gas inventory, residential and commercial building emissions are largely attributed to fossil fuels used for space heating. As of 2020, 83% of residential buildings and 57% of commercial buildings use natural gas for primary heating.¹

Key measures that can drive emission reductions in the building sector include the deployment of energy efficiency programs and zero-emission technologies, such as heat pumps for water heating and space heating and cooling. Considering hydrofluorocarbons account for 5% of New Jersey's 2022 GHG inventory, there is a need to also address the use of low-global warming potential refrigerants in heat pumps. In addition to driving down emissions, smart investment in energy efficiency and decarbonization efforts can better utilize existing grid capacity and help achieve measurable reductions in energy demand.

As of 2020, 3% of homes throughout the State are all-electric, while heat pumps used for primary space heating account for 3% of the residential building stock (USEIA, 2023a). Further, 16% of homes in New Jersey and 17% of commercial buildings in the Mid-Atlantic region (New Jersey, New York and Pennsylvania) use electricity for primary space heating.² Notably, zero-emission heat pumps, like geothermal and air source heat pumps, have grown steadily over the years 2018-2022.³ Utilizing RGGI proceeds for building decarbonization will help continue the advancement of these heat pump technologies and other energy efficiency measures throughout the State.

Projects and Programs

NJEDA funding could be dedicated to projects and programs that:

- Provide financial assistance to commercial, industrial, and institutional building owners and tenants undertaking retrofit construction projects that reduce emissions from existing buildings through the [NJ Cool Program](#);
- **(New)** Retrofit multifamily buildings for all-electric water and space heating (especially those not covered by other State programs) such as corporate/co-operatively owned buildings, senior housing, and public housing; and
- **(New)** Encourage zero-energy new construction buildings.

NJBPU funding could be dedicated to projects and programs that:

- **(New)** Support programs such as commercial scale geothermal demonstration projects or pilots, programs for income qualified customers using existing energy efficiency programs to implement decarbonization efforts such as heat pumps, or other programs, seeking to implement Community Energy Plans, Climate Mitigation Plans or other similar plans; and
- **(New)** Achieve energy efficiency through programs, such as those seeking to implement Community Energy Plans, Climate Mitigation Plans or other similar plans, those looking to address Urban Heat Islands and those aimed at encouraging energy efficiency and decarbonization measures for income qualified customers.
- **(New)** Provide opportunities for rate relief for income qualified customers during the clean energy transition, such as supporting implementation of programs that reduce overall energy costs for customers utilizing heat pumps.

¹ USEIA (2018). Commercial Buildings Energy Consumption Survey. Retrieved from <https://www.eia.gov/consumption/commercial/data/2018>

² Ibid.

³ USEPA (2018-2022). Energy Star Unit Shipment and Market Penetration Report. Retrieved from

https://www.energystar.gov/partner_resources/products_partner_resources/brand_owner_resources/unit_shipment_data/archives

Initial Public Input

Building decarbonization and residential energy efficiency related projects and programs are responsive to the initial public input the agencies received during the Energy Master Plan (EMP) update public hearings held in summer of 2024. As indicated in stakeholder comments from the 2024 EMP Public Hearings, geothermal systems directly support Strategy 3 (Maximize Energy Efficiency and Conservation and Reduce Peak Demand) and Strategy 4 (Reduce Energy Consumption and Emissions from the Building Sector) in the 2019 EMP, and geothermal systems offer high potential to meeting New Jersey’s energy goals in an efficient, low-carbon, cost-effective manner.

Feedback from NJ BPU’s Triennium II programming suggested that there is interest in funding for building decarbonization, including to address common challenges faced in building decarbonization efforts. This initiative seeks to address the need and challenges pertaining to building decarbonization.

EDA will also continue to design programs that are responsive to feedback received during its Commercial Building Decarbonization Request for Information process and related stakeholder meetings completed in 2023.

Priority Ranking

Agencies have ranked five objectives as critical for Initiative Two:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;
- Be directly responsive to the recommendations submitted by the NJDEP to the Legislature pursuant to the Global Warming Response Act;
- Provide co-benefits; and
- Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative.

Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

The NJBPU could dedicate a portion of its 20% of funds allocated to fund energy efficiency and decarbonization efforts that will lower costs for the low- and moderate-income residents with this initiative. The NJEDA could dedicate all or a portion of its 60% of funds allocated to industrial, commercial, and institutional entities to this initiative.

INITIATIVE 2: ACCELERATE HEALTHY HOMES AND BUILDING DECARBONIZATION	
Priority Rankings	
Objectives	Initiative 2
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	C
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C
Agency Sponsorship  	

Initiative Three: Promote Blue Carbon in Coastal Habitats

This initiative will promote, protect and maintain the beneficial role of New Jersey’s tidal marshes in the carbon cycle. Blue Carbon ecosystems, such as salt marshes, tidal wetlands, seagrass beds and mangroves, are particularly important in the fight against climate change.⁴ “Blue carbon” is the carbon stored by the soils and plants in these marine systems. Coastal ecosystems such as tidal marshes and seagrass meadows sequester more carbon per unit area than terrestrial forests and the carbon can be stored for millennia.⁵ Although salt marshes cover only a small percentage of the United States, it has been estimated that they account for 21% of the carbon sequestered by ecosystems.⁶ New Jersey has an estimated 191,178 acres of Blue Carbon resources.⁷ However, as these ecosystems are degraded and lost, their carbon sink capacity declines, and existing stored carbon can be released, resulting in emissions of carbon dioxide that contribute to climate change. Modeling shows that between 9 and 19% of the State’s existing salt marshes could be lost by 2050 due to sea level rise.⁸ Furthermore, 67% of New Jersey’s shoreline is ranked for vulnerability to erosion as high or very high.⁹ As the soil erodes in these systems, the carbon stored in sediments can be exposed to oxygen and released back into the atmosphere as carbon dioxide.¹⁰ To meet the State’s 2050 goal of 80% reduction in greenhouse gases below 2006 levels, these valuable natural features must be restored and protected.

Projects and Programs

NJDEP funding could be dedicated to projects and programs that:

- Provide grants to support implementation of projects that create, restore, and enhance New Jersey’s natural blue carbon sinks, such as salt marshes and seagrass beds through living shorelines, restoring tidal flows in tidal wetlands and tidal salt marsh vegetation restoration projects through the [Natural Climate Solutions Grant Program](#);
- **(New)** Restore wetlands in areas where NJDEP has bought out homes damaged or destroyed in major flood events (coordinate so entities can leverage funds from [Blue Acres program](#) and Federal NOAA blue carbon grants); and
- **(New)** Encourage coastal habitat conservation and restoration through other formal carbon sequestration incentives for protecting or restoring blue carbon habitat - such as tax incentives, carbon credits, cost-sharing programs, or conservation easements.

Initial Public Input

NJDEP staff held a series of public stakeholder meetings to inform the development of the [Natural and Working Land Strategy](#) in the Spring of 2023. This feedback highlighted the need for continued funding for restoration projects across the state. Additionally, the NJDEP also conducted semi-formal interviews with Natural Climate Solutions Grant Program Round 1 awardees to analyze common challenges faced. This targeted feedback directly informed

⁴ Howard, J. H. (2014). Coastal Blue Carbon: Methods for assessing carbon stocks and emissions factors in mangroves, tidal salt marshes, and seagrasses. Conservation International, Intergovernmental Oceanographic Commission of UNESCO, International Union for Conservation of Nature.: Arlington, Virginia, USA.

⁵ Pidgeon, E. (2009). Carbon Sequestration by Coastal Marine Habitats: Important Missing Sinks. In D. G. Laffoley, The Management of Natural Coastal Carbon Sinks. IUCN, Gland.

⁶ Nellemann, Christian, and Emily Corcoran, eds. Blue carbon: the role of healthy oceans in binding carbon: a rapid response assessment. UNEP/Earthprint, 2009.

