

LEGISLATIVE FISCAL ESTIMATE:

Yes [5-23-2007](#)
[6-25-2007](#)

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

[Yes](#)

FOLLOWING WERE PRINTED:

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REPORTS:

Yes

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

- "State enacts global-warming law," Home News Tribune, 7-7-07, p.A3
- "N.J. law targets global warming," Asbury Park Press, 7-7-07, p.A3
- "N.J. to get tough on greenhouse gases," Courier-Post, 7-7-07, p. __
- "N.J. enacts gas-reduction law," The Philadelphia Inquirer, 7-7-07. p. __
- "N.J. war on gases officially begins," The Press, 7-7-07, p.A1
- "Corzine signs bill targeting greenhouse gases," Courier News, 7-7-07, p.A3
- "New Jersey sets the stage," The Times, 7-7-07, p.A1
- "Jersey sets the stage," The Star-Ledger, 7-7-07, p.1
- "N.J. signs on to fight global warming," The Record, 7-7-07, p.A1
- "New Jersey enacts global warming law," The Trentonian, 7-7-07. p. __
- "Live earth tremors," The Star-Ledger, 7-7-07, p.10

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2007b

Committee meeting of Assembly Environment and Solid Waste Committee : Assembly bill no. 3301: the Global Warming Response Act, plus testimony concerning the issue of climate change and possible legislative options to address the issue : [February 20, 2007, West Orange, New Jersey] / meeting recorded and transcribed by the Office of Legislative Services, Public Information Office, Hearing Unit.

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Committee meeting of Assembly Environment and Solid Waste Committee : Assembly bill no. 3301: the Global Warming Response Act : [February 26, 2007, Trenton, New Jersey] / meeting recorded and transcribed by the Office of Legislative Services, Public Information Office, Hearing Unit.

<http://www.njstatelib.org/digit/p777/p7772007c.pdf>

P.L. 2007, CHAPTER 112, *approved July 6, 2007*
Assembly Committee Substitute (*First Reprint*) for
Assembly, No. 3301

1 AN ACT concerning the reduction of greenhouse gases,
2 supplementing Title 26 of the Revised Statutes, and amending
3 P.L.1999, c.23.

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

7
8 1. (New section) This act shall be known and may be cited as
9 the “Global Warming Response Act.”

10
11 2. (New section) The Legislature finds and declares that
12 internationally the issue of global warming has caused alarm,
13 awareness, and action concerning climate changes occurring around
14 the globe attributed to the high level of certain gases called
15 “greenhouse gases” – gases that increase temperatures in the
16 atmosphere and the risk of catastrophic changes to the Earth’s
17 ecosystems and environment; that, while this global warming may
18 be a theory to some, the effects of increasing levels of greenhouse
19 gases in the atmosphere are accepted by many respected scientists
20 and members of the international community as seriously
21 detrimental to the ecosystems and environment of the world; that,
22 ultimately, if steps are not taken to reverse these trends, the effects
23 on human, animal and plant life on Earth may be catastrophic; that
24 solutions exist to halt the increasing of greenhouse gases in the
25 atmosphere and reduce these emissions; that, as a global issue, each
26 country and region within a country must do its part to reduce these
27 greenhouse gases that threaten the globe; and that, as a State, there
28 are specific actions that can be taken to attack the problem of global
29 warming, through reductions of greenhouse gas emissions in the
30 State and participation in regional and interstate initiatives to reduce
31 these emissions regionally, nationally, and internationally.

32 The Legislature therefore finds and declares that it is in the
33 public interest to establish a greenhouse gas emissions reduction
34 program to limit the level of Statewide greenhouse gas emissions,
35 and greenhouse gas emissions from electricity generated outside the
36 State but consumed in the State, to the 1990 level or below, of those
37 emissions by the year 2020, and to reduce those emissions to 80%
38 below the 2006 level by the year 2050.

39
40 3. (New section) For the purposes of this act:

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:

¹ Assembly ABU committee amendments adopted June 18, 2007.

1 “Department” means the Department of Environmental
2 Protection.

3 “Greenhouse gas” means carbon dioxide, methane, nitrous oxide,
4 hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any
5 other gas or substance determined by the Department of
6 Environmental Protection to be a significant contributor to the
7 problem of global warming.

8 ¹“Leakage” means an increase in greenhouse gas emissions
9 related to generation sources located outside of the State that are not
10 subject to a state, interstate or regional greenhouse gas emissions
11 cap that applies to generation sources located within the State.]¹

12 "Statewide greenhouse gas emissions" means the sum of calendar
13 year emissions of greenhouse gases from all sources within the
14 State, and from electricity generated outside the State but consumed
15 in the State, as determined by the department pursuant to subsection
16 c. of section 5 of this act.

17 “2020 limit” means the level of greenhouse gas emissions equal
18 to the 1990 level of Statewide greenhouse gas emissions.

19 “2050 limit” means the level of greenhouse gas emissions equal
20 to 80 percent less than the 2006 level of Statewide greenhouse gas
21 emissions.

22
23 4. (New section) a. No later than January 1, 2020, the level of
24 Statewide greenhouse gas emissions shall be reduced to, or below,
25 the 2020 limit. No later than January 1, 2050, the greenhouse gas
26 emissions in the State shall be stabilized at or below the 2050 limit
27 and shall not exceed that level thereafter. The department shall
28 consider the economic impact upon the State and upon the emitters
29 of a greenhouse gas for any measure imposed to meet the 2020 limit
30 and the 2050 limit.

31 b. No later than one year after the date of enactment of this act,
32 the department shall establish:

33 (1) an inventory of the current and 2006 Statewide greenhouse
34 gas emissions; and

35 (2) an inventory of the 1990 level of Statewide greenhouse gas
36 emissions.

37
38 5. (New section) a. No later than January 1, 2009, the
39 department shall adopt, pursuant to the “Administrative Procedure
40 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
41 establishing a greenhouse gas emissions monitoring and reporting
42 program to monitor and report Statewide greenhouse gas emissions.

43 b. The rules and regulations adopted pursuant to subsection a. of
44 this section shall identify all significant sources of Statewide
45 greenhouse gas emissions and shall provide for, but need not be
46 limited to, the following:

- 1 (1) monitoring and reporting of existing emissions and changes
2 in emissions over time from the sources identified by the
3 department;
- 4 (2) reporting the levels of those emissions and changes in those
5 emissions levels annually, commencing on January 1, 2009; and
- 6 (3) monitoring progress toward the 2020 limit and the 2050 limit.
- 7 c. Pursuant to the rules and regulations adopted pursuant to
8 subsection a. of this section, the department shall require reporting
9 of the greenhouse gas emissions:
- 10 (1) associated with fossil fuels used in the State, as reported by
11 entities that are manufacturers and distributors of fossil fuels, which
12 may include, but need not be limited to, oil refineries, oil storage
13 facilities, natural gas pipelines, and fuel wholesale and retail
14 distributors;
- 15 (2) from any entity generating electricity in the State and from
16 any entity that generates electricity outside the State that is
17 delivered for end use in the State. With respect to electricity
18 generated outside the State and imported into the State, the
19 department shall determine the emissions from that generation by
20 subtracting the kilowatt-hours of electricity generated in the State
21 from the kilowatt-hours of electricity consumed in the State, and
22 multiplying the difference by a default emissions rate determined by
23 the department;
- 24 (3) from any gas public utility as defined in section 3 of
25 P.L.1999, c.23 (C.48:3-51); and
- 26 (4) from any additional entities that are significant emitters of
27 greenhouse gases, as determined by the department, and as
28 appropriate to enable the department to monitor compliance with
29 progress toward the 2020 limit and the 2050 limit.
- 30 ¹[d. There is created in the department, a special, nonlapsing
31 fund to be known as the "Greenhouse Gas Emissions Control
32 Fund." The department may adopt, by rule or regulation, a schedule
33 of reasonable fees to be paid by those entities required to report
34 greenhouse gas emissions pursuant to this section, in an amount
35 sufficient to cover the department's costs to administer the
36 requirements of this act. The fees collected pursuant to this
37 subsection shall be deposited in the Greenhouse Gas Emissions
38 Control Fund and shall be made available to implement the
39 provisions of this act.
- 40 e. Subsection d. of this section shall be without effect and the
41 department shall have no authority to impose a fee pursuant to this
42 section on and after the 10th day following a certification by the
43 Director of the Division of Budget and Accounting in the
44 Department of the Treasury pursuant to subsection b. of section 8 of
45 this act.]¹

1 6. (New section) a. The department, in consultation with the
2 Board of Public Utilities, the Department of Agriculture, the
3 Department of Transportation, and the Department of Community
4 Affairs, shall evaluate policies and measures that will enable the
5 State to achieve the 2020 limit, shall make specific
6 recommendations on how to achieve the emission reduction targets,
7 including measures that reduce emissions in all sectors of the
8 economy including transportation, housing, and consumer products,
9 and shall evaluate the economic benefits and costs of implementing
10 these recommendations. The department shall coordinate its
11 evaluation of greenhouse gas emission reduction policies and
12 measures with the work of the Energy Master Plan Committee
13 established pursuant to section 12 of P.L.1977, c.146 (C.52:27F-
14 14).

15 b. No later than June 30, 2008, the department, and any other
16 State agencies, as appropriate, shall prepare a report recommending
17 the measures necessary to reduce greenhouse gas emissions to
18 achieve the 2020 limit. The report shall include specific
19 recommendations for legislative and regulatory action that will be
20 necessary to achieve the 2020 limit. The report shall be transmitted
21 to the Governor, to the State Treasurer, to the Legislature pursuant
22 to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members
23 of the Senate Environment Committee and the Assembly
24 Environment and Solid Waste Committee.

