

Christie pullout from energy pact generates heat

By PHIL GARBER, Managing Editor | Posted: Friday, June 3, 2011 3:00 am

Gov. Chris Christie's decision to withdraw from a 10-state regional air pollution pact was hailed by area legislators as a boon to business but criticized by environmentalists who said it will put the brakes on millions of dollars in alternative energy projects.

The opponents also said Christie's decision was prompted by his national political aims to appease conservative Tea Party activists rather than concerns for the state.

Christie announced last week that he was withdrawing New Jersey from participating in the Regional Greenhouse Gas Initiative or RGGI. The governor said the pact has not worked and has imposed an unfair tax on power companies.

The pact was created in 2008 with a goal to reduce emissions from power plants in the member states by 10 percent by 2018.

"I think the governor is more concerned with building a conservative reputation nationally than doing what is right for New Jersey," said Julia Somers of Harding Township, executive director of the N.J. Highlands Coalition. "I don't even think he's focusing on what is right for New Jersey," Somers said.

Christie has consistently denied interest in running for president although he scores high in national polls among conservative Republicans.

The compact is based on the so-called "cap and trade" strategy that requires coal-fired plants to limit carbon pollutants or to buy credits from plants that have kept pollutants below limits. The pact requires power companies in each of the member states to buy a carbon allowance from the state for every ton of carbon produced. The allowances are purchased at auctions with rates based on the market.

States in the pact earned a total of \$860 million this year, including \$102 million for New Jersey. The pact requires the revenues be used to limit greenhouse gas emissions in programs that promote energy efficiency and less electricity. In New Jersey about \$30 million has been spent on clean energy projects while Christie used \$65 million in RGGI funds to balance the state budget.

"RGGI has not changed behavior and it does not reduce emissions," Christie said at a news conference in Trenton. "RGGI does nothing more than tax electricity, tax our citizens, tax our businesses, with no discernable or measurable impact upon our environment." The compact also includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

GOP Support

The governor's decision was praised in a statement by the all-Republican, 24th District legislative team of Sen. Steve Oroho, Assemblywoman Alison Littell McHose, and Assemblyman Gary Chiusano.

"Governor Christie's decision to repeal the Regional Greenhouse Gas Initiative, or RGGI, eliminates a large burden that will make New Jersey more friendly for businesses and affordable for consumers and homeowners," said the statement.

Promoters of RGGI said it has helped cut pollution from coal-fired power plants and provided millions of dollars for clean energy projects.

“RGGI has shown to be successful and that is why the governors of the other states stick with it,” Somers said.

Elliot Ruga, a senior policy analyst with the Highlands Alliance, said RGGI has been responsible for the creation of 18,000 jobs in the clean energy business in New Jersey. Ruga said the first 12 clean energy projects funded as a result of RGGI have generated power to sustain 19,600 households and have eliminated 84,000 metric tons of carbon dioxide emissions, a significant cause of climate change.

“It’s really unfortunate,” said Michele Byers, director of the N.J. Conservation Foundation, based in Chester Township. “RGGI is a very important tool to deal with New Jersey’s energy consumption,” Byers said. “It sends such a bad message to citizens for the state to back out of a widely accepted positive program.” Byers said the pact has had general support in New Jersey although plans for federal cap and trade legislation have been controversial, particularly among those who deny that carbon emissions contribute to global warming. “On the whole, New Jersey has been very progressive on these issues for the last 50 years, no matter what party was in power,” Byers said.

Christie said RGGI has not worked because the cost of the carbon trade permits are too low to prompt real changes. He also said participation in the pact is not needed because the state’s emissions are at lower levels than its stated 2020 goals.

Rather than continuing with RGGI, the governor said he is focusing on more ways to cut pollution, including a moratorium on new coal plants in New Jersey.

“We have an obligation to reduce our greenhouse gas emissions, and we’re going to do it in the concrete ways that I’ve laid out here today. We’re not going to do it by participating in gimmicky programs that haven’t worked,” Christie said.

A statement from the N.J. Environmental Federation said the programs noted by Christie either already exist or have uncertain significance.

The statement from the 24th District delegation said Christie’s decision is “another step in the right direction and will continue to help make New Jersey an attractive place for businesses to locate, grow and create private sector jobs.”

McHose said that RGGI was “flawed from the start” and that at least one business, Ocean Spray, moved to Pennsylvania from its Bordentown plant to avoid “this job-killing energy tax.”

Byers said Christie’s decision is part of an overall philosophy that has included attempts to dismantle the N.J. Highlands Council and eviscerate the Highlands Act. She said Christie has been vocal in his criticism of the Highlands Act and that his recent nominees share his antipathy for the act. “With the nominees he has proposed we will have a council that can dismantle the staff and change its direction,” Byers said. “His slate of nominees are for the most part publicly avowed opponents of the Highlands Act.” Byers also said she expects widespread opposition if Christie moves to dismantle the Highlands Council and act.

Somers said six of the 10 nominees “give us real concerns” and several “hate the Highlands Act.”

The governor and others have opposed the Highlands Act for not providing adequate compensation to land owners whose property values dropped when development was stopped as a result of the act.