⁷ Based on land cover calculations completed by the NJDEP Bureau of GIS, January 2020.

⁸ Lathrop, R. (2019). Documentation for the New Jersey Coastal Marsh Change Maps (2019 Version) which can be viewed through <https://www.njfloodmapper.org/>

⁹ New Jersey Department of Environmental Protection. New Jersey Coastal management Program Section 309 Assessment & Strategy 2016-2020.

¹⁰ Lovelock, Catherine; Fourqurean, James; and Morris, James. (2017). Modeled CO2 Emissions from Coastal Wetland Transitions to Other Land Uses: Tidal Marshes, Mangrove Forests, and Seagrass Beds. *Frontiers in Marine Science*.

key improvements for Round 2 of the grant program and highlights the continual interest and need for funding in this space.

Priority Ranking

The agencies have ranked three objectives as critical for Initiative Three:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act; and
- Provide co-benefits.

These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

The NJDEP could dedicate a portion of its 10% of RGGI proceeds that are allocated for Tidal Marshes and Forests, towards funding this blue carbon sequestration initiative.

INITIATIVE 3: PROMOTE BLUE CARBON IN COASTAL HABITATS	
<i>Priority Rankings</i>	
Objectives	Initiative 3
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State's 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	
Agency Sponsorship	

Initiative Four: Strengthen New Jersey's Forests

This initiative is designed to maintain and/or increase the amount of carbon sequestered in the State's natural sinks by managing them to promote, protect, and maintain their beneficial role in the carbon cycle. Both traditional forests and urban and community forests play a critical role in the carbon cycle as existing stocks of sequestered carbon and by continually removing and storing additional carbon from the atmosphere. Additionally, New Jersey's urban and community forests store carbon and contribute to demand side energy reductions and avoided emissions. Trees and vegetation mitigate the urban heat island effect and can reduce energy costs for cooling of adjacent buildings through shading and evapotranspiration. Additionally, the creation of new preserved forested lands, and park development and revitalization projects can also support direct job creation, as well as provide lasting economic value through improved public health, expanded opportunities for recreational activities, and increased community attractiveness. The increase in urban tree canopy and forested lands through this initiative also results in environmental benefits such as reduced stormwater runoff, decreased localized air pollution; and expanded wildlife habitat. In certain settings, protected forests and parkland area can also help promote active transportation modes (walking, cycling, etc.) that can reduce vehicle usage and, conserve energy.

Projects and Programs

NJDEP funding could be dedicated to projects and programs that:

- Support projects that create, restore, and enhance New Jersey's green carbon sinks, such as afforestation, reforestation and urban forestry projects [Natural Climate Solutions Grant Program](#);
- Support tree planting projects at public schools through the [Trees for Schools Grant Program](#);
- **(New)** Develop and implement natural resources plans for state owned lands, which could include forest and reforestation projects for Atlantic White Cedar, Oak Species, Eastern Hemlock and Shortleaf Pine;
- **(New)** Support the existing New Jersey Urban and Community Forestry Program;
- **(New)** Enable the development of Forest Stewardship Plans for private landowners; and
- **(New)** Support projects that implement agroforestry and/or other climate-smart mitigation activities that improve carbon sequestration in perennial biomass, trees and soils.

NJEDA funding could be dedicated to establish new projects and programs that:

- **(New)** Support urban park development and green space through restoring and replanting existing parks in need of revitalization, focusing on tree planting and promoting low carbon alternative construction materials where appropriate;
- **(New)** Construct new dedicated community green spaces as part of larger real estate development work; and
- **(New)** Repurpose unused infrastructure or other underutilized assets into recreational parkland or natural reserves, such as transforming brownfield sites, supporting rail to trail developments, and similar projects.