25 c. No later than June 30, 2010, the department, and any other
26 State agencies, as appropriate, shall prepare a report recommending
27 the measures necessary to reduce greenhouse gas emissions to
28 achieve the 2050 limit. The report shall include specific
29 recommendations for legislative and regulatory action that will be
30 necessary to achieve the 2050 limit. The report shall also include
31 recommendations for additional policies and measures that will be
32 required if the State is otherwise expected to exceed the 2020 limit
33 and any additional measures that will be required to meet the 2050
34 limit. The report shall be transmitted to the Governor, to the State
35 Treasurer, to the Legislature pursuant to section 2 of P.L.1991,
36 c.164 (C.52:14-19.1) and to the members of the Senate
37 Environment Committee and the Assembly Environment and Solid
38 Waste Committee.

39 d. The Energy Master Plan Committee shall include in its
40 adoption of the first update of the energy master plan completed
41 after the date of enactment of this act, a list of recommended
42 policies and measures to reduce the emission of greenhouse gases
43 from the production, processing, distribution, transmission, storage,
44 or use of energy that will contribute to achieving the 2020 limit.

45 e. Nothing in this act shall impose any limit on the existing
46 authority of the department, the Board of Public Utilities, or any

1 other State department or agency to limit or regulate greenhouse gas
2 emissions pursuant to law.

3
4 7. (New section) a. No later than January 1, 2009, and
5 biennially thereafter, the department shall prepare and transmit, in
6 writing, a report to the Governor, to the State Treasurer, to the
7 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
8 and to the members of the Senate Environment Committee and the
9 Assembly Environment and Solid Waste Committee, on the status
10 of the greenhouse gas emissions monitoring and reporting program
11 established pursuant to this act, the current level of greenhouse gas
12 emissions in the State and the progress made toward compliance
13 with the 2020 limit and the 2050 limit established pursuant to this
14 act. The report shall also include updated and comparative
15 inventories of Statewide greenhouse gas emissions.

16 b. No later than January 1, 2015, the department shall evaluate
17 the ecological, economic, and environmental factors and the
18 technological capability affecting the attainment or maintenance of
19 the 2020 limit and the 2050 limit established pursuant to this act.
20

21 ¹ 8. (New section) a. The annual appropriations act for each
22 State fiscal year shall, without other conditions, limitations or
23 restrictions, appropriate the amounts paid as fees imposed pursuant
24 to subsection d. of section 5 of this act, for use by the Department
25 of Environmental Protection to implement the provisions of this act.

26 b. If the requirements of subsection a. of this section are not met
27 on the effective date of an annual appropriations act for the State
28 fiscal year, or if an amendment or supplement to an annual
29 appropriations act for the State fiscal year should violate any of the
30 requirements of subsection a. of this section, the Director of the
31 Division of Budget and Accounting in the Department of the
32 Treasury shall, not later than five days after the enactment of the
33 annual appropriations act, or the amendment or supplement thereto,
34 that violates any of the requirements of subsection a. of this section,
35 certify to the Commissioner of Environmental Protection and the
36 State Treasurer that the requirements of subsection a. of this section
37 have not been met.]¹
38

39 ¹[9.] 8.¹ Section 38 of P.L. 1999, c.23 (C.48:3-87) is amended
40 to read as follows:

41 38. a. The board shall require an electric power supplier or
42 basic generation service provider to disclose on a customer's bill or
43 on customer contracts or marketing materials, a uniform, common
44 set of information about the environmental characteristics of the
45 energy purchased by the customer, including, but not limited to:

- 1 (1) Its fuel mix, including categories for oil, gas, nuclear, coal,
2 solar, hydroelectric, wind and biomass, or a regional average
3 determined by the board;
- 4 (2) Its emissions, in pounds per megawatt hour, of sulfur
5 dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant
6 that the board may determine to pose an environmental or health
7 hazard, or an emissions default to be determined by the board; and
- 8 (3) Any discrete emission reduction retired pursuant to rules and
9 regulations adopted pursuant to P.L.1995, c.188.
- 10 b. Notwithstanding any provisions of the "Administrative
11 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
12 contrary, the board shall initiate a proceeding and shall adopt, in
13 consultation with the Department of Environmental Protection, after
14 notice and opportunity for public comment and public hearing,
15 interim standards to implement this disclosure requirement,
16 including, but not limited to:
- 17 (1) A methodology for disclosure of emissions based on output
18 pounds per megawatt hour;
- 19 (2) Benchmarks for all suppliers and basic generation service
20 providers to use in disclosing emissions that will enable consumers
21 to perform a meaningful comparison with a supplier's or basic
22 generation service provider's emission levels; and
- 23 (3) A uniform emissions disclosure format that is graphic in
24 nature and easily understandable by consumers. The board shall
25 periodically review the disclosure requirements to determine if
26 revisions to the environmental disclosure system as implemented
27 are necessary.
- 28 Such standards shall be effective as regulations immediately
29 upon filing with the Office of Administrative Law and shall be
30 effective for a period not to exceed 18 months, and may, thereafter,
31 be amended, adopted or readopted by the board in accordance with
32 the provisions of the "Administrative Procedure Act."
- 33 c. (1) The board may adopt, in consultation with the
34 Department of Environmental Protection, after notice and
35 opportunity for public comment, an emissions portfolio standard
36 applicable to all electric power suppliers and basic generation
37 service providers, upon a finding that:
- 38 (a) The standard is necessary as part of a plan to enable the
39 State to meet federal Clean Air Act or State ambient air quality
40 standards; and
- 41 (b) Actions at the regional or federal level cannot reasonably be
42 expected to achieve the compliance with the federal standards.
- 43 (2) 【The】 If a State department or agency adopts regulations to
44 implement a State policy or an interstate or regional agreement to
45 reduce Statewide greenhouse gas emissions related to electricity
46 generation, then the board shall adopt , pursuant to the
47 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.), [an] a greenhouse gas emissions portfolio standard to
2 mitigate leakage or another regulatory mechanism to mitigate
3 leakage applicable to all electric power suppliers and basic
4 generation service providers that provide electricity to customers
5 within the State [, if two other states in the PJM power pool
6 comprising at least 40 percent of the retail electric usage in the PJM
7 Interconnection, L.L.C. independent system operator or its
8 successor adopt such standards]. Any regulation to mitigate leakage
9 shall:

10 (a) Allow a transition period, either before or after the effective
11 date of the regulation to mitigate leakage, for a basic generation
12 service provider or electric power supplier to either meet the
13 emissions portfolio standard or other regulatory mechanism to
14 mitigate leakage, or to transfer any customer to a basic generation
15 service provider or electric power supplier that meets the emissions
16 portfolio standard or other regulatory mechanism to mitigate
17 leakage ¹. If the transition period allowed pursuant to this
18 subparagraph occurs after the implementation of a emissions
19 portfolio standard or other regulatory mechanism to mitigate
20 leakage, the transition period shall be no longer than three years ¹ ;
21 and

22 (b) Exempt the provision of basic generation service pursuant to
23 a basic generation service purchase and sale agreement effective
24 prior to the date of the regulation.

25 d. Notwithstanding any provisions of the "Administrative
26 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
27 contrary, the board shall initiate a proceeding and shall adopt, after
28 notice, provision of the opportunity for comment, and public
29 hearing, interim renewable energy portfolio standards that shall
30 require:

31 (1) that two and one-half percent of the kilowatt hours sold in
32 this State by each electric power supplier and each basic generation
33 service provider be from Class I or Class II renewable energy
34 sources; and

35 (2) beginning on January 1, 2001, that one-half of one percent
36 of the kilowatt hours sold in this State by each electric power
37 supplier and each basic generation service provider be from Class I
38 renewable energy sources. The board shall increase the required
39 percentage for Class I renewable energy sources so that by January
40 1, 2006, one percent of the kilowatt hours sold in this State by each
41 electric power supplier and each basic generation service provider
42 shall be from Class I renewable energy sources and shall
43 additionally increase the required percentage for Class I renewable
44 energy sources by one-half of one percent each year until January
45 1, 2012, when four percent of the kilowatt hours sold in this State
46 by each electric power supplier and each basic generation service
47 provider shall be from Class I renewable energy sources.

1 An electric power supplier or basic generation service provider
2 may satisfy the requirements of this subsection by participating in a
3 renewable energy trading program approved by the board in
4 consultation with the Department of Environmental Protection.

5 Such standards shall be effective as regulations immediately
6 upon filing with the Office of Administrative Law and shall be
7 effective for a period not to exceed 18 months, and may, thereafter,
8 be amended, adopted or readopted by the board in accordance with
9 the provisions of the "Administrative Procedure Act."

10 e. Notwithstanding any provisions of the "Administrative
11 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
12 contrary, the board shall initiate a proceeding and shall adopt, after
13 notice, provision of the opportunity for comment, and public
14 hearing:

15 (1) net metering standards for electric power suppliers and basic
16 generation service providers. The standards shall require electric
17 power suppliers and basic generation service providers to offer net
18 metering at non-discriminatory rates to residential and small
19 commercial customers that generate electricity, on the customer's
20 side of the meter, using wind or solar photovoltaic systems for the
21 net amount of electricity supplied by the electric power supplier or
22 basic generation service provider over an annualized period. Where
23 the amount of electricity generated by the customer-generator plus
24 any kilowatt hour credits held over from the previous billing
25 periods exceed the electricity supplied by the electric power
26 supplier or basic generation service provider, the electric power
27 supplier or basic generation service provider, as the case may be,
28 shall credit the customer for the excess kilowatt hours until the end
29 of the annualized period at which point the customer-generator will
30 be compensated for any remaining credits at the electric power
31 supplier's or basic generation service provider's avoided cost of
32 wholesale power. The board may authorize an electric power
33 supplier or basic generation service provider to cease offering net
34 metering whenever the total rated generating capacity owned and
35 operated by net metering customer-generators Statewide equals 0.1
36 percent of the State's peak electricity demand or the annual
37 aggregate financial impact to electric power suppliers and basic
38 generation service providers Statewide, as determined by the board,
39 exceeds \$2,000,000, whichever is less; and

40 (2) safety and power quality interconnection standards for wind
41 and solar photovoltaic systems that shall be eligible for net
42 metering.

