



STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION



INDUSTRIAL STAKEHOLDER MEETING JUNE 10, 2016

In Collaboration with Division of Air Quality, NJDEP

EMISSION CREDITS IN NEW JERSEY

ACTION ITEMS TO ADDRESS SHORTAGE



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ACTION ITEMS TO ADDRESS CREDITS SHORTFALL

Continue towards Attainment for Ozone. While this is a long term goal, implement the following short-term measures (3-5 years):

1

- Consider a Reciprocity Agreement with NY for unlimited use and trade of emission credits in the Northern Nonattainment area (preferred option).
- Alternatively, draft a new MOU with NY for up to 600 TPY VOC and 700 TPY NOx.

NEXT 6 MONTHS

2

- Revise New Jersey's emission offset rule (Subchapter 18) to address the use of Reverted Credits.
- DAG/legal determination has been requested to check if the rule allows the use of reverted credits by the State.

2-3 YEARS

3

- Work with New Jersey facilities to evaluate: (1) installing new controls, (2) permanently curtailing production, (3) shutting down existing equipment that is not needed, (4) adopting pollution prevention measures, and (5) implementing transportation control measures.

ONGOING

Section 108 of the CAA provides examples of transportation control measures including: improved public transit, traffic flow improvements and high-occupancy vehicle lanes, shared ride services, pedestrian/bicycle facilities, and flexible work schedules, programs to control extended idling of vehicles, etc.

NJ/NY RECIPROCALITY AGREEMENT

1

- Consider a Reciprocity Agreement with NY for unlimited use and trade of emission credits in the Northern Nonattainment area (preferred option).
- Alternatively, draft a new MOU with NY for up to 600 TPY VOC and 700 TPY NOx.

NEXT 6 MONTHS

Current Status

- Reciprocity agreement drafted for the availability of 1,000 TPY each of VOC and NOx, for a 8-year period.
- Draft agreement reviewed and approved by NJ DAGs.
- Submitted to NYSDEC for review and comments.

ON TRACK

USE OF REVERTED CREDITS

2

- Revise New Jersey's emission offset rule (Subchapter 18) to address the use of Reverted Credits.
- DAG/legal determination has been requested to check if the rule allows the use of reverted credits by the State.

2-3 YEARS

Current Status

- DAG/legal determination received in April 2016. 1992 rule proposal provides some flexibility on the use of reverted CERs:
 - may be used to demonstrate reasonable further progress (RFP) towards NAAQS attainment.
 - rule can be amended to include provisions for use of the reverted CERs for other purposes, such as economic development.

LONG TERM

EVALUATE OTHER OPTIONS

3

- Work with New Jersey facilities to evaluate: (1) installing new controls, (2) permanently curtailing production, (3) shutting down existing equipment that is not needed, (4) adopting pollution prevention measures, and (5) implementing transportation control measures.

ONGOING

Current Status

- Evaluating options for expanding emissions banking program to include credits from mobile sources.
- Emission reductions from diesel engines, vehicles and other equipment.
- How the mobile credits could meet the Clean Air Act requirements to be enforceable, permanent, quantifiable, real, and surplus.

ONGOING

NEW GUIDANCE DOCUMENT

New draft Guidance Document posted on ISG webpage: <http://www.nj.gov/dep/aqpp/isg.html>

- Provides easy-to-understand “plain English” guidance consistent with N.J.A.C. 7:27-18.
 - When emission credits are discounted: adjusted for rule and time discounts?
 - When time discount clock stops?
 - How many emission credits do I need to secure for my project?
 - What is the discounted value of the banked emission credits (BEC) that I have identified for the project?
 - How to calculate the discounted value of the BEC?
 - Examples of various scenarios.
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