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## **SWEENEY/SMITH MEASURE TO REDUCE CARBON EMISSIONS PASSES** **COMMITTEE**

TRENTON – A bill sponsored by Senators Stephen M. Sweeney and Bob Smith that would allow New Jersey to participate in the carbon emissions cap-and-trade program of the Regional Greenhouse Gas Initiative (RGGI) was approved by the Senate Economic Growth Committee today.

“New Jersey has become a national leader in the efforts to reduce greenhouse gas emissions,” said Senator Sweeney, D-Cumberland, Gloucester and Salem. “We can’t affect real progress on our own, however. We must join with other states to act collectively to reduce carbon emissions and fight global warming.”

RGGI is a multi-state regional initiative to design and implement a flexible, market-based cap-and-trade program to reduce carbon dioxide emissions from power plants in the Northeast United States. RGGI will be the first mandatory cap-and-trade program in the United States to reduce emissions of the gases that cause global warming.

“RGGI allows New Jersey to join with other states in the Northeast to pool our resources together to bring about significant environmental change,” said Senator Smith, D-Middlesex. “By working together as a region rather than as separate states, we can do far more to reduce our carbon footprint and reduce the trends of global climate change.”

RGGI was officially created on December 20, 2005, when seven states announced an agreement to implement the Regional Greenhouse Gas Initiative, as outlined in a Memorandum of Understanding (MOU) signed by the Governors of the participating states. On August 15, 2006, the participating states issued a model rule for the program that will form the basis of individual state regulatory and/or statutory proposals to implement the program.

The Senators’ bill, S-2976, authorizes the Department of Environmental Protection (DEP) to sell, exchange, retire, assign, allocate, or auction allowances from greenhouse gas emissions, effectively implementing the RGGI cap-and-trade program in New Jersey.

“Our goal with this legislation was to set aggressive goals for capping greenhouse gas emissions in order to protect the environment while creating an allowance trade system that could be used by the business community to make it economically beneficial to reduce emissions,” explained Senator Sweeney.

Cap-and-trade program work by setting a cap that limits the overall number of tons of carbon allowed in a region and giving each source of emissions an allowance for a set number of tons they may produce.

“Through the cap-and-trade program, we can provide a financial incentive for power companies to invest in cleaner power sources and renewable energy. This will be one of our most powerful tools for achieving the goals of the ‘Global Warming Response Act,’” added Senator Smith.

Sources that produce more emissions than they have allowances to cover can either reduce their emissions, buy allowances on the market, or generate credits through an emissions offset project. Any source that reducing its emissions to be less than their assigned allowances may either bank those allowances or sell them to other sources.

The bill passed the committee by a vote of 40 and now goes to the Senate Budget and Appropriations Committee for review.