43 Such standards shall take into consideration the standards of
44 other states and the Institute of Electrical and Electronic Engineers
45 and shall allow customers to use a single, non-demand, non-time
46 differentiated meter.

1 Such standards shall be effective as regulations immediately
2 upon filing with the Office of Administrative Law and shall be
3 effective for a period not to exceed 18 months, and may, thereafter,
4 be amended, adopted or readopted by the board in accordance with
5 the provisions of the "Administrative Procedure Act."

6 f. The board may assess, by written order and after notice and
7 opportunity for comment, a separate fee to cover the cost of
8 implementing and overseeing an emission disclosure system or
9 emission portfolio standard, which fee shall be assessed based on an
10 electric power supplier's or basic generation service provider's share
11 of the retail electricity supply market. 'The board shall not impose
12 a fee for the cost of implementing and overseeing a greenhouse gas
13 emissions portfolio standard adopted pursuant to paragraph (2) of
14 subsection c. of this section, the electric energy efficiency portfolio
15 standard adopted pursuant to subsection g. of this section, or the gas
16 energy efficiency portfolio standard adopted pursuant to subsection
17 h. of this section.¹

18 g. The board may adopt, pursuant to the "Administrative
19 Procedure Act," P.L. 1968, c.410 (C. 52:14B-1 et seq.), an electric
20 energy efficiency portfolio standard that may require each electric
21 public utility to implement energy efficiency measures that reduce
22 electricity usage in the State by 2020 to a level that is 20 percent
23 below the usage projected by the board in the absence of such a
24 standard. Nothing in this section shall be construed to prevent an
25 electric public utility from meeting the requirements of this section
26 by contracting with another entity for the performance of the
27 requirements.

28 h. The board may adopt, pursuant to the "Administrative
29 Procedure Act," a gas energy efficiency portfolio standard that may
30 require each gas public utility to implement energy efficiency
31 measures that reduce natural gas usage for heating in the State by
32 2020 to a level that is 20 percent below the usage projected by the
33 board in the absence of such a standard. Nothing in this section
34 shall be construed to prevent a gas public utility from meeting the
35 requirements of this section by contracting with another entity for
36 the performance of the requirements.

37 i. As used in this section:

38 "Energy efficiency portfolio standard" means a requirement to
39 procure a specified amount of energy efficiency or demand side
40 management resources as a means of managing and reducing energy
41 usage and demand by customers.

42 "Greenhouse gas emissions portfolio standard" means a
43 requirement that addresses or limits the amount of carbon dioxide
44 emissions indirectly resulting from the use of electricity as applied
45 to any electric power suppliers and basic generation service
46 providers of electricity.

1 'Leakage' means an increase in greenhouse gas emissions
2 related to generation sources located outside of the State that are not
3 subject to a state, interstate or regional greenhouse gas emissions
4 cap or standard that applies to generation sources located within the
5 State.'

6 (cf: P.L.1999, c.23, s.38)

7
8 **'[10.] 9.'** (New section) a. No later than June 30, 2008, the
9 department shall designate an independent research review panel
10 consisting of economists, business managers, 'nonprofit
11 environmental organization representatives.' and public officials,
12 and scientists from academia, industry and the government, to
13 review the recommendations and evaluations submitted by the
14 department and any other State agencies, as appropriate, in the
15 reports required pursuant to section 6 of this act.

16 b. The independent research review panel shall review the
17 recommendations and evaluations of the department and any other
18 State agencies, as appropriate, and shall, within 12 months of the
19 date of transmittal of the reports required pursuant to section 6 of
20 this act, prepare and transmit a report evaluating the ecological,
21 economic and social impact of the proposed recommendations
22 submitted by the department and any other State agencies, as
23 appropriate, to the Governor, to the State Treasurer, to the
24 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
25 and to the members of the Senate Environment Committee and the
26 Assembly Environment and Solid Waste Committee.

27 c. This section shall not be construed to affect the requirements
28 of the greenhouse gas emissions monitoring and reporting program
29 or the department's administration of the program established
30 pursuant to this act.

31
32 **'[11.] 10.'** This act shall take effect immediately.

33
34
35
36
37 The "Global Warming Response Act."

ASSEMBLY, No. 3301

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 12, 2006

Sponsored by:

Assemblywoman LINDA STENDER

District 22 (Middlesex, Somerset and Union)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Co-Sponsored by:

Assemblyman Stack, Assemblywomen Watson Coleman, Cruz-Perez, Assemblymen Prieto, Whelan, Assemblywoman Oliver, Assemblymen Vas, Diegnan, Bramnick, Green, Munoz, Payne, Hackett, Panter, Giblin, Bateman, Gordon, Mayer, Epps, Wolfe and Chivukula

SYNOPSIS

The "Global Warming Response Act."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/27/2007)

1 AN ACT concerning the reduction of greenhouse gases and
2 supplementing chapter 2C of Title 26 of the Revised Statutes.

3

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

6

7 1. This act shall be known as and may be cited as the “Global
8 Warming Response Act.”

9

10 2. The Legislature finds and declares that internationally the
11 issue of global warming has caused alarm, awareness, and action
12 concerning climate changes occurring around the globe attributed to
13 the high level of certain gases called “greenhouse gases” – gases
14 that increase temperatures in the atmosphere and the risk of
15 catastrophic changes to the Earth’s ecosystems and environment;
16 that, while this global warming may be a theory to some, the effects
17 of increasing levels of greenhouse gases in the atmosphere are
18 accepted by many respected scientists and members of the
19 international community as seriously detrimental to the ecosystems
20 and environment of the world; that, ultimately, if steps are not taken
21 to reverse these trends, the effects on human, animal and plant life
22 on Earth may be catastrophic; that solutions exist to halt the
23 increasing of greenhouse gases in the atmosphere and reduce these
24 emissions; that, as a global issue, each country and region within a
25 country must do its part to reduce these greenhouse gases that
26 threaten the globe; and that, as a State, there are specific actions
27 that can be taken to attack the problem of global warming, through
28 reductions of greenhouse gas emissions in the State and
29 participation in regional and interstate initiatives to reduce these
30 emissions regionally, nationally, and internationally.

31 The Legislature therefore declares it is in the public interest to
32 establish a greenhouse gas reduction program with the goal of
33 reducing the level of greenhouse gas emissions in the State to below
34 the 1990 levels of these emissions by the year 2020.

35

36 3. For the purposes of this act:

37 “Carbon dioxide equivalents” means the amount of carbon
38 dioxide by weight that would produce the same global warming
39 impact as a given weight of another greenhouse gas, to be
40 determined based on the most recent information available from the
41 Intergovernmental Panel on Climate Change established by the
42 World Meteorological Organization and the United Nations
43 Environmental Programme.

44 “Cost effectiveness” means the net costs, or the costs less the
45 benefits, per unit of reduced greenhouse gas emissions.

46 “Cumulative impact” means cumulative impact as the term is
47 defined in Section 1508.7 of Title 40 of the Code of Federal
48 Regulations.

1 “Department” means the Department of Environmental
2 Protection.

3 “Direct or indirect effects” means direct or indirect effects as the
4 terms are defined in Section 1508.8 of Title 40 of the Code of
5 Federal Regulations.

6 “Greenhouse gas” means any atmospheric gas that slows the rate
7 at which heat radiates into space, thereby having a warming effect
8 on the atmosphere, and shall include, but need not be limited to,
9 water vapor, carbon dioxide, methane, nitrous oxide,
10 chlorofluorocarbons, hydrofluorocarbons, certain halogenated
11 gases, and any other gas determined by the Department of
12 Environmental Protection to be a serious contributor to the problem
13 of global warming.

14 “The 2020 limit” means the level of greenhouse gas emissions
15 attained by the reduction of these emissions to the percentage below
16 the 1990 levels of these emissions established pursuant to section 4
17 of this act.

18

19 4. a. No later than one year after the effective date of this act,
20 the Department of Environmental Protection shall establish:

21 (1) inventories of the greenhouse gas emissions in the State;

22 (2) inventories of the 1990 levels of greenhouse gas emissions in
23 the State;

24 (3) priorities for the reduction of types of greenhouse gas
25 emissions to be reduced pursuant to this act; and

26 (4) by rules and regulations, adopted pursuant to the
27 “Administrative Procedures Act” P.L. 1968, c.410 (C.52:14B-1 et
28 seq.) the percentage reduction below the 1990 levels of greenhouse
29 gas emissions to be achieved by the year 2020.

30 b. No later than January 1, 2020, the levels of greenhouse gas
31 emissions in the State shall be reduced to the percentage below the
32 1990 levels of these emissions established by the department
33 pursuant to subsection a. of this section.

34

35 5. a. On or before January 1, 2008, the department shall adopt,
36 pursuant to the “Administrative Procedures Act,” P.L.1968, c.410
37 (C.52:14B-1 et seq.), rules and regulations establishing a greenhouse
38 gas emissions monitoring and reduction program to:

39 (1) monitor and report greenhouse gas emissions levels in the
40 State; and

41 (2) achieve Statewide the percentage reduction below the 1990
42 greenhouse gas emissions levels set by the department pursuant to
43 section 4 of this act.