Initial Public Input

NJDEP continues to receive stakeholder support and interest in continuing and expanding existing programs that support terrestrial carbon sequestration through forest restoration, urban forests and urban tree planting. Public comments from the stakeholder meetings for the [Natural and Working Land Strategy](#) and [NJ Priority Climate Action Plan](#) held in 2023 and 2024 covered carbon sequestration strategies, reiterated that terrestrial carbon sequestration, forest health, and urban forest expansion remain a priority for New Jerseyans. Feedback from stakeholders and grant recipients in the initial rounds of Natural Climate Solutions and Trees For Schools grant programs, will inform program adjustments in the second and any future rounds of those programs.

Priority Ranking


The agencies have ranked four objectives as critical for Initiative Four:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act; and
- Provide co-benefits.
- Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

The NJDEP could dedicate a portion of its 10% of RGGI proceeds that is allocated for Tidal Marshes and Forests, towards funding this terrestrial carbon sequestration initiative. The NJEDA could dedicate a portion of its 60% of RGGI proceeds allocation to support “end use energy efficiency” through the planting of trees that reduce energy use in adjacent buildings and/or promote active transportation that reduces vehicle miles travelled.

INITIATIVE 4: STRENGTHEN NEW JERSEY'S FORESTS	
Priority Rankings	
Objectives	Initiative 4
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State's 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C
Agency Sponsorship	 

Initiative Five: Sustain and Grow the New Jersey Green Bank

The goal of this initiative is to provide additional capital to the New Jersey Green Bank (NJGB) to be deployed through its financial product offerings and investment capabilities. The NJGB aims to use climate-related investments and financial assistance to mobilize private capital to advance climate goals. Funds will be used in a variety of financial products (such as loans, equity investments, credit enhancements, etc.). The Green Bank model provides flexibility to use funds across programmatic areas as outlined in the list below. This is especially relevant for larger projects and portfolios that contain multiple program areas and/or technologies.

To date, EDA has dedicated over \$100M of RGGI funding to establish and capitalize the NJGB. These funds have been used in part to launch its initial pilot [State Debt Product](#) offering.

Projects and Programs

NJEDA funding could be deployed into climate projects in the following priority areas:

- Clean energy generation and storage, which may include solar, wind, and electric battery storage;
- Building decarbonization and resilience, which may include installation of geothermal heating/cooling systems; building retrofits, and new net-zero building construction; and
- Zero-emission transportation, which may include on-road and non-road vehicle electrification and charger installation.

Initial Public Input

The NJGB released a Request for Expressions of Interest in December 2023 which received over \$250 million in interest for NJGB financing. These responses helped inform the development of the NJGB’s initial pilot State Debt Product offering.

Priority Ranking

The agencies have ranked four objectives as critical for Initiative Five:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Be directly responsive to the recommendations submitted by the NJDEP to the Legislature pursuant to the Global Warming Response Act;
- Provide co-benefits; and
- Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

INITIATIVE 5: SUSTAIN AND GROW THE NEW JERSEY GREEN BANK	
<i>Priority Rankings</i>	
Objectives	Initiative 5
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C
Agency Sponsorship	

Agency Sponsorship

The NJEDA could dedicate all or a portion of its 60% of funds allocated to industrial, commercial, and institutional entities to this initiative.

(New) Initiative Six: Supplement Ratepayer Relief

This funding stream could be used to supplement BPU’s existing ratepayer relief programs, by providing direct credits or rebates on energy bills for New Jersey’s most vulnerable residents. Targeted assistance may be necessary due to surging electricity prices, which took effect in June 2025. High energy bills disproportionately impact low-income households, requiring individuals to spend a higher percentage of their income on basic energy costs. Further, low-income families are more likely to live in energy inefficiency housing, causing higher energy bills. This phenomenon, known as “energy burden”, requires difficult choices for at risk families, having to choose between paying for utilities, food, medicines or other essentials. This exacerbates the risk of housing insecurity and is correlated to detrimental effects on health. Supporting ratepayer relief aligns with broader economic and social equity goals, ensuring that the shift towards a sustainable future is inclusive and just.

Projects and Programs

NJBPU funding could be dedicated to ratepayer relief programs such as:

- Direct bill assistance; and
- Enhanced award levels under the Universal Service Fund, a utility assistance program administered by the Department of Community Affairs that applies monthly credits to low- and moderate-income households.

