



New Jersey Department of Environmental Protection

2009 Notice of CO₂ Allowance Offer and Procedures for Fixed-Price Sale of CO₂ Allowances Pursuant to N.J.A.C. 7:27C-5.4

This Notice of CO₂ Allowance Offer and Procedures for the Fixed-Price Sale of CO₂ Allowances to Certified Dispatch Agreement Facilities (hereinafter “Notice of Offer and Procedures”) is made for the sale of 2009 allocation year CO₂ allowances from the consumer benefit account, pursuant to N.J.A.C. 7:27C-5.4(b). All terms not defined herein have the meanings set forth at N.J.A.C 7:27C-1.2.

This Notice of Offer and Procedures is posted at http://www.rggi.org/states/state_regulations and was also distributed via e-mail to the CO₂ Authorized Account Representatives of all CO₂ budget sources located in New Jersey.

Key Information and Dates

Department Contact: Christopher Sherry; 609-292-6818;
christopher.sherry@dep.state.nj.us
Contact Address: Office of Climate and Energy
New Jersey Department of Environmental Protection
401 East State Street
P.O. Box 402
Trenton NJ 08625-0402
Authority: N.J.A.C. 7:27C-5.4(b) and N.J.S.A. 26:2C-48 through 49
Allocation Year: 2009
Fixed Price: \$2.00 per CO₂ allowance

Notice of Offer and Procedures Issued: October 30, 2009
Notice of Intent to Purchase Due: 5 PM EST, November 30, 2009
Payment for CO₂ Allowances Due: 5 PM EST, December 18, 2009

Certified Dispatch Agreement Facilities

Certified dispatch agreement facilities are eligible for the purchase of CO₂ allowances pursuant to N.J.A.C. 7:27C-5.4(b) and (c).

The following facilities have submitted dispatch agreement facility certifications to the Department pursuant to N.J.A.C. 7:27C-5.4(c), and have been certified by the Department as dispatch agreement facilities:

- Chambers Cogen (Carneys Point) (ORIS Plant Code: 10566)

- Lakewood Cogen (ORIS Plant Code: 54640)
- Linden Cogen, Units 1–5 (ORIS Plant Code: 50006)
- Logan (ORIS Plant Code: 10043)

These facilities submitted certifications and supporting documentation, in a format prescribed by the Department, no later than 30 days prior to the issuance of the Department's notice of CO₂ allowance offer, as required pursuant to N.J.S.A. 26:2C-49.

Prescribed dispatch agreement facility certification materials and instructions issued by the Department are available at http://www.rggi.org/states/state_regulations.

Overview of CO₂ Allowance Offer and Purchase Procedures

All offers of fixed-price CO₂ allowances are made annually through a Notice of CO₂ Allowance Offer and Procedures for Fixed-Price Sale of CO₂ Allowances Pursuant to N.J.A.C. 7:27C-5.4 ("Notice of Offer and Procedures") issued by the Department to owners and operators of CO₂ budget sources that are certified dispatch agreement facilities. This Notice of Offer and Procedures for 2009 allocation year CO₂ allowances was issued on October 30, 2009.

Each Notice of Offer and Procedures sets forth the number of CO₂ allowances available for purchase for each CO₂ budget unit at a certified dispatch agreement facility, the allocation year of the available CO₂ allowances, and the price of such CO₂ allowances. Each Notice of Offer and Procedures also sets forth the procedures for the exercise of a purchase option by the CO₂ Authorized Account Representative (AAR) for the certified dispatch agreement facility (CO₂ budget source), procedures for payment to the Department, and procedures for the transfer of CO₂ allowances to the purchaser upon completion of financial settlement.

Questions about this Notice of Offer and Procedures for 2009 allocation year CO₂ allowances should be directed to the Department's staff contact, Christopher Sherry, at 609-292-6818; christopher.sherry@dep.state.nj.us.

2009 CO₂ Allowance Offer

The number of 2009 allocation year CO₂ allowances available for purchase for each certified dispatch agreement facility is listed by CO₂ budget unit in Appendices A through D of this Notice of Offer and Procedures.