44 The rules and regulations shall also establish a series of
45 enforceable limits that gradually reduce greenhouse gas emissions
46 levels to the 2020 limit set by the department pursuant to section 4
47 of this act, and requirements on sources of greenhouse gas
48 emissions to achieve these reductions. The first of these limits shall

1 take effect on January 1, 2012, with additional limits taking effect
2 on January 1 of subsequent years as determined by the department.

3 b. In developing these rules and regulations, the department
4 shall take into account projected reductions in greenhouse gas
5 emissions and other emissions reductions required pursuant to State
6 emissions control programs otherwise established by law. The
7 greenhouse gas emissions limits shall be expressed in total tons of
8 allowable greenhouse gas emissions, expressed in carbon dioxide
9 equivalents, and shall include, but shall not be limited to, all
10 greenhouse gas emissions from the generation of electricity
11 delivered by utilities and consumed in the State, whether generated
12 in the State or imported into the State.

13 c. The rules and regulations adopted pursuant to subsection a.
14 of this section shall identify all significant sources of greenhouse
15 gas emissions in the State and shall provide for, but need not be
16 limited to, the following:

17 (1) monitoring and reporting of existing emissions and changes
18 in emissions over time from the sources identified by the
19 department;

20 (2) monitoring compliance with the emissions limits established
21 by the department;

22 (3) developing, implementing and enforcing requirements to
23 achieve the required reductions;

24 (4) monitoring greenhouse gas emissions in the State;

25 (5) reporting the levels of those emissions and changes in those
26 emissions levels annually, commencing on January 1, 2008; and

27 (6) monitoring compliance with the requirements established
28 pursuant to paragraph (3) of this subsection and the progress
29 towards attaining the required reductions determined pursuant to
30 paragraph (2) of this subsection.

31 d. Pursuant to the rules and regulations adopted pursuant to
32 subsection a. of this section, the department shall require reporting
33 of the greenhouse gas emissions:

34 (1) associated with fossil fuels used in the State by entities that
35 are manufacturers and distributors of fossil fuels, including, but not
36 limited to, oil refineries, oil storage facilities, and natural gas
37 pipelines;

38 (2) from any utility generating or delivering electricity consumed
39 in the State, whether the electricity is generated in the State, or
40 generated outside the State and imported into the State, and
41 accounting for transmission line losses; and

42 (3) from any additional entities that are significant emitters of
43 greenhouse gases, as determined by the department and appropriate
44 to enable the department to monitor compliance with the emissions
45 limits for greenhouse gases established pursuant to this act.

46 e. The rules and regulations also shall:

47 (1) distribute the costs and benefits of the program, including
48 emission allowances, in a manner that is –

1 (a) equitable and maximizes the total benefit to the
2 economy;

3 (b) does not disproportionately burden low-income and
4 moderate-income households;

5 (c) provides compliance flexibility where appropriate; and

6 (d) ensures that entities that have voluntarily reduced their
7 emissions prior to the implementation of the greenhouse gas
8 emissions monitoring and reduction program receive appropriate
9 consideration for emissions reductions achieved;

10 (2) ensure that the measures implemented to achieve reductions
11 in greenhouse gas emissions do not result in direct or indirect
12 effects or a cumulative impact that increase emissions of toxic air
13 contaminants, identified by the department and the United States
14 Environmental Protection Agency as hazardous air contaminants, or
15 cause or contribute to a violation of a federal or State health-based
16 ambient air quality standard in any community;

17 (3) evaluate emissions reduction opportunities based upon their
18 cost-effectiveness and additional societal benefits, including, but
19 not necessarily limited to, reductions in other air pollutants, energy
20 security, and protection of the environment and public health;

21 (4) minimize the administrative burden of implementing and
22 complying with the program;

23 (5) minimize displacement of emissions outside of the scope of
24 the program; and

25 (6) where feasible, coordinate with other states and countries to
26 reduce greenhouse gas emissions in a manner that does not conflict
27 with State law and regulations.

28

29 6. In accordance with the goals of the greenhouse gas emissions
30 monitoring and reduction program established by rule and
31 regulation pursuant to section 5 of this act, the Department of
32 Environmental Protection shall adopt, pursuant to the
33 "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq.), any rules or regulations necessary to implement in the State
35 model rules adopted by the Regional Greenhouse Gas Initiative, or
36 any other interstate or regional effort to reduce greenhouse gases or
37 global warming that the department determines to be bonafide and
38 beneficial to the prevention of global warming and the attainment of
39 the reduction in greenhouse gases required by this act.

40

41 7. The department shall acquire, develop, and provide to federal,
42 State, local, and regional agencies, departments, independent
43 authorities, utilities, businesses, industries, representatives of the
44 energy and economic sectors, and members of the public, data and
45 information on global climate change and the costs, technological
46 feasibility, and demonstrated effectiveness of methods for reducing
47 or mitigating the production of greenhouse gases from sources in
48 the State. The department shall provide a variety of forums for the

1 exchange of that information among interested parties and State
2 agencies, departments, and independent authorities.

3
4 8. On or before January 1, 2009, and annually thereafter, the
5 department shall report to the Governor and, pursuant to section 2
6 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on the current
7 level of greenhouse gas emissions and progress made toward
8 compliance with the emissions limits on greenhouse gases
9 established by the department. The report shall include updated and
10 comparative inventories of greenhouse gas emissions in the State.

11
12 9. a. On or before January 1, 2015, the department shall
13 evaluate the ecological, economic, and environmental factors and
14 the technological capability affecting the attainment or maintenance
15 of the 2020 limit, and further reduction of levels of greenhouse gas
16 emissions beyond the 2020 limit established pursuant to this act.

17 b. Based on the evaluation, the department may adopt, pursuant
18 to the "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1
19 et seq.), rules and regulations:

20 (1) establishing further measures or requirements to attain or
21 maintain the 2020 limit; or

22 (2) requiring further reductions beyond the 2020 limit.

23 If further reductions are required, the rules and regulations shall
24 also establish a level of greenhouse gas emissions to be attained by
25 January 1, 2030, a scheduled series of reductions in greenhouse gas
26 emissions below the 2020 emission limit to attain that level of
27 greenhouse gas emissions, and requirements to be imposed on
28 sources of greenhouse gas emissions to achieve the required
29 reductions.

30
31 10. This act shall take effect immediately.

32

33

34

STATEMENT

35

36 This bill directs the Department of Environmental Protection
37 (DEP) to establish, on or before January 1, 2008, a greenhouse gas
38 emissions monitoring and reduction program to monitor and report
39 on greenhouse gas emissions levels in the State and reduce
40 greenhouse gas emissions in the State to levels below the 1990
41 greenhouse gas emissions levels by 2020. The bill also directs the
42 DEP to establish, no later than one year after the effective date of
43 the bill:

44 1) inventories of the greenhouse gas emissions in the State;

45 2) inventories of the 1990 levels of greenhouse gas emissions in
46 the State;

47 3) priorities for the reduction of types of greenhouse gas
48 emissions to be reduced pursuant to this act; and

1 4) by rules and regulations, the percentage reduction below the
2 1990 levels of greenhouse gas emissions to be achieved by the year
3 2020.

4 The rules and regulations establishing this program shall also
5 establish a series of enforceable limits that gradually reduce
6 greenhouse gas emissions levels to the 2020 limit, with the first
7 limit taking effect January 1, 2012.

8 The bill further directs the DEP to evaluate by January 1, 2015
9 the ecological, economic, and environmental factors and the
10 technological capability affecting the attainment or maintenance of
11 the 2020 limit, and further reduction of levels of greenhouse gas
12 emissions beyond the 2020 limit. Based on the evaluation, the DEP
13 may adopt rules and regulations establishing further measures or
14 requirements to attain or maintain the 2020 limit, or requiring
15 further reductions beyond the 2020 limit. If further reductions are
16 required, the bill requires that the rules and regulations also
17 establish a level of greenhouse gas emissions to be attained by
18 January 1, 2030, a scheduled series of reductions in greenhouse gas
19 emissions below the 2020 emission limit to attain that level of
20 greenhouse gas emissions, and requirements to be imposed on
21 sources of greenhouse gas emissions to achieve the required
22 reductions.

23 Global warming - the increase of temperatures in the atmosphere
24 that risk catastrophic changes to the Earth's ecology and
25 environment - is attributed to the build-up of greenhouse gas
26 emissions in the Earth's atmosphere. Although some view global
27 warming as a theory, the effects of increasing levels of greenhouse
28 gases in the atmosphere are accepted by many respected scientists
29 and members of the international community as seriously
30 detrimental to the ecosystem and environment of the world, and
31 measures can be taken to reduce greenhouse gas emissions and the
32 risk to the planet. Therefore, it is reasonable for the State to take
33 specific actions to attack global warming by establishing a State
34 program to reduce greenhouse gas emissions and participate in
35 regional and interstate initiatives to reduce these emissions
36 regionally, nationally, and internationally.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3301

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2007

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 3301.

As amended by the committee, this bill directs the Department of Environmental Protection (DEP) to establish, no later than two years after the date of enactment of the bill into law, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State and stabilize by 2020 greenhouse gas emissions in the State to levels equivalent to the 1990 greenhouse gas emissions levels.

The bill directs the DEP to establish, no later than one year after the date of enactment of the bill into law:

- 1) an inventory of the greenhouse gas emissions in the State;
- 2) an inventory of the 1990 levels of greenhouse gas emissions in the State; and
- 3) priorities for the types of greenhouse gas emissions to be reduced.

The rules and regulations to be adopted by the DEP for the greenhouse gas emissions monitoring and reduction program required by the bill shall establish a series of enforceable limits that gradually reduce greenhouse gas emissions levels to the 1990 levels by the year 2020 (i.e., the “2020 limit”), with the first limit taking effect January 1, 2012.