Initial Public Input

This initiative is responsive to feedback the BPU has received from ratepayers who are concerned about rising energy prices.

Priority Ranking


The agencies have ranked one objective as critical for Initiative Six:

- Provide co-benefits;

This objective will be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objective and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

NJBPU may utilize all or a portion of its RGGI proceeds allocated for its project funding to support direct ratepayer relief that helps to lower costs for low- and moderate-income residents.

INITIATIVE 6: SUPPLEMENT RATEPAYER RELIEF	
Priority Rankings	
Objectives	Initiative 10
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	
Agency Sponsorship	

(New) Initiative Seven: Expand Clean Energy Generation, Transmission, Storage, and Grid Resilience

This initiative seeks to accelerate the pace of clean energy generation, transmission, and storage in the State by investing in projects and programs to increase renewable energy generation, support other zero carbon generation sources, and develop energy storage capacity. Increasing energy storage capacity across the distribution grid is needed to lower costs for all ratepayers, compensate for the variability of renewable generation and will enable additional decarbonization projects to proceed. Additionally, there are significant capacity market savings that are expected to be achieved by meeting the State's 2,000 MW of installed energy storage goal by 2030. Investment of RGGI funds in storage and grid resiliency measures will reduce the need for ratepayer funds for these projects which will result in a reduction in energy costs for customers. Additionally, investment in grid modernization projects facilitates interconnection of distributed renewable energy resources and helps ensure low- and moderate-income residents can access and benefit from clean energy.

Projects and Programs

NJEDA funding could be dedicated to projects and programs that:

- Provide incentives, financing, or other funding investments for programs, demonstration projects, and supportive infrastructure related to clean energy such as:
 - Solar Projects:
 - Commercial & Industrial/Grid- scale Solar
 - Community Solar
 - Landfill/Brownfield Solar
 - Floating Solar
 - Battery Storage Projects
 - Offshore Wind Projects

NJBPU funding could be dedicated to new and existing projects and programs such as:

- Those providing incentives for grid supply and distributed storage.
- Programs designed to facilitate measures outlined in the Grid Modernization proceeding.
- Co-location of storage to support capacity concerns for building and transportation decarbonization
- Provide rate payer relief through investment in creating increased capacity.

Initial Public Input

NJBPU has received strong stakeholder support for the need to incentivize the deployment of energy storage. Specifically, extensive comments were submitted as part of the development of the Garden State Energy Storage Program. Additionally, stakeholder input for the 2024 Energy Master Plan emphasized the importance of energy storage in bolstering the State's clean energy goals by attracting renewable investments and mitigating high electricity rates due to a tighter capacity market. Accelerating energy storage development promises cleaner, more affordable, and reliable grid and energy benefits for New Jersey residents and ratepayers.

Priority Ranking

The agencies have ranked five objectives as critical for Initiative Seven:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon;
- Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;
- Be directly responsive to the recommendations submitted by the NJDEP to the Legislature pursuant to the Global Warming Response Act;
- Provide co-benefits; and
- Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

These objectives would be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative.



Agencies may also include agency-specific criteria for selecting

projects and programs. Details about satisfying the critical objectives and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

The NJEDA could dedicate a portion of its 60% of RGGI proceeds that is allocated for the commercial, institutional and industrial entities sector to this initiative.

The NJBPU could dedicate a portion of its 20% of RGGI proceeds to this initiative, as these investments are a necessary complement to NJEDA investments under this initiative which help ensure that as renewable energy sources expand, energy costs to electricity customers are reduced and do not disproportionately burden low- and moderate-income households.

