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## N.J. nixes pollution caps

Del., 8 other states to remain in market-based pact

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New Jersey Gov. Chris Christie said Thursday he will unilaterally pull New Jersey out of a 10-state climate change reduction agreement, giving heart to conservatives who tried -- and failed -- to force the same action in Delaware.

Christie's decision is the first successful blow against the Regional Greenhouse Gas Initiative, designed to cap carbon emissions from power generators and establish a trading system where those below the cap sell allowances to those polluting above the limit. Some profits are sent back to participating states to fund energy conservation programs.

The agreement was designed to limit the harmful health impacts of pollution from older power plants contributing to global warming, said Bill Zak, a Lewes resident and a member of Citizens for Clean Power.

If the initiative is weakened, "the effect is pretty profound," Zak said. "It essentially gives no incentive to fossil-fuel generators to do anything to adjust or modify their past behaviors."

Christie said the program was a failure and a burden on electricity consumers.

"RGGI is nothing more than a tax on electricity, a tax on our residents and on businesses with no discernible effect on our environment," he said. "We remain completely committed to the idea that we have a responsibility to make the environment of our state and world better. We're not going to do it by participating in gimmicky programs that don't work."

That has been a dominant theme in conservative Republican policy discussions for the last two years.

After defeating a plan for a national cap-and-trade system in Congress last year, conservatives set their sights this year on the similar, smaller-scale program that was enacted by Northeastern state legislatures. Delaware entered in 2008.

Collin O'Mara, Delaware's natural resources secretary, said the program "has made a positive impact in Delaware by focusing attention on the importance of reducing greenhouse gas emissions and driving clean energy investments that save residents and businesses money."

As a low-lying coastal state, Delaware is especially vulnerable to climate change, he said.

The program has raised \$860.9 million among the 10 states. Delaware received \$7.4 million last year, and \$21.3 million since 2008.

Sixty-five percent of the money in Delaware goes toward the Sustainable Energy Utility, a not-for-profit program designed to encourage energy efficiency and small-scale-renewables among businesses, governments and homes.

The rest was split between weatherization, fuel assistance and greenhouse gas reduction programs run by the Department of Natural Resources and Environmental Control.

Efforts to remove Delaware from the pact have so far been unsuccessful. The House Energy Committee voted 4-3 earlier this month to defeat a bill that would have pulled Delaware from the agreement, as conservatives claimed the system was intrusive and raised electricity prices at a time customers can't afford it.

Delmarva Power customers pay an average of 38 cents a month for the program, reports RGGI Inc., the nonprofit group implementing the initiative. That premium represents the higher price Delmarva Power pays for electricity from plants that are required to buy the allowances.

Rep. John Kowalko, the Democratic chairman of the House Energy Committee, on Thursday called Christie an "environmental

Neanderthal," and said he supports the program because it takes the first step in putting a price on carbon emissions.

New Jersey's decision has no impact on Delaware's commitment to its membership, said Brian Selander, spokesman for Gov. Jack Markell.

"The decision reduces the size of the 'R' in RGGI but doesn't reduce the sound science behind it," he said.

John Byrne, the co-chairman of the SEU, called Christie's move unfortunate, but said it wouldn't affect the amount of money Delaware received under the program, or the willingness of the remaining states to stay in.

Christie's move will embolden Delaware opponents of the initiative to push forward, said David Stevenson, director of the Center for Energy Competitiveness at the Caesar Rodney Institute. That group was a vocal supporter of this year's bill, sponsored by Rep. Harold Peterman, R-Milford.

"It took some guts for Christie to do it," Stevenson said, noting the New Jersey governor is giving up funding he was using to help balance his state's budget.

Supporters of the initiative say that by doing that, Christie was already acting contrary to the spirit of the program, which was to use the money for energy efficiency and renewable energy programs.

Stevenson predicted more states will drop out, and by next year, opposition to the pact will grow in the Delaware General Assembly. "Do we really want to be the last ones carrying the water?" Stevenson said.

The initiative has been successful in putting a price on carbon emissions, and in funding state programs designed to reduce electricity demand, said Brian Yerger, president of the Wilmington alternative-energy consulting firm AERCA Advisors.

But environmentalists are losing the argument because of the failure of scientists to forcefully defend their findings that human activity is driving climate change, he said.

John Nichols, a citizen activist who opposes the initiative, called Christie's decision good news for New Jersey but bad news for Delaware, since he expects it will drive down electricity prices in New Jersey, diminishing Delaware's competitive advantage.

The pact includes New Jersey, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Delaware and Maryland.

*Information from Bloomberg News was used in this story.*

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