The bill further directs the DEP to evaluate by January 1, 2015 the ecological, economic, and environmental factors and the technological capability affecting the attainment or maintenance of the 2020 limit, and further reduction of levels of greenhouse gas emissions beyond the 2020 limit established by the DEP. Based on the evaluation, the DEP may adopt rules and regulations establishing further measures or requirements to attain or maintain the 2020 limit, or requiring further reductions beyond the 2020 limit. If the DEP determines further reductions are required beyond the 2020 limit, the bill requires that the DEP adopt rules and regulations establishing a level of greenhouse gas emissions to be attained by January 1, 2030, a scheduled series of

reductions in greenhouse gas emissions below the 2020 limit to attain the 2030 level of greenhouse gas emissions, and requirements to be imposed on sources of greenhouse gas emissions to achieve the required further reductions.

COMMITTEE AMENDMENTS:

The committee amendments:

- 1) delete “water vapor” from the definition of “greenhouse gas,” and add a definition for “Regional Greenhouse Gas Initiative”;
- 2) specify that greenhouse gas emissions in the State are to be stabilized at the 1990 levels in the State by 2020;
- 3) change the timeframe for the adoption of rules by the DEP from January 1, 2008 to no later than two years after the date of enactment of the bill into law; and
- 4) make technical corrections throughout the bill.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
[First Reprint]
ASSEMBLY, No. 3301

STATE OF NEW JERSEY

DATED: JUNE 14, 2007

The Assembly Telecommunications and Utilities Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3301 (1R).

This committee substitute would establish that no later than January 1, 2020, the level of greenhouse gas emissions in the State shall be reduced to the 1990 level of emissions or below, and that no later than January 1, 2050, the greenhouse gas emissions shall not exceed 80 percent of the 2006 level of emissions. This committee substitute would also direct the Department of Environmental Protection (DEP) to establish, no later than one year after the enactment date of the bill:

- 1) an inventory of the current and 2006 Statewide greenhouse gas emissions; and
- 2) an inventory of the 1990 levels of Statewide greenhouse gas emissions.

The committee substitute would require the DEP to establish, on or before January 1, 2009, a greenhouse gas emissions monitoring and reporting program to monitor and report on Statewide greenhouse gas emissions levels. The committee substitute would authorize the DEP to charge fees sufficient to cover DEP's costs to administer the requirements of the program to those entities required to report greenhouse gas emissions. Should the fee revenues fail to be appropriated for this purpose, the DEP would no longer have the authority to impose the fees.

The committee substitute further directs the DEP to prepare a report no later than June 30, 2008 recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit. No later than June 30, 2010, the DEP would be required to prepare a report recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2050 limit.

The committee substitute would require the DEP to report to the Governor and the Legislature no later than January 1, 2009, and

biennially thereafter, on the status of the greenhouse gas emissions reporting and monitoring program, the current level of greenhouse gas emissions in the State, and the progress that has been made toward compliance with the 2020 limit and the 2050 limit. Moreover, the DEP would be required to prepare a report no later than January 1, 2015 that evaluates the ecological, economic, and environmental factors and the technological capability affecting the attainment or maintenance of the 2020 limit and the 2050 limit.

The committee substitute would require the Board of Public Utilities (BPU) to adopt a greenhouse gas emissions portfolio standard applicable to all electric power suppliers and basic generation service providers. The committee substitute would authorize the BPU to adopt an electric energy efficiency portfolio standard applicable to electric public utilities and a gas energy efficiency portfolio standard applicable to gas public utilities.

Finally, the committee substitute would require the DEP to designate an independent research review panel to review the ecological, economic and social impact on the State of the recommendations submitted by the DEP and other State agencies, as appropriate, in the reports required pursuant to section 6 of the substitute and would require the panel to prepare and transmit a report evaluating the impact of such recommendations to the Governor, the State Treasurer and the Legislature within 12 months of date of transmittal of the reports from the DEP and other State agencies, as appropriate, to the Governor, the State Treasurer and the Legislature.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 3301**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 18, 2007

The Assembly Budget Committee reports favorably Assembly Bill No. 3301, with committee amendments.

The bill, as amended, establishes that no later than January 1, 2020, the level of greenhouse gas emissions in the State shall be reduced to the 1990 level of emissions or below, and that no later than January 1, 2050, the greenhouse gas emissions shall not exceed 80 percent of the 2006 level of emissions. This bill would also direct the Department of Environmental Protection (DEP) to establish, no later than one year after the enactment date of the bill:

- 1) an inventory of the current and 2006 Statewide greenhouse gas emissions; and
- 2) an inventory of the 1990 levels of Statewide greenhouse gas emissions.

The bill requires the DEP to establish, on or before January 1, 2009, a greenhouse gas emissions monitoring and reporting program to monitor and report on Statewide greenhouse gas emissions levels.

The bill further directs the DEP to prepare a report no later than June 30, 2008 recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit. No later than June 30, 2010, the DEP would be required to prepare a report recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2050 limit.

The bill requires the DEP to report to the Governor and the Legislature no later than January 1, 2009, and biennially thereafter, on the status of the greenhouse gas emissions reporting and monitoring program, the current level of greenhouse gas emissions in the State, and the progress that has been made toward compliance with the 2020 limit and the 2050 limit. Moreover, the DEP is required to prepare a report no later than January 1, 2015 that evaluates the ecological, economic, and environmental factors and the technological capability affecting the attainment or maintenance of the 2020 limit and the 2050 limit.

If a State department or agency adopts regulations to implement a State policy or an interstate or regional agreement to reduce Statewide greenhouse gas emissions related to electricity generation, the bill would require the Board of Public Utilities (BPU) to adopt a greenhouse gas emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leakage applicable to all electric power suppliers and basic generation service providers. The bill authorizes the BPU to adopt an electric energy efficiency portfolio standard applicable to electric public utilities and a gas energy efficiency portfolio standard applicable to gas public utilities.

Finally, the bill requires the DEP to designate an independent research review panel to review the ecological, economic and social impact on the State of the recommendations submitted by the DEP and other State agencies, as appropriate, in the reports required pursuant to section 6 of the bill and would require the panel to prepare and transmit a report evaluating the impact of such recommendations to the Governor, the State Treasurer and the Legislature within 12 months of date of transmittal of the reports from the DEP and other State agencies, as appropriate, to the Governor, the State Treasurer and the Legislature.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

1) delete the definition of leakage from section 3 of the bill, and add a definition of leakage to section 8 of the bill;

2) delete the DEP's authority to charge fees sufficient to cover the department's costs to administer the requirements of the bill to those entities required to report greenhouse gas emissions, and delete the corresponding language creating the "Greenhouse Gas Emissions Control Fund" and concerning the appropriation of those fees;

3) provide that if the allowed transition period occurs after the implementation of the greenhouse gas emissions portfolio standard or other regulatory mechanism to mitigate leakage, the transition period shall be no longer than three years;

4) specify that the BPU shall not impose a fee for the cost of implementing and overseeing the greenhouse gas emission portfolio standard, the electric energy efficiency portfolio standard, or the gas energy efficiency portfolio standard adopted pursuant to the bill; and

5) add representation of nonprofit environmental organizations to the independent research panel.

FISCAL IMPACT:

The DEP has not submitted any fiscal data on this bill. The Office of Legislative Services is unable to estimate the cost of implementing this bill due to the unavailability of pertinent information.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3301

STATE OF NEW JERSEY 212th LEGISLATURE

DATED: MAY 23, 2007

SUMMARY

- Synopsis:** The “Global Warming Response Act”
- Type of Impact:** Expenditure increase from the General Fund.
- Agencies Affected:** Department of Environmental Protection

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Unknown - See Comments Below.		

- The bill directs the Department of Environmental Protection (DEP) to establish, no later than two years after the bill’s enactment, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State.
- The program objective, which is similar to the Governor’s Executive Order 54 of 2007, would stabilize by 2020 the State’s total greenhouse gas emissions to levels equivalent to 1990 greenhouse gas emissions levels.
- The bill requires the DEP to conduct an inventory of the current and 1990 greenhouse gas emission levels in the State, and to establish priorities for the types of greenhouse gas emissions to be reduced.
- The Office of Legislative Services cannot estimate the costs of implementing the bill due to the unavailability of pertinent information. However, the DEP Commissioner has previously testified that a fee program would probably be needed to support this initiative.

BILL DESCRIPTION

Assembly Bill No. 3301 (1R) of 2006 directs the DEP to establish, no later than two years after the bill's enactment, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State. The program objective, which is similar to the goal set forth by Governor Corzine's Executive Order 54 of 2007, is to stabilize by 2020 the State's total greenhouse gas emissions to levels equivalent to 1990 greenhouse gas emissions levels.

Within one year after the bill's enactment, the bill requires the DEP to conduct an inventory of the current and 1990 greenhouse gas emission levels in the State, and to establish priorities for the types of greenhouse gas emissions to be reduced. Further, the rules and regulations to be adopted by the DEP for this program must establish a series of enforceable limits that gradually reduce greenhouse gas emissions levels to the 1990 levels by the year 2020 with the first limit taking effect January 1, 2012.

The bill also directs the DEP to evaluate by January 1, 2015 the technological capability and the ecological, economic, and environmental factors affecting the attainment or maintenance of the 2020 limit and further reductions thereafter. Based on the evaluation, the DEP may revise or adopt new rules and regulations to attain or maintain the 2020 limit, or to require further reductions beyond the 2020 limit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services cannot estimate the costs the DEP might accrue in carrying its administrative and regulatory responsibilities under the bill due to the unavailability of pertinent data from the department. However, the department did offer some information on this subject at a Senate Budget and Appropriations Committee hearing in April 2007, where the DEP Commissioner testified that some type of fee program would ultimately be needed to support the department's responsibilities under the bill and the Governor's Executive Order. The Commissioner also indicated that the current inventory of greenhouse gas emissions called for in the bill and the Executive Order was to be completed by department personnel in the summer of 2007, at no extra cost to the State. Last, the Commissioner stated that additional money would be needed to invest in energy efficiency programs.

