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LAW/KR

[Second Reprint]

**ASSEMBLY, No. 1052**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**Co-Sponsored by:**

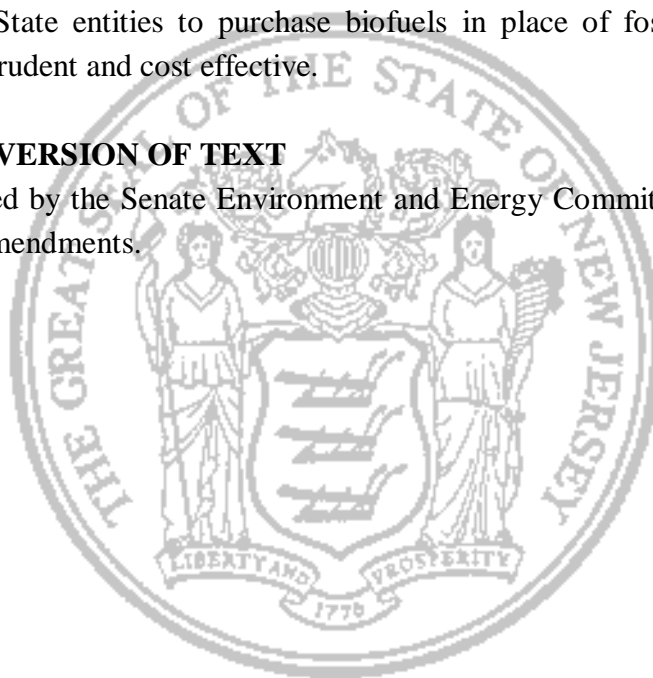
**Assemblyman Coutinho, Assemblywomen Vainieri Huttle, Greenstein, Riley, Senators B.Smith, Bateman, Buono, Gordon, Beach and Assemblywoman Lampitt**

**SYNOPSIS**

Requires State entities to purchase biofuels in place of fossil fuels when reasonable, prudent and cost effective.

**CURRENT VERSION OF TEXT**

As reported by the Senate Environment and Energy Committee on July 19, 2010, with amendments.



**(Sponsorship Updated As Of: 10/26/2010)**

1 AN ACT concerning biofuels and supplementing <sup>1</sup>[P.L.2007, c.112  
2 (C.26:2C-37)] Title 52 of the Revised Statutes<sup>1</sup> .

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. The Legislature finds and declares that:

8 a. New Jersey is one of the leading states in the nation in the  
9 advancement of alternative energy technologies.

10 b. Attaining independence from our traditional reliance on  
11 petroleum-based fossil fuels has been a long-standing objective for  
12 the State.

13 c. Reducing our fossil-fuel dependence by shifting to greater  
14 use of clean energy from indigenous renewable resources, such as  
15 biofuel, has the potential to significantly improve local air quality,  
16 reduce the State's dependence on foreign oil, and reduce Statewide  
17 greenhouse gas emissions.

18 d. It is in the public interest for the State to advance biofuel  
19 technologies by adopting policies that foster the production and  
20 purchase of biofuels as means to promote alternative energy  
21 technologies, reduce greenhouse gas emissions, and reduce reliance  
22 on petroleum-based fossil fuels.

23

24 2. As used in this act:

25 "Biofuel" means liquid or gaseous fuels produced from organic  
26 sources such as <sup>2</sup>[biomass] sustainably grown and harvested crops  
27 including native noninvasive energy<sup>2</sup> crops, agricultural residues  
28 and <sup>2</sup>[oil crops such as palm oil,] non-recycled organic waste  
29 including<sup>2</sup> waste cooking oil, grease and food wastes, <sup>2</sup>[and]<sup>2</sup>  
30 sewage and <sup>2</sup>[landfill wastes] algae<sup>2</sup> .

31 <sup>2</sup>"Energy crops" means crops grown exclusively for energy  
32 production, including switchgrass and poplar.<sup>2</sup>

33 "State entity" means a department, agency, or office of State  
34 government, a State university or college, or an authority created by  
35 the State.

36

37 3. a. Notwithstanding the provisions of any law, rule,  
38 regulation or order to the contrary, State entities shall consider the  
39 use of biofuels to replace the use of petroleum-based fossil fuels in  
40 order to meet the State's goals of reducing dependence on fossil  
41 fuels, promoting the production and purchase of clean energy fuels,  
42 and reducing greenhouse gas emissions.

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AEN committee amendments adopted May 13, 2010.

<sup>2</sup>Senate SEN committee amendments adopted July 19, 2010.

- 1       b. A State entity shall purchase and use biofuels to replace  
2 petroleum-based fossil fuels for heating equipment, or other similar  
3 combustion systems, motor vehicles, or other motorized equipment,  
4 if the State entity determines that the cost of biofuels for the  
5 purpose in question is the same or less than the cost of fossil fuels  
6 for that purpose, and if the State entity further determines that the  
7 use of biofuels to replace fossil fuels for that purpose is reasonable,  
8 prudent and cost effective.  
9
- 10       4. This act shall take effect immediately.