The number of CO₂ allowances available for purchase for each certified dispatch agreement facility is based on the average annual CO₂ emissions for each CO₂ budget unit at the certified dispatch agreement facility for the three-year period 2006 – 2008, as determined by the Department. In determining these CO₂ emissions, the Department utilized fuel use data reported for each CO₂ budget unit to the Department's Emissions Statement Program pursuant to N.J.A.C. 7:27-21. The Department estimated CO₂ emissions based on this fuel use by applying emissions factors derived from data in U.S.

EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990 – 2007, Annex 2 and Annex 6 (April 15, 2009; EPA 430-R-09-004).

Exercise of Purchase Offer

The option to purchase CO₂ allowances offered through this Notice of Offer and Procedures must be exercised by the AAR for the certified dispatch agreement facility through the filing of a Notice of Intent to Purchase (NIP) in the form prescribed in Appendix E of this Notice of Offer and Procedures. All NIPs must be received by the Department by 5 PM EST on November 30, 2009. Any NIP submitted subsequent to this deadline will NOT be accepted. Failure to submit a NIP by the deadline specified in this Notice of Offer and Procedures will be considered to be a decline by the AAR of the CO₂ allowance offer made by the Department for the certified dispatch agreement facility.

A separate NIP must be submitted for each certified dispatch agreement facility. The NIP must specify the number of CO₂ allowances that the AAR intends to purchase on behalf of each CO₂ budget unit at the certified dispatch agreement facility. The number of CO₂ allowances specified by the AAR for each CO₂ budget unit must be equal to or less than the applicable number specified for the CO₂ budget unit in Appendix A through D of this Notice of Offer and Procedures. The NIP must also specify the type of financial settlement to be used, either wire transfer or certified funds in the form of a cashier's check.

The NIP must be signed by the AAR for the certified dispatch agreement facility and notarized. Submission of a signed and notarized NIP constitutes a binding agreement to purchase the number of CO₂ allowances specified in the NIP. The original signed document must be mailed to the following address:

NJ DEP CO₂ Allowance Sale Manager
Attn: Christopher Sherry
Office of Climate and Energy
New Jersey Department of Environmental Protection
401 East State Street
P.O. Box 402
Trenton NJ 08625-0402

In addition, the AAR should scan the signed document and e-mail it to the Department staff contact identified in this Notice of Offer and Procedures to ensure prompt processing of the NIP.

A template of the NIP is provided as Appendix E of this Notice of Offer and Procedures. The NIP form in Microsoft Word document format is posted at http://www.rggi.org/states/state_regulations.

Payment Procedures

The Department will confirm receipt of a timely submitted NIP via a confirmation e-mail to the AAR, no later than December 7, 2009. The confirmation e-mail will list the number of CO₂ allowances the AAR intends to purchase for each CO₂ budget unit at the certified dispatch agreement facility, the total number of CO₂ allowances requested for the dispatch agreement facility, and the total amount of payment due. In the confirmation e-mail, the Department may adjust the number of CO₂ allowances requested by the AAR, if necessary to conform with the maximum number available for purchase for each CO₂ budget unit, as specified in Appendices A through D of this Notice of Offer and Procedures.

The confirmation e-mail will provide detailed instructions for payment, including account information for the Global Warming Solutions Fund.

The sale date for the CO₂ allowance offer in this Notice of Offer and Procedures is December 14, 2009. Payment is due in United States dollars (USD) no later than 5 PM EST on December 18, 2009. Payment must be made in cash, as specified below, through a wire transfer or certified funds in the form of a cashier's check. The Department prefers that payment be made through a wire transfer.

Wire Transfers

Cash wire transfers must be received by the Department no later than 5:00 PM EST on December 18, 2009. The Department's confirmation e-mail will contain the details for submitting cash by wire transfer, if the AAR has selected this payment option in the NIP. The wire transfer details will include the following information necessary to execute the transfer: receiving bank name and address, beneficiary account name and account number, ABA routing number, and originator to beneficiary information (OBI). The purchaser is responsible for obtaining confirmation from its financial institution that the payment has been deposited in the proper account listed in the Department's confirmation e-mail.