Section: Environment, Agriculture, Energy and Natural Resources

Analyst: Richard M. Handelman
Senior Fiscal Analyst

Approved: David J. Rosen
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 2114

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED JULY 7, 2006

Sponsored by:

Senator BARBARA BUONO

District 18 (Middlesex)

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Co-Sponsored by:

**Senators Coniglio, Weinberg, Karcher, Ciesla, Sweeney, Vitale, Turner,
Inverso, Singer, Adler, Connors, Kenny, Madden and Rice**

SYNOPSIS

The "Global Warming Response Act."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/22/2007)

1 AN ACT concerning the reduction of greenhouse gases and
2 supplementing chapter 2C of Title 26 of the Revised Statutes.

3

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

6

7 1. This act shall be known as and may be cited as the “Global
8 Warming Response Act.”

9

10 2. The Legislature finds and declares that internationally the
11 issue of global warming has caused alarm, awareness, and action
12 concerning climate changes occurring around the globe attributed to
13 the high level of certain gases called “greenhouse gases” – gases
14 that increase temperatures in the atmosphere and the risk of
15 catastrophic changes to the Earth’s ecosystems and environment;
16 that, while this global warming may be a theory to some, the effects
17 of increasing levels of greenhouse gases in the atmosphere are
18 accepted by many respected scientists and members of the
19 international community as seriously detrimental to the ecosystems
20 and environment of the world; that, ultimately, if steps are not taken
21 to reverse these trends, the effects on human, animal and plant life
22 on Earth may be catastrophic; that solutions exist to halt the
23 increasing of greenhouse gases in the atmosphere and reduce these
24 emissions; that, as a global issue, each country and region within a
25 country must do its part to reduce these greenhouse gases that
26 threaten the globe; and that, as a State, there are specific actions
27 that can be taken to attack the problem of global warming, through
28 reductions of greenhouse gas emissions in the State and
29 participation in regional and interstate initiatives to reduce these
30 emissions regionally, nationally, and internationally.

31 The Legislature therefore declares it is in the public interest to
32 establish a greenhouse gas reduction program with the goal of
33 reducing the level of greenhouse gas emissions in the State to below
34 the 1990 levels of these emissions by the year 2020.

35

36 3. For the purposes of this act:

37 “Carbon dioxide equivalents” means the amount of carbon
38 dioxide by weight that would produce the same global warming
39 impact as a given weight of another greenhouse gas, to be
40 determined based on the most recent information available from the
41 Intergovernmental Panel on Climate Change established by the
42 World Meteorological Organization and the United Nations
43 Environmental Programme.

44 “Cost effectiveness” means the net costs, or the costs less the
45 benefits, per unit of reduced greenhouse gas emissions.

46 “Cumulative impact” means cumulative impact as the term is
47 defined in Section 1508.7 of Title 40 of the Code of Federal
48 Regulations.

1 “Department” means the Department of Environmental
2 Protection.

3 “Direct or indirect effects” means direct or indirect effects as the
4 terms are defined in Section 1508.8 of Title 40 of the Code of
5 Federal Regulations.

6 “Greenhouse gas” means any atmospheric gas that slows the rate
7 at which heat radiates into space, thereby having a warming effect
8 on the atmosphere, and shall include, but need not be limited to,
9 water vapor, carbon dioxide, methane, nitrous oxide,
10 chlorofluorocarbons, hydrofluorocarbons, certain halogenated
11 gases, and any other gas determined by the Department of
12 Environmental Protection to be a serious contributor to the problem
13 of global warming.

14 “The 2020 limit” means the level of greenhouse gas emissions
15 attained by the reduction of these emissions to the percentage below
16 the 1990 levels of these emissions established pursuant to section 4
17 of this act.

18

19 4. a. No later than one year after the effective date of this act,
20 the Department of Environmental Protection shall establish:

21 (1) inventories of the greenhouse gas emissions in the State;

22 (2) inventories of the 1990 levels of greenhouse gas emissions in
23 the State;

24 (3) priorities for the reduction of types of greenhouse gas
25 emissions to be reduced pursuant to this act; and

26 (4) by rules and regulations, adopted pursuant to the
27 “Administrative Procedures Act” P.L. 1968, c.410 (C.52:14B-1 et
28 seq.) the percentage reduction below the 1990 levels of greenhouse
29 gas emissions to be achieved by the year 2020.

30 b. No later than January 1, 2020, the levels of greenhouse gas
31 emissions in the State shall be reduced to the percentage below the
32 1990 levels of these emissions established by the department
33 pursuant to subsection a. of this section.

34

35 5. a. On or before January 1, 2008, the department shall adopt,
36 pursuant to the “Administrative Procedures Act,” P.L.1968, c.410
37 (C.52:14B-1 et seq.), rules and regulations establishing a greenhouse
38 gas emissions monitoring and reduction program to:

39 (1) monitor and report greenhouse gas emissions levels in the
40 State; and

41 (2) achieve Statewide the percentage reduction below the 1990
42 greenhouse gas emissions levels set by the department pursuant to
43 section 4 of this act.

44 The rules and regulations shall also establish a series of
45 enforceable limits that gradually reduce greenhouse gas emissions
46 levels to the 2020 limit set by the department pursuant to section 4
47 of this act, and requirements on sources of greenhouse gas
48 emissions to achieve these reductions. The first of these limits shall

1 take effect on January 1, 2012, with additional limits taking effect
2 on January 1 of subsequent years as determined by the department.

3 b. In developing these rules and regulations, the department
4 shall take into account projected reductions in greenhouse gas
5 emissions and other emissions reductions required pursuant to State
6 emissions control programs otherwise established by law. The
7 greenhouse gas emissions limits shall be expressed in total tons of
8 allowable greenhouse gas emissions, expressed in carbon dioxide
9 equivalents, and shall include, but shall not be limited to, all
10 greenhouse gas emissions from the generation of electricity
11 delivered by utilities and consumed in the State, whether generated
12 in the State or imported into the State.

13 c. The rules and regulations adopted pursuant to subsection a.
14 of this section shall identify all significant sources of greenhouse
15 gas emissions in the State and shall provide for, but need not be
16 limited to, the following:

17 (1) monitoring and reporting of existing emissions and changes
18 in emissions over time from the sources identified by the
19 department;

20 (2) monitoring compliance with the emissions limits established
21 by the department;

22 (3) developing, implementing and enforcing requirements to
23 achieve the required reductions;

24 (4) monitoring greenhouse gas emissions in the State;

25 (5) reporting the levels of those emissions and changes in those
26 emissions levels annually, commencing on January 1, 2008; and

27 (6) monitoring compliance with the requirements established
28 pursuant to paragraph (3) of this subsection and the progress
29 towards attaining the required reductions determined pursuant to
30 paragraph (2) of this subsection.

31 d. Pursuant to the rules and regulations adopted pursuant to
32 subsection a. of this section, the department shall require reporting
33 of the greenhouse gas emissions:

34 (1) associated with fossil fuels used in the State by entities that
35 are manufacturers and distributors of fossil fuels, including, but not
36 limited to, oil refineries, oil storage facilities, and natural gas
37 pipelines;

38 (2) from any utility generating or delivering electricity consumed
39 in the State, whether the electricity is generated in the State, or
40 generated outside the State and imported into the State, and
41 accounting for transmission line losses; and

42 (3) from any additional entities that are significant emitters of
43 greenhouse gases, as determined by the department and appropriate
44 to enable the department to monitor compliance with the emissions
45 limits for greenhouse gases established pursuant to this act.

46 e. The rules and regulations also shall:

47 (1) distribute the costs and benefits of the program, including
48 emission allowances, in a manner that is –

- 1 (a) equitable and maximizes the total benefit to the
2 economy;
- 3 (b) does not disproportionately burden low-income and
4 moderate-income households;
- 5 (c) provides compliance flexibility where appropriate; and
6 (d) ensures that entities that have voluntarily reduced their
7 emissions prior to the implementation of the greenhouse gas
8 emissions monitoring and reduction program receive appropriate
9 consideration for emissions reductions achieved;
- 10 (2) ensure that the measures implemented to achieve reductions
11 in greenhouse gas emissions do not result in direct or indirect
12 effects or a cumulative impact that increase emissions of toxic air
13 contaminants, identified by the department and the United States
14 Environmental Protection Agency as hazardous air contaminants, or
15 cause or contribute to a violation of a federal or State health-based
16 ambient air quality standard in any community;
- 17 (3) evaluate emissions reduction opportunities based upon their
18 cost-effectiveness and additional societal benefits, including, but
19 not necessarily limited to, reductions in other air pollutants, energy
20 security, and protection of the environment and public health;
- 21 (4) minimize the administrative burden of implementing and
22 complying with the program;
- 23 (5) minimize displacement of emissions outside of the scope of
24 the program; and
- 25 (6) where feasible, coordinate with other states and countries to
26 reduce greenhouse gas emissions in a manner that does not conflict
27 with State law and regulations.

28
29 6. In accordance with the goals of the greenhouse gas emissions
30 monitoring and reduction program established by rule and
31 regulation pursuant to section 5 of this act, the Department of
32 Environmental Protection shall adopt, pursuant to the
33 "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq.), any rules or regulations necessary to implement in the State
35 model rules adopted by the Regional Greenhouse Gas Initiative, or
36 any other interstate or regional effort to reduce greenhouse gases or
37 global warming that the department determines to be bonafide and
38 beneficial to the prevention of global warming and the attainment of
39 the reduction in greenhouse gases required by this act.