# ASSEMBLY, No. 1052

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**Co-Sponsored by:**

**Assemblyman Coutinho and Assemblywoman Vainieri Huttle**

**SYNOPSIS**

Requires State entities to purchase biofuels in place of fossil fuels when it is reasonable, prudent and cost effective to do so.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning biofuels and supplementing P.L.2007, c.112  
2 (C.26:2C-37).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. The Legislature finds and declares that:

8 a. New Jersey is one of the leading states in the nation in the  
9 advancement of alternative energy technologies.

10 b. Attaining independence from our traditional reliance on  
11 petroleum-based fossil fuels has been a long-standing objective for  
12 the State.

13 c. Reducing our fossil-fuel dependence by shifting to greater  
14 use of clean energy from indigenous renewable resources, such as  
15 biofuel, has the potential to significantly improve local air quality,  
16 reduce the State's dependence on foreign oil, and reduce Statewide  
17 greenhouse gas emissions.

18 d. It is in the public interest for the State to advance biofuel  
19 technologies by adopting policies that foster the production and  
20 purchase of biofuels as means to promote alternative energy  
21 technologies, reduce greenhouse gas emissions, and reduce reliance  
22 on petroleum-based fossil fuels.

23

24 2. As used in this act:

25 "Biofuel" means liquid or gaseous fuels produced from organic  
26 sources such as biomass crops, agricultural residues and oil crops  
27 such as palm oil, waste cooking oil, grease and food wastes, and  
28 sewage and landfill wastes.

29 "State entity" means a department, agency, or office of State  
30 government, a State university or college, or an authority created by  
31 the State.

32

33 3. a. Notwithstanding the provisions of any law, rule,  
34 regulation or order to the contrary, State entities shall consider the  
35 use of biofuels to replace the use of petroleum-based fossil fuels in  
36 order to meet the State's goals of reducing dependence on fossil  
37 fuels, promoting the production and purchase of clean energy fuels,  
38 and reducing greenhouse gas emissions.

39 b. A State entity shall purchase and use biofuels to replace  
40 petroleum-based fossil fuels for heating equipment, or other similar  
41 combustion systems, motor vehicles, or other motorized equipment,  
42 if the State entity determines that the cost of biofuels for the  
43 purpose in question is the same or less than the cost of fossil fuels  
44 for that purpose, and if the State entity further determines that the  
45 use of biofuels to replace fossil fuels for that purpose is reasonable,  
46 prudent and cost effective.

1       4. This act shall take effect immediately.

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STATEMENT

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6       This bill requires State entities, including departments, agencies  
7 or offices of the State, as well as State universities and colleges, and  
8 authorities created by the State, to consider using biofuels as an  
9 acceptable alternative to conventional fossil fuels and to purchase  
10 and use biofuels in place of fossil fuels if they determine that the  
11 cost of biofuels is the same or less than fossil fuels, and if the State  
12 entities further determine that the purchase and use of biofuels is  
13 reasonable, prudent and cost effective.



ASSEMBLY ENVIRONMENT AND SOLID WASTE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1052**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 13, 2010

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No.1052.

This bill requires State entities, including departments, agencies or offices of the State, as well as State universities and colleges, and authorities created by the State, to consider using biofuels as an acceptable alternative to conventional fossil fuels and to purchase and use biofuels in place of fossil fuels if they determine that the cost of biofuels is the same or less than fossil fuels, and if the State entities further determine that the purchase and use of biofuels is reasonable, prudent and cost effective.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments to the bill change the title to supplement Title 52 of the Revised Statutes, rather than P.L.2007, c.112 (C.26:2C-37).

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 1052**  
**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

DATED: MAY 14, 2010

**SUMMARY**

**Synopsis:** Requires State entities to purchase biofuels in place of fossil fuels when it is reasonable, prudent and cost effective to do so.

**Type of Impact:** Potential Cost Reduction

**Agencies Affected:** Various State agencies

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Potential Cost Reduction – See comments below		

- The Office of Legislative Services (OLS) estimates that the bill does not directly impact the State’s finances, but that it has the potential of producing cost savings to the State. The OLS arrives at this conclusion because the bill only requires State entities to consider biofuels as a replacement for fossil fuels. If converting to biofuels is not cost effective, the bill requires no further action. If the conversion is cost-effective, then the bill requires the purchase of biofuels, which could lower the State’s fuel expenditures.
- Assembly Bill No. 1052 strives to reduce our fossil-fuel dependence by shifting to greater use of clean energy from indigenous renewable resources, such as biofuel, to significantly improve local air quality and reduce the State’s dependence on foreign oil.
- Requires State entities to consider the use of biofuels in place of using petroleum-based fuels in order to meet the State goals of reducing dependence on fossil fuels.
- Requires State entities to purchase and use biofuels to replace petroleum-based fossil fuels if the State entity determines that the cost of biofuels is the same or less than the cost of fossil fuels.



