



LEAGUE OF WOMEN VOTERS®
OF NEW JERSEY

Testimony in Support of S1322
Senate Environment and Energy Committee
February 27, 2012

The League of Women Voters of New Jersey supports S1322 keeping our state in the Regional Greenhouse Gas Initiative (PL2007, c.340 or RGGI) and we ask that you release this bill from committee.

When the ten Northeastern states signed on to RGGI, New Jersey assumed a leadership role in establishing the nation's first mandatory market-based program to reduce emissions of CO₂. According to a November, 2011 study by the Boston consulting firm, Analysis Group, quarterly auctions of CO₂ credits have raised \$912 million over the past three years for participating states and \$118 million to New Jersey, specifically. Most of the funds have been used for programs that encourage energy efficiency and provide assistance for low income households in the participating states. Thus RGGI provides social, economic and environmental benefits to our state.

According to Paul Hibbard, a vice president with Analysis Group, "RGGI is fundamentally rooted in states' rights. Regardless of what they invested in, each state benefitted from capturing the value of the RGGI allowances for public benefit, re-investing the auction proceeds back into the local economy, and reducing fossil fuel demand. And those states that made energy efficiency a priority reaped even greater economic benefits."

While a large percentage of the money raised in New Jersey has been used to close budget deficits in 2010, 2011 and proposed for 2012 (\$75 million) our state has made some investment in energy efficiency. A RGGI Inc. report published in February 2011, states that through the year 2010, "**the New Jersey: Clean Energy Solutions Capital Investment (CESCI) Loan/Grant Program** awarded \$29.6 million in CO₂ allowance proceeds to 12 large-scale energy efficiency and renewable energy projects. These 12 projects represent 29.6 megawatts (MW) of new, clean electric generation capacity and they are projected to generate more than 167 million kWh of electricity annually, enough to meet the equivalent needs of more than 19,600 New Jersey households each year...."

The Global Warming Response Act of 2007 requires stabilization of statewide greenhouse gas emissions to 1990 levels by 2020, followed by a further reduction of 80% below 2006 levels by 2050. Without remaining in RGGI these mandates will likely go unrealized, a slap in the face to one of the most important environmental laws established by this body.

Greenhouse gas reduction can not be achieved in isolation. In the absence of stringent national action to cut down on greenhouse gases, regional action is our best hope for reducing carbon dioxide emissions. That is why the Regional Greenhouse Gas Initiative is so significant. Withdrawal from RGGI should not be an option.

Presented by:
Nancy Hedinger, Vice President of Advocacy
League of Women Voters of New Jersey