40
41 7. The department shall acquire, develop, and provide to federal,
42 State, local, and regional agencies, departments, independent
43 authorities, utilities, businesses, industries, representatives of the
44 energy and economic sectors, and members of the public, data and
45 information on global climate change and the costs, technological
46 feasibility, and demonstrated effectiveness of methods for reducing
47 or mitigating the production of greenhouse gases from sources in
48 the State. The department shall provide a variety of forums for the

1 exchange of that information among interested parties and State
2 agencies, departments, and independent authorities.

3
4 8. On or before January 1, 2009, and annually thereafter, the
5 department shall report to the Governor and, pursuant to section 2
6 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on the current
7 level of greenhouse gas emissions and progress made toward
8 compliance with the emissions limits on greenhouse gases
9 established by the department. The report shall include updated and
10 comparative inventories of greenhouse gas emissions in the State.

11
12 9. a. On or before January 1, 2015, the department shall
13 evaluate the ecological, economic, and environmental factors and
14 the technological capability affecting the attainment or maintenance
15 of the 2020 limit, and further reduction of levels of greenhouse gas
16 emissions beyond the 2020 limit established pursuant to this act.

17 b. Based on the evaluation, the department may adopt, pursuant
18 to the "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1
19 et seq.), rules and regulations:

20 (1) establishing further measures or requirements to attain or
21 maintain the 2020 limit; or

22 (2) requiring further reductions beyond the 2020 limit.

23 If further reductions are required, the rules and regulations shall
24 also establish a level of greenhouse gas emissions to be attained by
25 January 1, 2030, a scheduled series of reductions in greenhouse gas
26 emissions below the 2020 emission limit to attain that level of
27 greenhouse gas emissions, and requirements to be imposed on
28 sources of greenhouse gas emissions to achieve the required
29 reductions.

30
31 10. This act shall take effect immediately.

32
33
34 STATEMENT

35
36 This bill directs the Department of Environmental Protection
37 (DEP) to establish, on or before January 1, 2008, a greenhouse gas
38 emissions monitoring and reduction program to monitor and report
39 on greenhouse gas emissions levels in the State and reduce
40 greenhouse gas emissions in the State to levels below the 1990
41 greenhouse gas emissions levels by 2020. The bill also directs the
42 DEP to establish, no later than one year after the effective date of
43 the bill:

44 1) inventories of the greenhouse gas emissions in the State;

45 2) inventories of the 1990 levels of greenhouse gas emissions in
46 the State;

47 3) priorities for the reduction of types of greenhouse gas
48 emissions to be reduced pursuant to this act; and

1 4) by rules and regulations, the percentage reduction below the
2 1990 levels of greenhouse gas emissions to be achieved by the year
3 2020.

4 The rules and regulations establishing this program shall also
5 establish a series of enforceable limits that gradually reduce
6 greenhouse gas emissions levels to the 2020 limit, with the first
7 limit taking effect January 1, 2012.

8 The bill further directs the DEP to evaluate by January 1, 2015
9 the ecological, economic, and environmental factors and the
10 technological capability affecting the attainment or maintenance of
11 the 2020 limit, and further reduction of levels of greenhouse gas
12 emissions beyond the 2020 limit. Based on the evaluation, the DEP
13 may adopt rules and regulations establishing further measures or
14 requirements to attain or maintain the 2020 limit, or requiring
15 further reductions beyond the 2020 limit. If further reductions are
16 required, the bill requires that the rules and regulations also
17 establish a level of greenhouse gas emissions to be attained by
18 January 1, 2030, a scheduled series of reductions in greenhouse gas
19 emissions below the 2020 emission limit to attain that level of
20 greenhouse gas emissions, and requirements to be imposed on
21 sources of greenhouse gas emissions to achieve the required
22 reductions.

23 Global warming - the increase of temperatures in the atmosphere
24 that risk catastrophic changes to the Earth's ecology and
25 environment - is attributed to the build-up of greenhouse gas
26 emissions in the Earth's atmosphere. Although some view global
27 warming as a theory, the effects of increasing levels of greenhouse
28 gases in the atmosphere are accepted by many respected scientists
29 and members of the international community as seriously
30 detrimental to the ecosystem and environment of the world, and
31 measures can be taken to reduce greenhouse gas emissions and the
32 risk to the planet. Therefore, it is reasonable for the State to take
33 specific actions to attack global warming by establishing a State
34 program to reduce greenhouse gas emissions and participate in
35 regional and interstate initiatives to reduce these emissions
36 regionally, nationally, and internationally.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 2114**

STATE OF NEW JERSEY

DATED: MAY 24, 2007

The Senate Environment Committee favorably reports a committee substitute for Senate Bill No. 2114.

The committee substitute would establish that no later than January 1, 2020, the level of greenhouse gas emissions in the State shall be reduced to the 1990 level of emissions or below, and that no later than January 1, 2050, the greenhouse gas emissions shall not exceed 80 percent of the 2006 level of emissions. This committee substitute would also direct the Department of Environmental Protection (DEP) to establish, no later than one year after the enactment date of the bill:

- 1) an inventory of the current and 2006 Statewide greenhouse gas emissions; and
- 2) an inventory of the 1990 levels of Statewide greenhouse gas emissions.

The committee substitute would require the department to establish, on or before January 1, 2009, a greenhouse gas emissions monitoring and reporting program to monitor and report on Statewide greenhouse gas emissions levels. The committee substitute would authorize the department to charge fees sufficient to cover the department's costs to administer the requirements of the committee substitute to those entities required to report greenhouse gas emissions. Should the fee revenues fail to be appropriated for this purpose, the department would no longer have the authority to impose the fees.

The bill further directs the DEP to prepare a report no later than June 30, 2008 recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit. No later than June 30, 2010, the department would be required to prepare a report recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2050 limit.

The committee substitute would require the department to report to the Governor and the Legislature no later than January 1, 2009, and biennially thereafter, on the status of the greenhouse gas emissions reporting and monitoring program, the current level of greenhouse gas emissions in the State, and the progress that has been made toward compliance with the 2020 limit and the 2050 limit. Moreover, the department would be required to prepare a report no later than January

1, 2015 that evaluates the ecological, economic, and environmental factors and the technological capability affecting the attainment or maintenance of the 2020 limit and the 2050 limit.

Finally, the committee substitute would authorize the Board of Public Utilities to adopt a greenhouse gas emissions portfolio standard applicable to all electric power suppliers and basic generation service providers as well as an electric energy efficiency portfolio standard applicable to electric public utilities and a gas energy efficiency portfolio standard applicable to gas public utilities.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 2114

STATE OF NEW JERSEY

DATED: JUNE 18, 2007

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2114 (SCS).

The committee substitute would establish that no later than January 1, 2020, the level of greenhouse gas emissions in the State shall be reduced to the 1990 level of emissions or below, and that no later than January 1, 2050, the greenhouse gas emissions shall not exceed 80 percent of the 2006 level of emissions. This committee substitute would also direct the Department of Environmental Protection (DEP) to establish, no later than one year after the enactment date of the proposed committee substitute:

- 1) an inventory of the current and 2006 Statewide greenhouse gas emissions; and
- 2) an inventory of the 1990 levels of Statewide greenhouse gas emissions.

This committee substitute would require the DEP to establish, on or before January 1, 2009, a greenhouse gas emissions monitoring and reporting program to monitor and report on Statewide greenhouse gas emissions levels. This committee substitute further directs the DEP to prepare a report no later than June 30, 2008 recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit. No later than June 30, 2010, the DEP would be required to prepare a report recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2050 limit.

This committee substitute would require the DEP to report to the Governor and the Legislature no later than January 1, 2009, and biennially thereafter, on the status of the greenhouse gas emissions reporting and monitoring program, the current level of greenhouse gas emissions in the State, and the progress that has been made toward compliance with the 2020 limit and the 2050 limit. Moreover, the DEP would be required to prepare a report no later than January 1, 2015 that evaluates the ecological, economic, and environmental

factors and the technological capability affecting the attainment or maintenance of the 2020 limit and the 2050 limit.

This committee substitute would provide that if a State department or agency adopts regulations to implement a State policy or an interstate or regional agreement to reduce Statewide greenhouse gas emissions related to electricity generation, the Board of Public Utilities (BPU) would be required to adopt a greenhouse gas emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leakage applicable to all electric power suppliers and basic generation service providers. Leakage is defined to mean an increase in greenhouse gas emissions related to generation sources located outside of the State that are not subject to a state, interstate or regional greenhouse gas emissions cap or standard that applies to generation sources located within the State. This committee substitute requires a regulation to mitigate leakage to allow a transition period. The regulations to mitigate leakage would also be required to exempt the provision of basic generation service pursuant to a basic generation service purchase and sale agreement effective prior to the date of the regulation.

The committee substitute would also authorize the BPU to adopt an electric energy efficiency portfolio standard applicable to electric public utilities and a gas energy efficiency portfolio standard applicable to gas public utilities.

Finally, the committee substitute would require the DEP to designate an independent research review panel to review the ecological, economic and social impact on the State of the recommendations submitted by the DEP and other State agencies, as appropriate, in the reports required pursuant to section 6 of the substitute and would require the panel to prepare and transmit a report evaluating the impact of such recommendations to the Governor, the State Treasurer and the Legislature within 12 months of date of transmittal of the reports from the DEP and other State agencies, as appropriate, to the Governor, the State Treasurer and the Legislature.

FISCAL IMPACT:

The fiscal impact of the bill will be additional administrative expenses to the DEP and BPU, which will have to be met by the General Fund or other authorized funding source, such as federal, trust, or user fee charges.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2114
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: MAY 23, 2007

SUMMARY

Synopsis: The “Global Warming Response Act”

Type of Impact: Expenditure increase from the General Fund.

