EMISSION CREDITS IN NEW JERSEY

ACTION ITEMS TO ADDRESS SHORTAGE

Presented by: Khawar Kalim, Division of Air Quality
## Credits Needed for New Power Plants

### Northern Ozone Nonattainment Area (NJ-NY-CT)

<table>
<thead>
<tr>
<th>New Power Plant</th>
<th>County</th>
<th>App Received?</th>
<th>Credits Identified?</th>
<th>Credits needed by*</th>
<th>VOC TPY</th>
<th>NOx TPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Facility #1</td>
<td>Hudson</td>
<td>Yes</td>
<td>Not needed</td>
<td>Jul 2018</td>
<td>nets out</td>
<td>nets out</td>
</tr>
<tr>
<td>Proposed Facility #2</td>
<td>Bergen</td>
<td>No</td>
<td>No</td>
<td>Oct 2018</td>
<td>90</td>
<td>319</td>
</tr>
<tr>
<td>Proposed Facility #3</td>
<td>Middlesex</td>
<td>Yes</td>
<td>Owns 48 TPY VOC, 164 TPY NOx</td>
<td>Jul 2018</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Proposed Facility #4</td>
<td>Middlesex</td>
<td>Yes</td>
<td>Owns 48 TPY VOC</td>
<td>Jul 2018</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>Proposed Facility #5</td>
<td>Middlesex</td>
<td>Yes</td>
<td>No</td>
<td>Jul 2018</td>
<td>259</td>
<td>151</td>
</tr>
<tr>
<td>Proposed Facility #6</td>
<td>Middlesex</td>
<td>No</td>
<td>No</td>
<td>Oct 2018</td>
<td>39</td>
<td>151</td>
</tr>
<tr>
<td>Proposed Facility #7</td>
<td>Hunterdon</td>
<td>No</td>
<td>4,000 TPY NOx in NY</td>
<td>Dec 2018</td>
<td>130</td>
<td>390</td>
</tr>
<tr>
<td>Proposed Facility #8</td>
<td>Union</td>
<td>No</td>
<td>No</td>
<td>Dec 2018</td>
<td>105</td>
<td></td>
</tr>
</tbody>
</table>

**Estimate of Credits needed:** 518 | 1228

**Credits currently listed in NJ registry:** 951 | 807

**50% scenario (assuming only half of the Credits are available for sale):** 476 | 404

**500 TPY of VOC Credits may not be verifiable***:** -500

Add Credits available through NJ/NY MOU****:** 195

**Total available:** -25 | 599

**Estimate of Credits needed:** 518 | 1228

**Surplus/Shortfall:** -543 | -629

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* Based on either expected date of operation. ** Facility provides/will provide power to NY.
*** 500 TPY VOC credits needs confirmation from Essex Chemical. **** 155 out of 350 TPY of NY Credits have already been used. MOU ends Dec 2017.

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Industrial Stakeholder Meeting | June 2017 | Presented by Khawar Kalim, NJ DEP
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 1,000 TPY each of VOC and NOx. (NEXT 6 MONTHS)

2. Revise emission offset rule (Subchapter 18) to address the use of Reverted Credits. (2-3 YEARS)

3. Work with facilities to identify potential credit generating activities and banking. (ONGOING)
1. Consider a Reciprocity Agreement with NY for 1,000 TPY each of VOC and NOx.

NEXT 6 MONTHS

Current Status

- Reciprocity agreement for 1,000 TPY each of VOC and NOx, for a 8-year period submitted to NYSDEC.
- No action expected in near future.

OFF THE TABLE

Current MOU ends Dec 2017. 155 out of 350 TPY of NY Credits have already been used.
USE OF REVERTED CREDITS

2

• Revise emission offset rule (Subchapter 18) to address the use of Reverted Credits.

2-3 YEARS

Current Status

• DAG/legal determination provides some flexibility on the use of reverted CERs.

• Considering various options for the use of reverted credits.

12 MONTHS
EVALUATE OTHER OPTIONS

3

• Work with facilities to identify potential credit generating activities and banking.

Current Status

• Evaluating options for expanding emissions banking to include credits from mobile sources.

• How the mobile credits could meet the Clean Air Act requirements to be enforceable, permanent, quantifiable, real, and surplus.

ONGOING
OTHER UPDATES

2. Transferred Credits not part of the reports.
3. Pending Banking Applications: The quantity of emission credits listed in this report may be modified during the review or denied if not approvable.
4. FAQ Document Updated: Resale of Credits acquired/proposed for a Specific project.
5. New Jersey Treasury Auction: 10 TPY of NOx.

Emission Credits Contact: Khawar Kalim | Division of Air Quality | 609.292.1215 | khawar.kalim@dep.nj.gov