

[Amid state's refusal to comply, groups chart a path toward Clean Power Plan](#)

By David Giambusso

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TRENTON — Despite assurances from the Christie administration that it has no intention of complying with the federal Clean Power Plan, the state-appointed Clean Air Council nonetheless spent Thursday hearing from industry and advocacy experts on how best to comply with the emissions regulations.

Created in 1954, the council, whose members are largely by the governor, advises the state Department of Environmental Protection on air pollution-related issues. Even though Gov. Chris Christie insists New Jersey will not comply with the plan, the state will be forced to adhere to it if the regulation is upheld by the U.S. Supreme Court, where it remains in a state of limbo.

The Clean Power Plan looks to cut greenhouse gas emissions from power generators in the U.S. by 32 percent by 2030. Each state has specific targets. New Jersey's target reduction would be roughly 20 percent.

Thursday's hearing, held at Thomas Edison State University in Trenton, began with Christie administration officials excoriating the Environmental Protection Agency regulation as federal overreach that will drive up energy prices.

"I was troubled that the proposed rule could have very well been used to compel the Legislature and the governor with federal government regulations on energy issues in the state," Richard Mroz, president of the state Board of Public Utilities, said. "So like many of my colleagues in other states that have the responsibility for implementing the energy policy, we are therefore supportive of the challenge to the EPA promulgations."

The BPU has been singularly focused on keeping energy prices down, as the cost of power in New Jersey is among the highest in the nation. Opponents have argued the Clean Power Plan will drive up the cost of electricity further as it imposes emission restrictions on power generators.

Aside from the environmental benefits of cutting greenhouse gas emissions, though, environmentalists and some in the energy industry argue that cutting emissions can lead to billions in efficiency savings, as well as avoided climate and health care costs.

Perhaps more immediately, creation of a regional cap and trade program can establish a marketplace for carbon allowances. Cap-and-trade, or selling emissions allowances, is what has led to successes in the Regional Greenhouse Gas Initiative. The Clean Power Plan specifically cites such programs as a good way to get emissions down in the power sector.

At the same time, creating more efficient plants saves money for plant owners.

Steven Gabel, an economist, long-time energy consultant and former BPU staffer, said the Clean Power Plan, if implemented correctly, could be a boon to the wholesale power market. If it's not sensitive to the market, he said, it could be a disaster.

"It could defeat the purpose of what we're all trying to do, which is improve environmental quality," he said.

But despite concerns by some that the Clean Power Plan will hurt business, Gabel, who works closely with New Jersey's private generators, said the plan could transform the generation marketplace.

"Whatever iteration it turns into, it's a great opportunity for the country and for New Jersey," he said. "We think this thing done right can be a big motivator for all that positive environmental and economic activity."

The most important part of the process will be providing certainty to the energy marketplace while still keeping markets competitive, he said.

Nicky Sheats, a council member and director of Thomas Edison State University's John S. Watson Institute for Public Policy, argued that pollution in communities of color was a cause for alarm and that the marketplace had to take a backseat to regulation that brings down emissions in low-income areas.

He criticized the Clean Power Plan and the Regional Greenhouse Gas Initiative for not guaranteeing emissions cuts in environmental justice communities, which often bear the brunt of industrial pollution. Pointing to a chart of DEP data, he showed concentrations of sulfur dioxide, nitrous oxide and other pollutants were highest in areas where income levels were lowest.

"As the number of people of color increases, the amount of pollution increases. As the number of poor people increases, the amount of pollution increases," Sheats said. "It is almost a straight line and it goes against everything we say we believe in."

Close to a dozen people representing the steel industry, environmental advocacy, the energy world and academia spoke during Thursday's event. Each outlined the potential impacts of the plan from their given perspectives.

When the speakers concluded, John Giordano, the assistant commissioner of the DEP, reminded the group that the state had no intention of complying with the Clean Power Plan.

"New Jersey is already doing more to reduce carbon emissions than the Clean Power Plan ever could," Giordano said. "We are not acquiescing to EPA and developing a Clean Power Plan."

Jeff Tittel, the often outspoken head of the New Jersey Sierra Club, said that because of the DEP's stance, the process was a "sham."

"What's unfortunate is you can come up with the greatest series of recommendations and it won't matter because the governor will do what he wants," Tittel told the group.

If the plan is upheld by the Supreme Court, the state will be forced to either develop its own plan or have one imposed by the federal government.

The council is expected to issue its report to DEP this summer.

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