Each purchaser submitting cash by wire transfer must also complete and submit the "Wire Transfer Remittance Form for 2009 CO₂ Allowance Purchase". This form is included as Appendix F of this Notice of Offer and Procedures and is posted as a Microsoft Word document at http://www.rggi.org/states/state_regulations. This form must be faxed or e-mailed to the following on or before the day of the wire transfer, to ensure that payment is credited to the appropriate certified dispatch agreement facility:

NJ DEP CO₂ Allowance Sale Manager
Attn: Christopher Sherry
Fax: 609-292-3268
E-mail: christopher.sherry@dep.state.nj.us

A separate wire transfer must be made for each certified dispatch agreement facility and be accompanied by a separate Remittance form.

The dollar amount of the wire transfer must exactly match the dollar amount of the payment due listed in the Department's confirmation e-mail for the certified dispatch agreement facility. The Department will not return any unused balance transferred to the Department, although any unused balance may be applied to a future CO₂ allowance purchase.

Certified Funds

Certified funds in the form of a cashier's check must be received by the Department no later than 5:00 PM EST on December 18, 2009, at the following address:

New Jersey Department of Environmental Protection
Office of Trust Fund Management
P.O. Box 420
Trenton, NJ 08625-0420

The Department's confirmation e-mail will contain the details for submitting cash by cashier's check. All checks must be made out to "Treasurer, State of New Jersey". The payment will be credited at the time the check clears.

Each purchaser submitting cash by cashier's check must also complete and submit the "Certified Funds Remittance Form for 2009 CO₂ Allowance Purchase". This form is included as Appendix G of this Notice of Offer and Procedures and is posted as a Microsoft Word document at http://www.rggi.org/states/state_regulations. This form must accompany the cashier's check. In addition, this form must also be faxed or e-mailed to the following to ensure that the payment is credited to the appropriate certified dispatch agreement facility:

NJ DEP CO₂ Allowance Sale Manager
Attn: Christopher Sherry
Fax: 609-292-3268
E-mail: christopher.sherry@dep.state.nj.us

Certified funds in the form of a cashier's check must be provided separately for each certified dispatch agreement facility and be accompanied by a separate Remittance form.

The dollar amount of certified funds provided must exactly match the dollar amount of the payment due listed in the Department's confirmation e-mail for the certified dispatch agreement facility. The Department will not return any unused balance transferred to the Department, although any unused balance may be applied to a future CO₂ allowance purchase.

Transfer of CO₂ Allowances

The Department will allocate CO₂ allowances to the compliance account for a certified dispatch agreement facility after receipt of payment in full. For payment in full received through a timely submitted wire transfer, the Department will allocate CO₂ allowances by 5 PM EST on December 23, 2009. For payment in full received through a timely submitted cashier's check, the Department will allocate CO₂ allowances once the cashier's check has cleared. Please note that the timing of CO₂ allocation for a timely submitted cashier's check that has cleared is subject to staff availability during the period from December 24, 2009 through January 3, 2010. The allocation of CO₂ allowances will be completed by the Department by no later than January 8, 2010, provided the cashier's check has cleared.

**APPENDIX A –
NOTICE OF OFFER**

CO ₂ Budget Source Name	Chambers Cogen (Carneys Point)
ORIS Plant Code	10566
RGGI COATS Compliance Account Number	NJ10196
CO ₂ Authorized Account Representative	Steven DiCarlo

Based on the average annual CO₂ emissions for the three-year period 2006 – 2008, as determined by the Department, the following number of CO₂ allowances are available for purchase for the above-listed CO₂ budget source:

CO₂ ALLOWANCES AVAILABLE FOR PURCHASE				
CO₂ Budget Unit ID	Average Annual CO₂ Emissions	CO₂ Allowances Offered	Allocation Year	Price per CO₂ Allowance
1001	1,040,769	1,040,769	2009	\$2.00
1002	1,054,259	1,054,259	2009	\$2.00
Total	2,095,028	2,095,028		