## **BILL DESCRIPTION**

Assembly Bill No. 1052 of 2010 requires State entities, including departments, agencies or offices of the State, as well as State universities and colleges, and authorities created by the State, to consider using biofuels as an acceptable alternative to conventional fossil fuels and to purchase and use biofuels in place of fossil fuels if they determine that the cost of biofuels is the same or less than fossil fuels, and if the State entities further determine that the purchase and use of biofuels is reasonable, prudent and cost effective.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that the bill does not directly impact the State's finances, but that it has the potential of producing cost savings to the State. The OLS arrives at this conclusion because the bill only requires State entities to consider biofuels as a replacement for fossil fuels. If converting to biofuels is not cost effective, the bill requires no further action. If the conversion is cost-effective, then the bill requires the purchase of biofuels, which could lower the State's fuel expenditures. The OLS is unaware of situations where biofuels are a cheaper alternative than fossil-fuels.

*Section: Legislative Budget and Finance Office*

*Analyst: Diane Hansen  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

[First Reprint]

## **ASSEMBLY, No. 1052**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JULY 15, 2010

The Senate Environment and Energy Committee favorably reports Assembly Bill No. 1052 (1R) with committee amendments.

This bill, as amended by the committee, requires State entities, including departments, agencies or offices of the State, as well as State universities and colleges, and authorities created by the State, to consider using biofuels as an acceptable alternative to conventional fossil fuels and to purchase and use biofuels in place of fossil fuels if they determine that the cost of biofuels is the same or less than fossil fuels, and if the State entities further determine that the purchase and use of biofuels is reasonable, prudent and cost effective.

The committee amendments to the bill change the definition of “biofuel” and make the bill identical to Senate Bill No.1413, as also amended and reported by the committee.

# SENATE, No. 1413

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 11, 2010

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**Co-Sponsored by:**

**Senators Buono and Gordon**

**SYNOPSIS**

Requires State entities to purchase biofuels in place of fossil fuels when it is reasonable, prudent and cost effective to do so.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 7/20/2010)**

1 AN ACT concerning biofuels and supplementing P.L.2007, c.112  
2 (C.26:2C-37 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. The Legislature finds and declares that:

8 a. New Jersey is one of the leading states in the nation in the  
9 advancement of alternative energy technologies.

10 b. Attaining independence from our traditional reliance on  
11 petroleum-based fossil fuels has been a long-standing objective for  
12 the State.

13 c. Reducing our fossil-fuel dependence by shifting to greater  
14 use of clean energy from indigenous renewable resources, such as  
15 biofuel, has the potential to significantly improve local air quality,  
16 reduce the State's dependence on foreign oil, and reduce Statewide  
17 greenhouse gas emissions.

18 d. It is in the public interest for the State to advance biofuel  
19 technologies by adopting policies that foster the production and  
20 purchase of biofuels as means to promote alternative energy  
21 technologies, reduce greenhouse gas emissions, and reduce reliance  
22 on petroleum-based fossil fuels.

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24 2. As used in this act:

25 "Biofuel" means liquid or gaseous fuels produced from organic  
26 sources such as biomass crops, agricultural residues and oil crops  
27 such as palm oil, waste cooking oil, grease and food wastes, and  
28 sewage and landfill wastes.

29 "State entity" means a department, agency, or office of State  
30 government, a State university or college, or an authority created by  
31 the State.

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33 3. a. Notwithstanding the provisions of any law, rule,  
34 regulation or order to the contrary, State entities shall consider the  
35 use of biofuels to replace the use of petroleum-based fossil fuels in  
36 order to meet the State's goals of reducing dependence on fossil  
37 fuels, promoting the production and purchase of clean energy fuels,  
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39 b. A State entity shall purchase and use biofuels to replace  
40 petroleum-based fossil fuels for heating equipment, or other similar  
41 combustion systems, motor vehicles, or other motorized equipment,  
42 if the State entity determines that the cost of biofuels for the  
43 purpose in question is the same or less than the cost of fossil fuels  
44 for that purpose, and if the State entity further determines that the  
45 use of biofuels to replace fossil fuels for that purpose is reasonable,  
46 prudent and cost effective.

47

48 4. This act shall take effect immediately.

STATEMENT

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This bill requires State entities, including departments, agencies or offices of the State, as well as State universities and colleges, and authorities created by the State, to consider using biofuels as an acceptable alternative to conventional fossil fuels and to purchase and use biofuels in place of fossil fuels if they determine that the cost of biofuels is the same or less than fossil fuels, and if the State entities further determine that the purchase and use of biofuels is reasonable, prudent and cost effective.

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### **SENATE, No. 1413**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JULY 15, 2010

The Senate Environment and Energy Committee favorably reports Senate Bill No. 1413 with committee amendments.

This bill, as amended by the committee, requires State entities, including departments, agencies or offices of the State, as well as State universities and colleges, and authorities created by the State, to consider using biofuels as an acceptable alternative to conventional fossil fuels and to purchase and use biofuels in place of fossil fuels if they determine that the cost of biofuels is the same or less than fossil fuels, and if the State entities further determine that the purchase and use of biofuels is reasonable, prudent and cost effective.

The committee amendments to the bill change the definition of "biofuel," change the title to supplement Title 52 of the Revised Statutes, rather than P.L.2007, c.112 (C.26:2C-37 et seq.), and make the bill identical to Assembly Bill No. 1052 (1R), as also amended and reported by the committee.