

Governor Phil Murphy

Governor Murphy Unveils Energy Master Plan and Signs Executive Order Directing Sweeping Regulatory Reform to Reduce Emissions and Adapt to Climate Change

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Governor Murphy Directs Most Sweeping Set of Climate Change Reforms in the Nation

GALLOWAY – Governor Phil Murphy today unveiled the state’s Energy Master Plan, which outlines key strategies to reach the Administration’s goal of 100 percent clean energy by 2050. In May 2018, Governor Murphy’s Executive Order No. 28 directed the New Jersey Board of Public Utilities, in partnership with other state agencies, to develop this statewide clean energy plan and shift away from energy production that contributes to climate change.

To underpin the initiatives in the Energy Master Plan, Governor Murphy today signed Executive Order No. 100, directing the Department of Environmental Protection (DEP) to make sweeping regulatory reforms, branded as Protecting Against Climate Threats (PACT), to reduce emissions and adapt to climate change. With this executive action, New Jersey is the first state in the nation to pursue such a comprehensive and aggressive suite of climate change regulations.

“New Jersey faces an imminent threat from climate change, from rising seas that threaten our coastline to high asthma rates in some of our most vulnerable communities due to fossil fuel pollution,” **said Governor Murphy**. “Successfully implementing the strategies outlined in the Energy Master Plan will drastically reduce New Jersey’s demand for fossil fuels, reduce our carbon emissions, greatly improve local air quality, and related health impacts. The Energy Master Plan, together with PACT, the most sweeping set of climate regulations in the country, represents a seismic shift in our energy policy. In the absence of climate change leadership in Washington, these reforms will help propel New Jersey to 100 percent clean energy by 2050. Through these aggressive actions, New Jersey will drive a world-leading innovation economy that invests in people and communities, ensures environmental justice for all residents, creates good-paying jobs, protects diverse vulnerable ecosystems, improves public health, and leads the way in the global clean-energy transition.”

To fulfill Governor Murphy’s commitment to achieve 100 percent clean energy by 2050 and the Global Warming Response Act (GWRA) mandate of reducing state greenhouse gas emissions by 80 percent below 2006 levels, the Energy Master Plan comprehensively addresses New Jersey’s energy system, including electricity generation, transportation, and buildings, and their associated greenhouse gas emissions and related air pollutants. The Energy Master Plan defines 100 percent clean energy by 2050 as 100 percent carbon-neutral electricity generation and maximum electrification of the transportation and building sectors, which are the greatest carbon emission producing sectors in the state, to meet or exceed the GWRA mandates. The Energy Master Plan is the first of a series of monumental steps to ensure that New Jersey



generates, uses, and manages its energy supply in a way that is consistent with economic, climate, and societal demands. The Energy Master Plan outlines the following seven key strategies and includes an implementation plan that lays out next steps and timelines:

Strategy 1: Reducing Energy Consumption and Emissions from the Transportation Sector, including encouraging electric vehicle adoption, electrifying transportation systems, and leveraging technology to reduce emissions and miles traveled.

Strategy 2: Accelerating Deployment of Renewable Energy and Distributed Energy Resources by developing offshore wind, community solar, a successor solar incentive program, solar thermal, and energy storage. It also involves adopting new market structures to embrace clean energy development and contain costs, opening electric distribution companies' circuits for distributed energy resources (DER), and developing low-cost loans or financing for DER.

Strategy 3: Maximizing Energy Efficiency and Conservation, and Reducing Peak Demand including enacting 0.75 percent and 2 percent utility energy efficiency standards for natural gas and electricity, respectively, improving energy efficiency programs in New Jersey, adopting new clean energy and energy efficiency financing mechanisms, and strengthening building and energy codes and appliance standards.

Strategy 4: Reducing Energy Consumption and Emissions from the Building Sector through decarbonization and electrification of new and existing buildings, including the expansion of statewide net zero carbon homes incentive programs, the development of EV-ready and Demand Response-ready building codes, and the establishment of a long-term building decarbonization roadmap.

Strategy 5: Decarbonizing and Modernizing New Jersey's Energy System through planning and establishment of Integrated Distribution Plans, investing in grid technology to enable increased communication, sophisticated rate design, and reducing our reliance on natural gas.

Strategy 6: Supporting Community Energy Planning and Action in Underserved Communities through incentivizing local, clean power generation, prioritizing clean transportation options in these communities, and supporting municipalities in establishing community energy plans.

Strategy 7: Expand the Clean Energy Innovation Economy by expanding upon New Jersey's existing 52,000 clean energy jobs and investing in developing clean energy knowledge, services, and products that can be exported to other regions around the country and around the world, thereby driving investments and growing jobs. New Jersey will attract supply chain businesses to create dynamic new clean energy industry clusters and bring cutting-edge clean energy research and development the state.

To support the strategies identified in the Energy Master Plan, Executive Order No. 100 directs the DEP to adopt, within two years, regulatory reforms to reduce emissions and adapt to climate change. Known as PACT, the sweeping suite of climate change regulations include:

- Establishing a greenhouse gas monitoring and reporting program to identify all significant sources of greenhouse gas emissions, including carbon dioxide and short-lived climate pollutants, and monitor the progress of emission reductions to reach the target of 80 percent below 2006 emission levels by 2050 required under GWRA;
- Adopting new regulations under the Air Pollution Control Act establishing criteria to reduce carbon dioxide emissions and short-lived climate pollutants; and,
- Reforming environmental land use regulations to incorporate climate change considerations into permitting decisions, which will allow better planning and building resilient communities by avoiding flood-prone areas, reestablishing chronically inundated wetlands, revegetating riparian areas, and encouraging green building and green infrastructure.