**APPENDIX B –
NOTICE OF OFFER**

CO ₂ Budget Source Name	Linden Cogen
ORIS Plant Code	50006
RGGI COATS Compliance Account Number	NJ10198
CO ₂ Authorized Account Representative	Tom Milillo

Based on the average annual CO₂ emissions for the three-year period 2006 – 2008, as determined by the Department, the following number of CO₂ allowances are available for purchase for the above-listed CO₂ budget source:

CO₂ ALLOWANCES AVAILABLE FOR PURCHASE				
CO₂ Budget Unit ID	Average Annual CO₂ Emissions	CO₂ Allowances Offered	Allocation Year	Price per CO₂ Allowance
005001	406,592	406,592	2009	\$ 2.00
006001	387,074	387,074	2009	\$2.00
007001	406,780	406,780	2009	\$2.00
008001	385,790	385,790	2009	\$2.00
009001	369,672	369,672	2009	\$2.00
Total	1,955,908	1,955,908		

**APPENDIX C –
NOTICE OF OFFER**

CO ₂ Budget Source Name	Lakewood Cogen
ORIS Plant Code	54640
RGGI COATS Compliance Account Number	NJ10225
CO ₂ Authorized Account Representative	James Peach

Based on the average annual CO₂ emissions for the three-year period 2006 – 2008, as determined by the Department, the following number of CO₂ allowances are available for purchase for the above-listed CO₂ budget source:

CO₂ ALLOWANCES AVAILABLE FOR PURCHASE				
CO₂ Budget Unit ID	Average Annual CO₂ Emissions	CO₂ Allowances Offered	Allocation Year	Price per CO₂ Allowance
001001	48,648	48,648	2009	\$ 2.00
002001	43,521	43,521	2009	\$2.00
Total	92,169	92,169		

**APPENDIX D –
NOTICE OF OFFER**

CO ₂ Budget Source Name	Logan
ORIS Plant Code	10043
RGGI COATS Compliance Account Number	NJ10194
CO ₂ Authorized Account Representative	James Sousa

Based on the average annual CO₂ emissions for the three-year period 2006 – 2008, as determined by the Department, the following number of CO₂ allowances are available for purchase for the above-listed CO₂ budget source:

CO₂ ALLOWANCES AVAILABLE FOR PURCHASE				
CO₂ Budget Unit ID	Average Annual CO₂ Emissions	CO₂ Allowances Offered	Allocation Year	Price per CO₂ Allowance
1001	1,564,242	1,564,242	2009	\$ 2.00
Total	1,564,242	1,564,242		

APPENDIX E –
NOTICE OF INTENT TO PURCHASE TEMPLATE

Instructions

This template (see next page) of a Notice of Intent to Purchase is provided for informational purposes only. The CO₂ Authorized Account Representative (AAR) must use the Notice of Intent to Purchase form provided by the Department as a Microsoft Word document that accompanies this Notice of Offer and Procedures. This document is posted at http://www.rggi.org/states/state_regulations. The AAR must fill in the table cells with the appropriate information, print out the document, and sign, date, and notarize. In no instance may the number of CO₂ allowances for which the AAR is indicating an intent to purchase exceed the amount of CO₂ allowances offered for a respective CO₂ budget unit, as specified at Appendices A – D of this Notice of Offer and Procedures.

A separate Notice of Intent to Purchase must be submitted for each certified dispatch agreement facility for which the AAR intends to purchase CO₂ allowances.

NOTICE OF INTENT TO PURCHASE

Certified Dispatch Agreement Facility Information

CO ₂ Budget Source Name	
ORIS Plant Code	
RGGI COATS Compliance Account Number	
CO ₂ Authorized Account Representative	

CO₂ Purchase Agreement

Based on the New Jersey Department of Environmental Protection’s 2009 Notice of CO₂ Allowance Offer and Procedures for Fixed-Price Sale of CO₂ Allowances Pursuant to N.J.A.C. 7:27C-5.4 (“Notice of Offer and Procedures”), dated October 30, 2009, the following number of CO₂ allowances will be purchased on behalf of the above-listed CO₂ budget source:

CO ₂ ALLOWANCES TO BE PURCHASED				
CO ₂ Budget Unit ID	CO ₂ Allowances Offered	CO ₂ Allowances to be Purchased	Price per CO ₂ Allowance	Purchase Amount (\$)
			\$ 2.00	
			\$2.00	
			\$2.00	
			\$2.00	
			\$2.00	
Total				

Payment Method

Payment will be provided as follows (check one):

Cash (wire transfer)

Cash (cashier’s check)

Terms and Conditions of Sale

I, the undersigned, acknowledge that this document constitutes a binding agreement to purchase the CO₂ allowances indicated above, and to remit to the New Jersey Department of Environmental Protection (“Department”) payment in full by December 18, 2009, in accordance with the process set forth in the Department’s Notice of Offer and Procedures dated October 30, 2009. The Department’s agreement to convey the CO₂ allowances offered in accordance with this Notice of Offer and Procedures is contingent upon receipt of this Notice of Intent to Purchase, properly executed, and payment in full as described above. I understand that all sales are final and that CO₂ allowances will be allocated by the Department to the above-listed compliance account in the RGGI CO₂ Allowance Tracking System once financial settlement has been completed.

I am authorized to make this submission on behalf of the owners and operators of the CO₂ budget sources or CO₂ budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

I certify that I was selected as the CO₂ authorized account representative of the CO₂ budget source (or alternate CO₂ authorized account representative of the CO₂ budget source, as applicable) by an agreement binding on the owners and operators of the CO₂ budget source and each CO₂ budget unit at the source, in accordance with the procedures set forth at N.J.A.C. 7:27C-2.1 et. seq. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CO₂ Budget Trading Program on behalf of the owners and operators of the CO₂ budget source and of each CO₂ budget unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions and by any decision or order issued to me by the Department or a court of competent jurisdiction regarding the source or unit.

I agree that any disputes related to this sale and purchase transaction will be subject to the personal jurisdiction and venue of courts of the State of New Jersey.

Signature of CO₂ Authorized Account Representative
(in blue ink)

Date

Name (print)

Title

Organization

Notary

APPENDIX F –
WIRE TRANSFER REMITTANCE FORM FOR 2009 CO₂ ALLOWANCE
PURCHASE

CO ₂ Budget Source Name	
ORIS Plant Code	
RGGI COATS Compliance Account Number	
CO ₂ Authorized Account Representative	

In the field below, indicate the amount of funds provided in U.S. dollars.

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Provide information for the account from which the funds will transferred in the fields below.

Account Name	
ABA Number	
Account Number	
Type of Account (Checking/Savings)	

This form must be faxed or e-mailed to the following on or before the day of the wire transfer to ensure that the payment is credited to the appropriate certified dispatch agreement facility:

NJ DEP CO₂ Allowance Sale Manager
Attn: Christopher Sherry
Fax: 609-292-3268
E-mail: christopher.sherry@dep.state.nj.us

APPENDIX G –
CERTIFIED FUNDS REMITTANCE FORM FOR 2009 CO₂ ALLOWANCE
PURCHASE

CO ₂ Budget Source Name	
ORIS Plant Code	
RGGI COATS Compliance Account Number	
CO ₂ Authorized Account Representative	

In the field below, indicate the amount of funds provided in U.S. dollars.

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Provide information for the account from which the funds will transferred in the fields below.

Account Name	
ABA Number	
Account Number	
Type of Account (Checking/Savings)	

This form must accompany the certified funds. Certified funds in the form of a cashier's check must be received by the Department no later than 5:00 PM EST on December 18, 2009, at the following address:

New Jersey Department of Environmental Protection
Office of Trust Fund Management
P.O. Box 420
Trenton, NJ 08625-0420

This form must also be faxed or e-mailed to the following address to ensure that the payment is credited to the appropriate certified dispatch agreement facility:

NJ DEP CO₂ Allowance Sale Manager
Attn: Christopher Sherry
Fax: 609-292-3268
E-mail: christopher.sherry@dep.state.nj.us

The cashier's check that accompanies this Remittance form must be made out to "Treasurer, State of New Jersey".