Agencies Affected: Department of Environmental Protection

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Unknown - See Comments Below.		

- The bill directs the Department of Environmental Protection (DEP) to establish, by January 1 2008, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State.
- The program objective, which is similar to the Governor’s Executive Order 54 of 2007, would reduce by 2020 the State’s total greenhouse gas emissions to levels below the 1990 greenhouse gas emissions levels.
- The bill requires the DEP to conduct an inventory of the current and 1990 greenhouse gas emission levels in the State, and to establish priorities for the types of greenhouse gas emissions to be reduced.
- The Office of Legislative Services cannot estimate the costs of implementing the bill due to the unavailability of pertinent information. However, the DEP Commissioner has previously testified that a fee program would probably be needed to support this initiative.

BILL DESCRIPTION

Senate Bill No. 2114 of 2006 directs the DEP to establish, by January 1, 2008, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas

emissions levels in the State. The program objective, which is similar to the goal set forth by Governor Corzine's Executive Order 54 of 2007, is to reduce by 2020 the State's total greenhouse gas emissions to levels below the 1990 greenhouse gas emissions levels.

Within one year after the bill's enactment, the bill requires the DEP to conduct an inventory of the current and 1990 greenhouse gas emission levels in the State, and to establish priorities for the types of greenhouse gas emissions to be reduced. Further, the rules and regulations to be adopted by the DEP for this program must establish a series of enforceable limits that gradually reduce greenhouse gas emissions levels to the 1990 levels by the year 2020 with the first limit taking effect January 1, 2012.

The bill also directs the DEP to evaluate by January 1, 2015 the technological capability and the ecological, economic, and environmental factors affecting the attainment or maintenance of the 2020 limit and further reductions thereafter. Based on the evaluation, the DEP may revise or adopt new rules and regulations to attain or maintain the 2020 limit, or to require further greenhouse gas emission reductions beyond the 2020 limit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services cannot estimate the costs the DEP might accrue in carrying its administrative and regulatory responsibilities under the bill due to the unavailability of pertinent data from the department. However, the department did offer some information on this subject at a Senate Budget and Appropriations Committee hearing in April 2007, where the DEP Commissioner testified that some type of fee program would ultimately be needed to support the department's responsibilities under the bill and the Governor's Executive Order. The Commissioner also indicated that the current inventory of greenhouse gas emissions called for in the bill and the Executive Order was to be completed by department personnel in the summer of 2007, at no extra cost to the State. Last, the Commissioner stated that additional money would be needed to invest in energy efficiency programs.

Section: Environment, Agriculture, Energy and Natural Resources

*Analyst: Richard M. Handelman
Senior Fiscal Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2114
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: JUNE 25, 2007

SUMMARY

Synopsis: The “Global Warming Response Act”

Type of Impact: No net impact on State funds.

Agencies Affected: Department of Environmental Protection and the Board of Public Utilities

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	No Impact - See Comments Below		

- The bill directs the Department of Environmental Protection (DEP) to establish, by January 1 2009, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State. The DEP is authorized to charge fees to regulated entities to meet all administrative costs incurred under the bill.
- The program objective, which is similar to the Governor’s Executive Order 54 of 2007, is to reduce by 2020 the State’s total greenhouse gas emissions to levels at or below emission levels that existed in 1990. By 2050, the bill requires greenhouse gas emission levels to not exceed 80 percent of levels that existed in 2006
- The bill requires the DEP to conduct an inventory of current, 2006, and 1990 greenhouse gas emission levels in the State, and to establish priorities for the types of greenhouse gas emissions to be reduced.
- The Office of Legislative Services estimates that all costs incurred by the DEP in implementing the bill should be offset by dedicated fee revenues generated under the bill.

BILL DESCRIPTION

Senate Committee Substitute for Senate Bill No. 2114 of 2006 directs the DEP to establish, by January 1, 2009, a greenhouse gas emissions monitoring and reduction program to monitor and report on greenhouse gas emissions levels in the State. The program objective, which is similar to the goal set forth by Governor Corzine's Executive Order 54 of 2007, is to reduce by 2020 the State's total greenhouse gas emissions to levels at or below those that existed in 1990. In addition, the bill requires that, by 2050, greenhouse gas emission levels in New Jersey not exceed 80 percent of levels that existed in 2006.

Within one year after the bill's enactment, the DEP is required to conduct an inventory of current, 2006 and 1990 greenhouse gas emission levels in the State. The bill directs the DEP to evaluate by January 1, 2015 the technological capability and the ecological, economic, and environmental factors affecting the attainment or maintenance of the 2020 and 2050 limits. The bill further directs the DEP to prepare periodic reports recommending any measures necessary to reduce greenhouse gas emissions to achieve the 2020 and 2050 limits.

The DEP is authorized to establish and charge fees to entities required under the bill to report greenhouse gas emissions. The bill directs that such fee revenues be sufficient to meet all administrative costs incurred by the DEP in carrying out its requirements under the bill.

Finally, the bill authorizes the Board of Public Utilities (BPU) to adopt a greenhouse gas emissions portfolio standard applicable to all electric power suppliers and basic generation service providers. It also requires the BPU to adopt an electric energy efficiency portfolio standard applicable to electric public utilities and a gas energy efficiency portfolio standard applicable to gas public utilities.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that no additional State funding will be needed to implement or administer the bill because it directs the DEP to establish fees that would provide "sufficient" dedicated revenues to cover all administrative costs. These fees would be charged to those entities required to report greenhouse gas emissions pursuant to the bill. However, State funds may be required in the future to promote or facilitate energy efficiency measures needed to meet the bill's greenhouse gas reduction objectives.

With respect to the bill's requirement to conduct a Statewide inventory of greenhouse gas emissions, the Commissioner of Environmental Protection has publicly stated that this study is currently underway and should be completed by the summer of 2007, at no extra cost to the State. The inventory is being conducted pursuant to Executive Order 54.

Section: Environment, Agriculture, Energy and Natural Resources

*Analyst: Richard M. Handelman
Senior Fiscal Analyst*

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

SCS for S2114

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

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Jul-17-07 Governor Corzine Signs Legislation Protecting New Jersey Workers

NEWS RELEASE:Governor Jon S. Corzine
July 17, 2007**FOR MORE INFORMATION:**

Press Office - 609-777-2600

GOVERNOR CORZINE SIGNS LEGISLATION PROTECTING NEW JERSEY WORKERS

TRENTON – Governor Jon S. Corzine today ceremonially signed legislation cracking down on the misclassification of full-time construction workers as independent contractors.

"Companies that misclassify workers to avoid taxes hurt their workers and hurt the public," Governor Corzine said. "This bill ensures that any attempt by companies to shirk their responsibility to their employees and to the public will now be met with a hefty penalty."

The legislation sets up criminal penalties for contractors who knowingly classify full-time employees as independent contractors to avoid state and federal taxes. The bill creates the presumption that construction workers are full-time employees unless proven otherwise and calls for fines of up to \$75,000 for violators. Additionally, contractors that engage in this practice could be ineligible for public contracts.

"New Jersey's labor laws are meant to protect all of our workers," said Senator Karcher, (D-Mercer and Monmouth), who sponsored the bill in the Senate. "But it's become all-too-common for unscrupulous home contractors to find loopholes in order to cheat the tax system and exploit workers while lining their own pockets. We need serious penalties to force contractors to comply with fair employment practices, not just slap-on-the-wrist fines which are easily absorbed as the cost of doing business in New Jersey."

"Today New Jersey sends a clear message that taxpayer money will not go to unscrupulous contractors who put their bottom line ahead of protecting their employees," said Assemblyman Van Drew (D-Cape May/Atlantic/Cumberland), an Assembly sponsor. "Employers who purposely misclassify employees for a quick tax write-off cheat workers out of benefits and legal protections. Now, such actions won't just seem criminal, they will be criminal."

The bill, A-4009/S-2579, was also sponsored in the Assembly by Assemblymembers Caraballo (D-Essex, Union), Egan (D-Middlesex, Somerset), Burzichelli (D-Salem, Cumberland, Gloucester), Greenstein (D-Mercer, Middlesex), and Gordon (D-Bergen). It was also sponsored in the Senate by Senators Codey (D-Essex) and Sweeney (D-Salem, Cumberland, Gloucester).

The Governor also ceremonially signed legislation prohibiting the sale, use or burning of creosote and creosote treated products. Creosote is used primarily as a wood preservative and exposure can lead to skin conditions and other long-term health risks.

"Construction workers should not have to put their health in jeopardy to earn a living," Governor Corzine said. "This legislation will ensure that workers and the public are protected from the risks associated with creosote exposure."

"The environmental protection agency classifies creosote as a carcinogen, which poses a critical threat to the health of residents and to the environment," said Senator Sweeney, (D-Gloucester, Cumberland and Salem), who sponsored the bill in the Senate. "The ingestion of creosote can cause serious burns, kidney and liver damage and even death, not to mention soil and ground contamination. It's the State's responsibility to work to find safer alternatives that can be used as wood preservatives. The health of our residents must come first."

"Given New Jersey's commendable legacy for championing worker protections, it's entirely appropriate that we should be among the first states to curb this dangerous carcinogen," said Assemblyman Patrick Diegnan (D-Middlesex), an Assembly sponsor. "Workers in construction trades are particularly susceptible to the cancer-causing chemicals that can be found in creosote."

This legislation, A-2804/A-1965, was sponsored in the Assembly by Assemblymembers Barnes (D-Middlesex), Stack (D-Hudson), McKeon (D-Essex), and Vas (D-Middlesex). It was also sponsored in the Senate by Senator Lesniak (D-Union).

###

Photos and audio and video clips from Governor Corzine's public events are available in the Governor's Newsroom section on the State of New Jersey web page, <http://www.nj.gov/governor/news/>



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