INITIATIVE 7: EXPAND CLEAN ENERGY GENERATION, TRANSMISSION, STORAGE, AND GRID RESILIENCE	
<i>Priority Rankings</i>	
Objectives	Initiative 6
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	C
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	C
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	C
Agency Sponsorship	 

(New) Initiative Eight: Mobilize Clean Manufacturing and Industry

This initiative is designed to decarbonize manufacturing, industrial processes and related equipment used in the State. Industrial emissions account for 9% of the State’s greenhouse gas emissions, and are growing, with a 14% increase between 2021 and 2022. Incentivizing replacement of old equipment with energy efficient equipment will result in energy use and emissions reductions. Incentivizing new zero/low emission equipment and the replacement of existing fossil fuel on-site power equipment with clean energy or zero/low emission alternatives will measurably reduce greenhouse gases and associated air pollutants from industrial facilities. The public health benefits from these investments may be realized most prominently in the State’s overburdened communities since manufacturing and other industrial facilities are disproportionately located in and adjacent to those communities. Investments in energy-efficient and clean equipment in New Jersey’s manufacturing and other industrial facility types, can also lead to new quality jobs as technicians are trained to install, operate or maintain equipment.

Projects and Programs

NJEDA funding could be dedicated to projects and programs that:

- Provide incentives, financing, or other funding investments for projects that decarbonize or electrify industrial processes and manufacturing equipment;
- Incentivize zero-emission/low emission equipment carve-out under the existing [Manufacturer Voucher Program \(MVP\)](#); and
- Incentivize innovative waste management processes and equipment (battery recycling; plastics collection and recycling; food waste diversion, composting, and related waste emissions management; etc.).

Initial Public Input

This initiative is responsive to feedback EDA has received from ongoing stakeholder meetings and outreach with the manufacturing sector in the State.

Priority Ranking

The agencies have ranked one objective as critical for Initiative Eight:

- A net reduction in greenhouse gas emissions or a net sequestration of carbon

This objective will be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objective and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

NJEDA could dedicate a portion of its 60% of RGGI proceeds allocated for the commercial, institutional and industrial entities sector to this initiative.

INITIATIVE 8: MOBILIZE CLEAN MANUFACTURING AND INDUSTRY	
Priority Rankings	
Objectives	Initiative 7
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	C
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	
5. Provide co-benefits; and	
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	

(New) Initiative Nine: Enhance the Clean Energy Supply Chain, Workforce, and Technology Development

This initiative is designed to foster clean energy related economic capacity, innovation, and technological advancement in the State that will lead to enhanced emissions-reduction capacity. With a continued commitment to addressing climate change and expanding clean energy, New Jersey will add tens of thousands of jobs to its green economy. However, the State needs to be intentional about its approach and investments, to ensure the development of strong supply chains and a robust workforce pipeline. Further, New Jersey has the potential to be a leader and clean energy technology exporter, by developing innovative technologies. These emerging technologies could serve to decarbonize other economies across the globe, driving down emissions beyond New Jersey’s footprint.

Projects and Programs

NJEDA funding could be dedicated to projects and programs that:

- Provide incentives, financing, or other funding investments for:
 - Clean energy supply chain and related manufacturing development in the State;
 - Investments in clean energy technology development and related enterprises, such as emerging clean energy generation technologies (fusion, tidal, etc.);
 - Innovation hubs and related clean energy technology accelerators; and
 - Clean energy related workforce development, including training and educational support.

Initial Public Input

This initiative is responsive to feedback EDA has received from ongoing stakeholder meetings and outreach with the clean energy supply chain, manufacturing, and workforce sectors in the State.

Priority Ranking

The agencies have ranked one objective as critical for Initiative Nine:

- Provide co-benefits;

This objective will be used to rank all projects and programs applying for funding from the agencies sponsoring this initiative. Agencies may also include agency-specific criteria for selecting projects and programs. Details about satisfying the critical objective and additional criteria will be provided in grant and financial aid guidelines released by each agency after the 2026 Plan is finalized.

Agency Sponsorship

NJEDA could dedicate a portion of its 60% of RGGI proceeds allocated for the commercial, institutional and industrial entities sector to this initiative.

INITIATIVE 9: ENHANCE THE CLEAN ENERGY SUPPLY CHAIN, WORKFORCE, AND TECHNOLOGY DEVELOPMENT	
Priority Rankings	
Objectives	Initiative 8
1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;	
2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;	
3. Reduction in energy use;	
4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;	
5. Provide co-benefits; and	C
6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.	
Agency Sponsorship	NJEDA

Upcoming Public Engagement

The agencies are hosting four public stakeholder meetings on August 21st, September 8th, 9th and 10th with the goal of collecting feedback on the proposed initiatives. To register for a public stakeholder meeting and provide feedback please visit <https://www.nj.gov/rggi/engage.html>. Following the collection and consideration of public feedback the agencies will publish the 2026-2028 Plan in Fall of 2025.

Public Meeting Schedule

The agencies are holding public meetings on the following dates:

Meeting 1: Thursday, August 21st (2-3:30PM) – All Funding Initiatives | Webinar

NJDEP, NJBPU, and NJEDA will jointly host an online webinar meeting that will cover all proposed funding initiatives. The webinar will briefly discuss each initiative. Subsequent webinars will provide greater details.

Meeting 2: Monday, September 8th (11:30AM-1:00PM) – Clean Transportation & Carbon Sequestration | Webinar

The NJDEP will be hosting an online webinar focused on:

Initiative 1: Catalyze Clean, Equitable Transportation

Initiative 3: Promote Blue Carbon in Coastal Habitats

Initiative 4: Strengthen New Jersey's Forests

Meeting 3: Tuesday, September 9th (9:00-10:30AM) – Clean Manufacturing and Industry; Clean Energy Generation and Transmission; Clean Energy Supply Chain; and the NJ Green Bank | Webinar

The NJEDA will be hosting an online webinar focused on:

Initiative 5: Sustain and Grow the New Jersey Green Bank

Initiative 7: Expand Clean Energy Generation, Transmission, Storage, and Grid Resilience

Initiative 8: Mobilize Clean Manufacturing and Industry

Initiative 9: Enhance the Clean Energy Supply Chain, Workforce, and Technology Development

Meeting 4: Wednesday, September 10th (1PM-2:30PM) – Building Decarbonization and Ratepayer Relief | Webinar

The NJEDA and NJBPU will be hosting an online webinar focused on:

Initiative 2: Accelerate Healthy Homes and Building Decarbonization

Initiative 6: Supplement Ratepayer Relief

Additional Engagement Options

The agencies welcome feedback from the public on the initiatives described in this Scoping Document and suggestions for other initiative ideas. Aside from participating in public outreach events, the public can also submit questions and feedback on the scoping document and proposed initiatives via an online scoping document feedback comment form that will be available at <https://nj.gov/rggi/engage.html>.

Appendix

Every Initiative in the Strategic Funding Plan must rank the importance of each objective as either critical or beneficial where critical means necessary and beneficial means tending to help, but not necessary. If the agencies rank an objective as critical to their sponsored initiative, any spending associated with that initiative must be predicted to provide measurable and verifiable benefits towards furthering that objective. To provide further clarity about what “critical” means for each objective, the agencies have developed the following working guidelines:

1. A net reduction in greenhouse gas emissions or a net sequestration of carbon;

In accordance with N.J.S.A. 26:2C-37 (the Global Warming Response Act), greenhouse gases are carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and any other gas or substance determined by the Department of Environmental Protection to be a significant contributor to global warming.

A net reduction in greenhouse gas emissions is when the balance of greenhouse gas emissions is less due to the implementation of a project or program funded under a selected Initiative. In absence of the project or program occurring, overall greenhouse gas emissions would have been greater. Similarly, a net sequestration of carbon is when the balance of carbon stored/captured is greater due to the implementation of a project or program funded under a selected initiative.

2. Significant reductions in greenhouse gas emissions, reduction of impacts on ratepayers, and a significant contribution to the achievement of the State’s 2050 Global Warming Response Act limit, relative to the cost of the project or program;

This Objective weighs various benefits (e.g., reduction in greenhouse gas emissions or ratepayer impacts) against the relative cost of the program to determine cost-effectiveness. Cost-effectiveness is defined as the total cost (including administrative costs and the amount of cost share (if applicable) of a project or program funded under a selected initiative divided by the specific benefits (either carbon dioxide equivalent (or CO₂e¹¹) emissions avoided or ratepayer savings) over the effective lifetime of a project or program funded under a selected initiative.

