



New Jersey Board of Public Utilities

PRESS RELEASE

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NEW JERSEY, SIX OTHER STATES ANNOUNCE RELEASE OF DRAFT MODEL RULE FOR REGIONAL CO₂ CAP

60-Day Public Comment Period Commences

(NEWARK, NJ) -- Seven Northeast states today announced the release of draft model regulations that will implement the Regional Greenhouse Gas Initiative (RGGI). RGGI is a cooperative effort by New Jersey, Connecticut, Delaware, Maine, New Hampshire, New York, and Vermont to limit greenhouse gas emissions from power plants in the region through a flexible, market-based emissions trading program.

"RGGI is the first multi-state mandatory cap-and-trade program to control carbon dioxide emissions in the United States," said Governor Jon S. Corzine. "By addressing one of the most pressing environmental challenges of our day – climate change – RGGI also furthers the dual goals of energy efficiency and independence, while at the same time promoting economic competition."

The program will place mandatory caps on emissions in the electric generating sector and achieve compliance at the lowest possible cost through trading of emissions credits. In other emissions trading programs, such as the federal acid rain program, these valuable credits have simply been handed out to the power plant operators. RGGI takes a different approach, reserving at least a quarter of the credits for the benefit of consumers.

"Setting aside emissions credits for the benefit of consumers is a groundbreaking approach to the control of carbon dioxide emissions," said Jeanne M. Fox, President of the New Jersey Board of Public Utilities. "This innovative approach will help us spur energy efficiency and encourage development of renewable energy."

In December, the governors of the seven states signed a Memorandum of Understanding (MOU) detailing the key components of the proposed program. The MOU culminated two years of discussions. The model set of regulations, released today, represents a more detailed expression of the states' proposal. Once finalized, the model rule will form the basis of individual state regulatory and/or statutory proposals.

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"As a coastal state New Jersey is particularly vulnerable to the impacts of climate change," said New Jersey Department of Environmental Protection Commissioner Lisa P. Jackson. "In the absence of federal leadership, we have a responsibility to take effective actions now to reduce CO2 emissions through a flexible, market based approach."

For 60 days, the states will receive public input on the draft model rule. Two regional stakeholder meetings have been scheduled on March 28 in New York City and May 2 in Hartford, Connecticut. Written comments on the draft model rule should be submitted to the Staff Working Group via e-mail to rqqicomm@gw.dec.state.ny.us.

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About the New Jersey Board of Public Utilities (NJBPU)

The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.bpu.state.nj.us

About the New Jersey Clean Energy Program

New Jersey's Clean Energy Program, established on January 22, 2003 in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (BPU), and its website is www.njcleanenergy.com.