The regulations will ensure that DEP-permitted projects throughout New Jersey prioritize reducing greenhouse gas and other climate pollutant emissions, lessening climate impacts, and ensuring resilience. To implement the executive order, DEP Commissioner Catherine R. McCabe issued Administrative Order 2020-01 detailing the PACT reforms and setting deadlines for DEP to adopt these progressive climate rules within the next two years, and sooner in many instances.

"This EMP – which reflects so many voices across New Jersey – is clear: by changing our energy landscape we can promise a safer, cleaner planet to New Jersey and future generations," **said Board of Public Utilities President Joseph Fiordaliso**. "We are entering this new decade prepared to tackle the challenges we face; the EMP shows us the steps we must take to responsibly and strategically reach our clean energy and emissions reduction goals. In the process, we'll create new long-term jobs and a framework for integrating sophisticated renewable energy technologies that move us toward our goal of realizing a cleaner, safer planet."

"The threats to our state and economy from climate change demand bold action, and with Governor Murphy's leadership, DEP is proposing the most progressive shift in New Jersey's environmental regulations in more than a decade," **said DEP Commissioner Catherine R. McCabe**. "In the absence of true federal leadership on climate change, New Jersey is taking the lead with one of the most comprehensive climate regulatory reform efforts in the country. This reform, PACT, is a pact with the residents of New Jersey to protect our property, infrastructure and quality of life by making climate resilience a primary consideration for DEP permits and approvals. It is also a pact across generations to reduce emissions that fuel climate damage so that our children and grandchildren may too thrive and enjoy our great state."

"Governor Phil Murphy, the greenest governor in the country, is putting New Jersey at the forefront of climate action by requiring developers to consider the environmental impact before they build," **said Ed Potosnak, Executive Director, New Jersey League of Conservation Voters**. "This unprecedented, first of its kind action is sending a clear and hopeful message to the people of New Jersey that despite the lack of leadership in Washington, our state is committed to protecting our families, public health, and economy from the impacts of climate change."

"This is exactly the kind of bold leadership that is needed to address the climate crisis," **said Tom Gilbert, Campaign Director, NJ Conservation Foundation and Rethink Energy NJ**. "Governor Murphy's actions today put New Jersey at the forefront of efforts to reduce greenhouse gas emissions and build a healthier, more prosperous clean energy future."

"The sweeping Energy Master Plan is a gigantic step forward that will chart an ambitious pathway forward for New Jersey's clean energy future," **said Eric Miller, New Jersey Energy Policy Director, National Resources Defense Council**. "Governor Murphy is proving that New Jersey can be at the forefront of national leadership in the fight against the climate crisis. These actions show that we can provide affordable clean power to our homes and businesses, create thousands of good-paying jobs and fight climate pollution all at the same time."

"Gov. Murphy's Energy Master Plan and executive order are a leap forward for New Jersey, and will be instrumental for the state to meet its climate goals," **said Mary Barber, Director, Regulatory and Legislative Affairs, Environmental Defense Fund**. "Electrifying transportation and establishing rules and regulations to reduce carbon emissions are especially critical to transforming New Jersey's most polluting sectors into ones that can be integral parts of a sustainable energy system, improve air quality and protect vulnerable communities."

"New Jersey faces a climate emergency and we need to stabilize and reduce our carbon emissions. We need to regulate global warming emissions from all sources and we need to aggressively reduce emissions from all sectors in line with climate science," **said Doug O'Malley, State Director, Environment New Jersey**. "The proposed carbon regulations and NJDEP regulations should provide a road map on how we can start reducing emissions from fossil fuels. These proposed rules will provide a down payment by Governor Murphy to meet the climate science, but we will need to put them in place as quickly as possible. This commitment by the Murphy Administration is significant and provides a sea change in the regulatory thinking of NJDEP. In the interim, we will need to ensure we aren't digging our carbon hole deeper. The moment of climate urgency is now and we welcome these actions to start turning the tide."

"It's great the Governor just committed to regulating greenhouse gases to combat the climate emergency, because the science dictates we must reduce greenhouse gas emissions by 45% by 2030," **said Amy Goldsmith, State Director, Clean Water Action NJ**. "BPU has been working overtime the past 2 years churning out action after action on energy efficiency, offshore wind and solar. Now it's DEP's turn to do the same, churning out action after action - regulating greenhouse gases especially short-lived climate pollutants"

like methane and black carbon, updating land use and water rules, and stopping polluters from trading killer smog-creating ozone or expanding frack gas infrastructure. Governor Murphy is spot on calling for decarbonizing the state's economy, now we all have to work together to do it!"

To view the Energy Master Plan, click here

(http://d31hzhk6di2h5.cloudfront.net/20200127/84/84/03/b2/2293766d081ff4a3cd8e60aa/NJBPU_EMP.pdf).

To view Executive Order No. 100, click here (<https://nj.gov/infobank/eo/056murphy/pdf/EO-100.pdf>).

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