A reduction in impacts on ratepayers is defined as avoided or reduced cost of utility (gas or electric) relative to the cost of a project or program funded under a selected initiative.

A program or project implemented under an Initiative that has a “significant contribution to the achievement of the State’s limit of greenhouse gas reductions of 80% below 2006 levels by 2050” would need to result in a net greenhouse gas emission reduction that is large enough to affect the state’s greenhouse gas inventory relative to cost. Since reaching the 2050 goal will require a fundamental shift in the way the State produces and uses energy, the relative contribution of individual programs and projects would be compared to other each other as a factor for selection to receive funding.

3. Reduction in energy use;

¹¹ CO₂e is a standard unit for measuring carbon footprint, by expressing the impact of various greenhouse gases on the climate. It describes, for a given mixture and amount of greenhouse gases, the amount of CO₂ that would have the same global warming ability, when measured over a specified period (e.g., 100 years).

A reduction in energy use is defined as a decrease in the number of British Thermal Units (BTUs) or Megawatt-hours (Mwh) consumed by a project or program funded under a selected Initiative, with the outcome of transitioning away from carbon-intensive energy sources.

Any activity that requires energy to produce work (e.g. moving a car from point A to point B, or thermal heating) can be measured using two attributes:

1. Carbon intensity of the fuel used to create energy, a measure of how much carbon per unit volume of the fuel required. When combusted, the fuel releases its carbon content as CO₂; and,
2. Energy intensity, a measure of energy efficiency, of the activity to produce a given unit of work (e.g. kWh required to run the dishwasher once or miles per gallons).

In absence of the project or program occurring, energy use would have been greater.

4. Be directly responsive to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act;

The project or program funded under a selected Initiative fulfills one of the recommendations or related actions outlined in [New Jersey's 2020 Global Warming Response Act 80x50 Report](#).

5. Provide co-benefits; and

Co-benefits are defined as social, economic and/or environmental benefits that will be realized due to the implementation of the project or program funded under a selected Initiative beyond the primary benefit of greenhouse gases reduced, energy saved or increase in carbon sequestration. Co-benefits include, but are not limited to, creating job opportunities, reducing criteria air pollutants and/or air toxics, water quality and stormwater protection, reducing cost to electricity and natural gas consumers, improving local electric system reliability and contributing to regional initiatives to reduce greenhouse gas emissions.

6. Be directly responsive to the negative effects on human health and the environment in communities that are disproportionately impacted by the effects of environmental degradation and climate change.

The background document to the NJDEP's Global Warming Solutions Fund rulemaking proposal highlighted Executive Order No. 7's directive as a key Objective for directing RGGI proceeds; however, the rulemaking did not contain a definition or method for identification of the communities referred to in the Objective. Instead, the background pointed to the ongoing effort under [Executive Order No.23](#) which calls for all Executive branch departments and agencies to integrate environmental justice considerations into government decision-making. To support this effort NJDEP released [Furthering the Promise: A Guidance Document for Advancing Environmental Justice Across State Government](#) in September of 2020. This guidance document can be used by the state agencies to assist in identifying New Jersey's most overburdened communities, a term defined by the New Jersey Environmental Justice Law, N.J.S.A. 13:1D-157. NJDEP also released an interactive mapping tool, [EJMAP](#), which allows users to view overburdened communities and the environmental and public health stressors impacting these communities. The tool is primarily designed to assist NJDEP is implementing the Environmental Justice Law but has broad applicability for use by all executive branch departments and agencies in growing the State's understanding of where communities disproportionately impacted by environmental degradation and climate change are so that agencies can define solutions that deliver justice.

NJ RGGI REGIONAL GREENHOUSE GAS INITIATIVE



**NEW JERSEY
DEPARTMENT OF
ENVIRONMENTAL
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