

Clean Energy Compliance Options for EGUs

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Please note this meeting is being recorded.

The recording and presented material will be made available on the NJPACT website at [NJDEP | NJPACT: Protecting Against Climate Threats | Home](#).

Please also note this meeting is for informational purposes only. The concepts and ideas presented and discussed do not reflect any final decision making.

Disclaimer: The information provided is for discussion purposes only and does not reflect final decision-making.

As a courtesy to all, please turn off
your microphone and camera.

Towards the end of the presentation,
we will pause for questions and
comments. If you would like to speak,
please raise your hand at the
appropriate time.

As a courtesy to all, please wait until
you are called to speak.

Agenda

01

Background:
Control and
Prohibition of CO₂
Emissions Rule

02

Introduce potential
rulemaking: Clean
Energy Compliance
Options for
Existing EGUs

03

Discuss topics and
solicit feedback for
upcoming focused
stakeholder
meetings

04

Next steps

The Control and Prohibition of Carbon Dioxide Emissions Rule

(published 1/3/23)

The rule is expected to reduce CO₂ emissions from fossil fuel-fired electric generating units through the application of output-based emission limits.

The Control and Prohibition of Carbon Dioxide Emissions Rule

(published 1/3/23)

Applies to new or existing EGU that

- combusts at least 51 percent fossil fuel, alone or in combination with any other fuel, annually;
- supplies at least 10 percent of its annual gross electric output to the grid; and
- has a nameplate capacity equal to or greater than 25 MWe.

A new EGU with a nameplate capacity less than 25 MWe that meets the other two thresholds will be covered by the rules if the unit is located at a facility that has more than one EGU, and the aggregate capacity of those units is equal to or greater than 25 MWe.

The Control and Prohibition of Carbon Dioxide Emissions Rule (published 1/3/23)

Compliance deadline for existing EGUs	Emission limit
June 1, 2024	1,700 lb CO ₂ /MWh gross energy output
June 1, 2027	1,300 lb CO ₂ /MWh gross energy output
June 1, 2035	1,000 lb CO ₂ /MWh gross energy output

The Control and Prohibition of Carbon Dioxide Emissions Rule

(published 1/3/23)

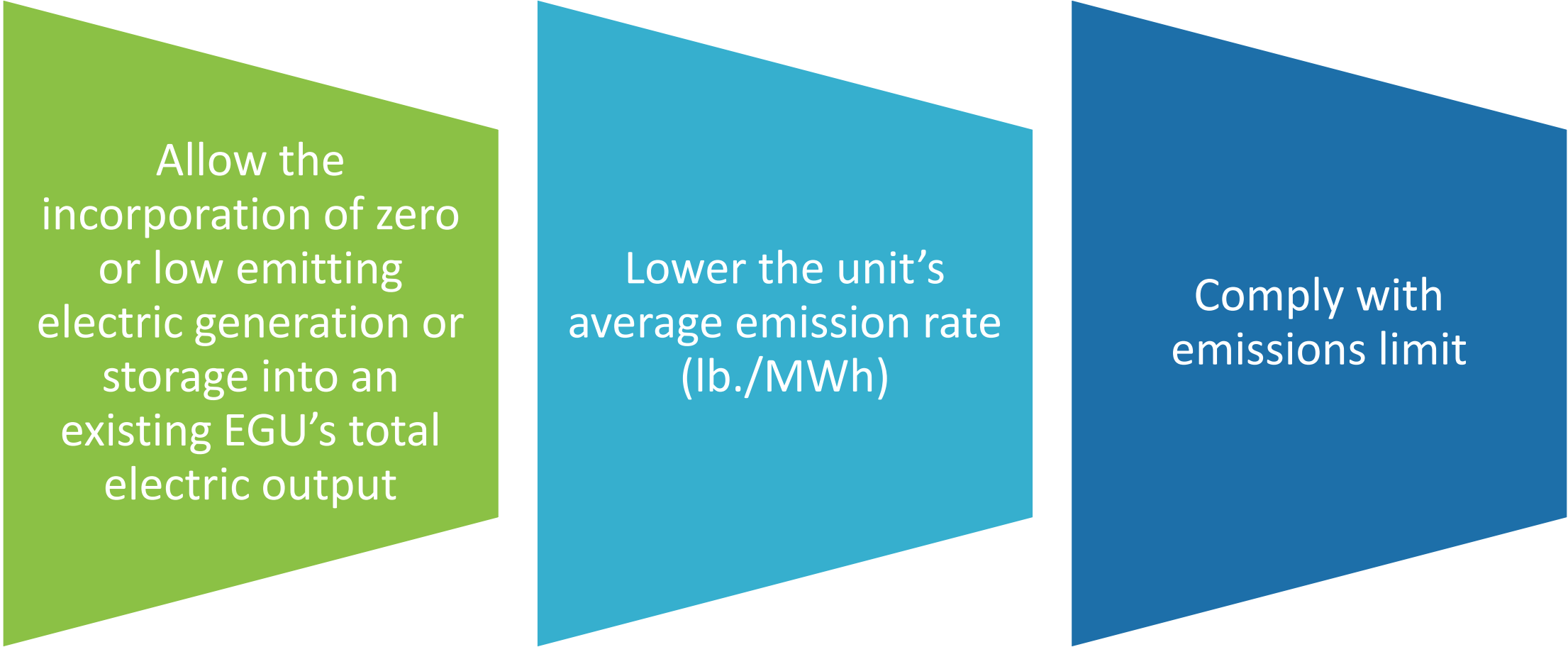
An owner or operator may request an extension of the compliance date if:

- BPU issues an order determining that the unit is needed to maintain reliable grid operations;
- The EGU is designated as an RMR unit or PJM or NYISO has requested that the EGU remain operational to maintain reliable grid operations

Rulemaking concept:

Clean Energy Compliance Options for Existing EGUs

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Allow the
incorporation of zero
or low emitting
electric generation or
storage into an
existing EGU's total
electric output

Lower the unit's
average emission rate
(lb./MWh)

Comply with
emissions limit

Grid Supply
Solar

Behind the
Meter Solar

RNG/Hydrogen

Battery
Storage

Fuel Cells

Potential
clean
energy
options

Potential timing of applicability of clean energy options

	Compliance deadline for existing EGUs	Emission limit
	June 1, 2024	1,700 lb CO ₂ /MWh gross energy output
✓	June 1, 2027	1,300 lb CO ₂ /MWh gross energy output
✓	June 1, 2035	1,000 lb CO ₂ /MWh gross energy output

Why is the Department considering rulemaking to allow clean energy compliance options for existing EGUs?

Comments received

The Department received numerous comments on the CO₂ reduction rules for EGUs.

Some commenters requested compliance flexibility for units, particularly peaking units that run infrequently but are necessary for grid reliability.

Other commenters cautioned against leakage.

Other commenters expressed the need to transition to clean energy.

Reliability

Dispatchable units will continue to be needed to ensure that electricity generation meets demand.

The use of non-dispatchable generation from clean energy sources such as wind and solar to meet most of the State's electric demand must be accompanied by dispatchable sources to ensure demand is met.

Curtail leakage

Flexibility would provide opportunity for in-State units to continue to operate within the regional grid at a lower-emission profile than out-of-state units that would be called upon to serve New Jersey when in-State units shut down.

Inspire investment

The flexibility to incorporate qualifying clean energy and storage as a compliance tool would provide an incentive to increase development and deployment of those clean energy technologies.

Upcoming Focused Stakeholder Sessions

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The Department will hold meetings with specific stakeholder groups to solicit input as the Department evaluates this potential rulemaking.



To facilitate the discussion at the upcoming stakeholder sessions, the Department is providing a list of the topics it expects to raise during these sessions. Today, the Department is asking for feedback on whether there are other discussion topics that should be covered.

**Focused
stakeholder
meeting topic
#1**

Which of these should be qualifying zero or low emission technologies?

- Grid Supply Solar
- Behind The Meter Solar
- RNG/Hydrogen
- Battery Storage
- Fuel Cells
- Other?

**Focused
stakeholder
meeting topic
#2**

- What could be the obstacles for an EGU owner and operator seeking to incorporate qualifying technologies into an existing EGU's total electric output?
- Timing considerations?

Focused stakeholder meeting topic #3

- Locational considerations?
- Where should the Department allow the alternative technology to be located (on-site versus off-site)?

Focused stakeholder meeting topic #4

- What emissions averaging methodology(ies) should the Department use? Are there other approaches besides averaging?
- How should peak versus non-peak emission rates be measured?
- Monitoring, recordkeeping, reporting challenges?

**Focused
stakeholder
meeting topic
#5**

Should clean energy that is used for emission compliance be allowed to qualify for RECs?

**Questions or comments on these topics
for focused stakeholder meetings?**

Next steps

- Focused stakeholder sessions to be scheduled through April/May 2023.
- If you are interested in participating, please email njclimate@dep.nj.gov with your contact information and particular interest or affiliation.

Thank you for attending

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