

**EXECUTIVE ORDER NO. 7**

WHEREAS, as the State of New Jersey has long recognized in its statutes and laws, including the Global Warming Response Act of 2007, the scientific community has reached an overwhelming consensus that human activity has contributed and continues to contribute to global climate change; and

WHEREAS, the effects of global climate change have contributed to devastating natural disasters worldwide, with several storm events in the New Jersey region, most notably Superstorm Sandy in 2012, ravaging large portions of New Jersey and resulting in significant financial loss throughout the State; and

WHEREAS, as highlighted by Superstorm Sandy, New Jersey is particularly susceptible to the risks presented by global climate change due to its location on the Atlantic Coast and the destruction resulting from the confluence of coastal and inland flooding; and

WHEREAS, in spite of the federal government's current lack of leadership on global climate issues, both regional and global efforts are underway to curb emissions of greenhouse gases that contribute to global climate change, including the Paris Agreement within the United Nations Framework Convention on Climate Change and, more locally, the Regional Greenhouse Gas Initiative ("RGGI"); and

WHEREAS, RGGI is a cooperative effort among nine states in the New England and Mid-Atlantic region to reduce greenhouse gas emissions through the operation of a carbon dioxide budget trading program; and

WHEREAS, New Jersey was an original member of RGGI at the time of its creation in 2005 and successfully participated in the budget trading program for several years; and

WHEREAS, in 2011, New Jersey unilaterally declared its withdrawal from RGGI as of January 1, 2012; and

WHEREAS, since withdrawing from RGGI, studies indicate that the State of New Jersey has sacrificed access to an estimated \$279 million in funds that would have been realized from participation in the budget trading program, funds that could have been invested in the development of clean energy, alternative fuels, and the overall betterment of New Jersey communities; and

WHEREAS, the undeniable effects of global climate change disproportionately impact economically disadvantaged communities, and any agreement or other effort designed to combat global climate change must consider and address these effects, including by giving due consideration to environmental justice concerns in the siting of facilities and by making appropriate investments in protecting disadvantaged communities; and

WHEREAS, in connection with regional partnerships and other coordinated efforts to reverse global climate change, New Jersey must modernize its energy production profile to shift away from reliance on fossil fuels and other production methods that contribute to climate change and instead shift towards clean and renewable energy sources; and

WHEREAS, the shift towards clean and renewable energy sources will strengthen New Jersey's position in a 21st-century economy and enable New Jersey to be competitive both nationally and internationally; and

WHEREAS, in an effort to correct past missteps and realign the State's priorities with those based on sound science designed to mitigate the impacts of global climate change, and more specifically to address the particular impacts of climate change on at-risk communities, it is appropriate for the State of New Jersey to rejoin RGGI in an expeditious manner;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and the Statutes of this State, do hereby ORDER and DIRECT:

1. The Commissioner of the Department of Environmental Protection (the "Commissioner") and the President of the Board of Public Utilities (the "President") are directed to take all necessary regulatory and administrative measures to ensure New Jersey's timely return to full participation in RGGI. To this end, the Commissioner and the President shall lead New Jersey's efforts to rejoin RGGI, and shall serve as the State of New Jersey's appointees to the Board of Directors of the RGGI after New Jersey rejoins.

2. The Commissioner, in consultation with the President, shall immediately begin any necessary discussions and negotiations with RGGI's member states for the purpose of arranging New Jersey's re-entry into RGGI and its carbon dioxide budget trading program.

3. The Department of Environmental Protection shall initiate the administrative rulemaking process for promulgating regulations for the administration of New Jersey's participation in RGGI, as set forth in this Order, within 30 days of the issuance of this Order.

4. Pursuant to N.J.S.A. 26:2C-52, the regulations promulgated pursuant to Paragraph 3 of this order shall, in addition to the factors set forth in N.J.S.A. 26:2C-52(b) and consistent with N.J.S.A. 26:2C-51, include specific guidelines for the allocation of funds realized by the State as a result of New Jersey's participation in RGGI. Such guidelines shall include, as a primary consideration of the State agencies charged with allocating said funds, factors that will ensure that funds are allocated to projects that will serve communities that are

disproportionality impacted by the effects of environmental degradation and climate change, and which will alleviate the negative effects on human health and the environment resulting therefrom.

5. Should any part of this Order be declared to be invalid or unenforceable, or should the enforcement of or compliance with any part of this Order be suspended, restrained or barred by the final judgment of a court of competent jurisdiction, the remainder of this Order shall remain in full force and effect.

6. This Order shall take effect immediately.

GIVEN, under my hand and seal this  
29<sup>th</sup> day of January,  
Two Thousand and Eighteen,  
and of the Independence of  
the United States, the Two  
Hundred and Forty-Second.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor