## P.L. 2019, CHAPTER 197, approved July 23, 2019 Senate, No. 3207 (Second Reprint)

1 **AN ACT** concerning the reduction of greenhouse gases and amending <sup>1</sup> [and supplementing ] <sup>1</sup> P.L.2007, c.112.

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

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- 1. Section 2 of P.L.2007, c.112 (C.26:2C-38) is amended to read as follows:
- 9 2. The Legislature finds and declares that, internationally, the 10 issue of global warming has caused alarm, awareness, and action 11 concerning climate changes occurring around the globe attributed to 12 the high level of certain gases called "greenhouse gases" - gases 13 that increase temperatures in the atmosphere and the risk of 14 catastrophic changes to the Earth's ecosystems and environment; 15 that, while this global warming may be a theory to some, the effects 16 of increasing levels of greenhouse gases in the atmosphere are accepted by [many] all respected scientists and [members] the vast 17 18 majority of the international community as seriously detrimental to 19 the ecosystems and environment of the world; that, ultimately, if 20 steps are not taken to reverse these trends, the effects on human, 21 animal and plant life on Earth may be catastrophic; that solutions 22 exist to halt the increasing of greenhouse gases in the atmosphere 23 and reduce these emissions; that, as a global issue, each country and 24 region within a country must do its part to reduce these greenhouse 25 gases that threaten the globe; and that, as a State, there are specific 26 actions that can be taken to attack the problem of global warming, 27 through reductions of greenhouse gas emissions in the State and 28 participation in regional and interstate initiatives to reduce these 29 emissions regionally, nationally, and internationally.

The Legislature further finds and declares that, while carbon dioxide is the <sup>1</sup>primary and <sup>1</sup> most abundant greenhouse gas, other greenhouse gases known as short-lived climate pollutants, including black carbon, fluorinated gases, and methane, create a warming influence on the climate that is many times more potent <sup>1</sup>over a shorter period of time <sup>1</sup> than that of carbon dioxide, and have a dramatic and detrimental effect on air quality, public health, and climate change; and that reducing emissions of these pollutants can have an immediate beneficial impact on climate change and public health.

The Legislature therefore finds and declares that it is in the public interest to establish a greenhouse gas emissions reduction

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.

 $\label{thm:matter} \textbf{Matter enclosed in superscript numerals has been adopted as follows:}$ 

<sup>1</sup>Senate floor amendments adopted February 21, 2019.

<sup>&</sup>lt;sup>2</sup>Senate floor amendments adopted March 14, 2019.

- 1 program <sup>1</sup>that includes a comprehensive strategy to reduce short-
- 2 lived climate pollutants and to limit the level of Statewide
- greenhouse gas emissions, and greenhouse gas emissions from 3
- electricity generated outside the State but consumed in the State, to 4
- 5 the 1990 level or below, of those emissions by the year 2020, and to
- reduce those emissions to 80 [%] percent below the 2006 level by 6
- 7 the year 2050 <sup>1</sup>[, and to develop a comprehensive strategy to reduce
- 8 emissions of short-lived climate pollutants in the State 1.
- 9 (cf: P.L.2007, c.112, s.2)

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- 2. Section 3 of P.L.2007, c.112 (C.26:2C-39) is amended to 11 12 read as follows:
- 13 3. For the purposes of [this act] P.L.2007, c.112 (C.26:2C-37) et al.): 14
- Environmental 15 "Department" the Department of means 16 Protection.
- 17 "Greenhouse gas" means carbon dioxide, <sup>1</sup>[black carbon,]<sup>1</sup> 18 methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, 19 sulfur hexafluoride, and any other gas or substance determined by 20 the Department of Environmental Protection to be a significant 21 contributor to the problem of global warming.
  - "Statewide greenhouse gas emissions" means the sum of calendar year emissions of greenhouse gases from all sources within the State, and from electricity generated outside the State but consumed in the State, as determined by the department pursuant to subsection c. of section 5 of [this act] P.L.2007, c.112 [(C.26:2C-37 et al.) C.26:2C-41) .
- 28 "2020 limit" means the level of greenhouse gas emissions equal to the 1990 level of Statewide greenhouse gas emissions. 29
- 30 "2050 limit" means the level of greenhouse gas emissions equal to 80 percent less than the 2006 level of Statewide greenhouse gas 31 32 emissions.
- 33 (cf: P.L.2007, c.112, s.3)

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- 3. Section 5 of P.L.2007, c.112 (C.26:2C-41) is amended to 35 36 read as follows:
- 37 5. a. No later than [January 1, 2009] 18 months after the
- 38 effective date of P.L. , c. (C. ) (pending before the
- 39 Legislature as this bill), the department shall adopt, pursuant to the 40
- "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
- 41 seq.), rules and regulations establishing a greenhouse gas emissions
- 42 monitoring and reporting program to monitor and report Statewide
- 43 greenhouse gas emissions.
- 44 b. The rules and regulations adopted pursuant to subsection a.
- 45 of this section shall identify all significant sources of Statewide
- greenhouse gas emissions <sup>1</sup>including short-lived climate pollutants, <sup>1</sup> 46
- 47 and shall provide for, but need not be limited to, the following:

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

- (2) reporting the levels of those emissions and changes in those emissions levels annually, commencing [on January 1, 2009] 18 months after the effective date of P.L., c. (C.) (pending before the Legislature as this bill); and
- (3) monitoring progress toward the 2020 limit and the 2050 limit <sup>1</sup>and any interim limits <sup>1</sup>.
- c. Pursuant to the rules and regulations adopted pursuant to subsection a. of this section, the department shall require reporting of the greenhouse gas emissions:
- (1) associated with fossil fuels used in the State, as reported by entities that are manufacturers and distributors of fossil fuels, which may include, but need not be limited to, oil refineries, oil storage facilities, natural gas pipelines, and fuel wholesale and retail distributors;
- (2) from any entity generating electricity in the State and from any entity that generates electricity outside the State that is delivered for end use in the State. With respect to electricity generated outside the State and imported into the State, the department shall determine the emissions from that generation by subtracting the kilowatt-hours of electricity generated in the State from the kilowatt-hours of electricity consumed in the State, and multiplying the difference by a default emissions rate determined by the department;
- (3) from any gas public utility as defined in section 3 of P.L.1999, c.23 (C.48:3-51); and
- (4) from any additional entities that are significant emitters of greenhouse gases, as determined by the department, and as appropriate to enable the department to monitor compliance with progress toward the 2020 limit and the 2050 limit.
- <sup>2</sup>d. No later than 18 months after the department prepares and transmits the report as required pursuant to subsection c. of section 6 of P.L.2007, c112 (C.26:2C-42), the department shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations establishing interim benchmarks necessary to achieve the 2050 limit, and measures necessary to achieve the 2050 limit and the established interim benchmarks.<sup>2</sup>

40 (cf: P.L.2007, c.112, s.5)

42 4. Section 6 of P.L.2007, c.112 (C.26:2C-42) is amended to 43 read as follows:

6. a. The department, in consultation with the Board of Public Utilities, the Department of Agriculture, the Department of Transportation, and the Department of Community Affairs, shall evaluate policies and measures that will enable the State to achieve the 2020 limit, shall make specific recommendations on how to

1 achieve the emission reduction targets, including measures that 2 reduce emissions in all sectors of the economy including 3 transportation, housing, and consumer products, and shall evaluate 4 the economic benefits and costs of implementing 5 recommendations. The department shall coordinate its evaluation of greenhouse gas emission reduction policies and measures with 6 7 the work of the Energy Master Plan Committee established pursuant 8 to section 12 of P.L.1977, c.146 (C.52:27F-14).

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- b. No later than June 30, 2008, the department, and any other State agencies, as appropriate, shall prepare a report recommending the measures necessary to reduce greenhouse gas emissions to achieve the 2020 limit. The report shall include specific recommendations for legislative and regulatory action that will be necessary to achieve the 2020 limit. The report shall be transmitted to the Governor, to the State Treasurer, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate Environment Committee and the Assembly Environment and Solid Waste Committee.
- 19 c. No later than [June 30, 2010] one year after the effective date of P.L., c. (C. ) (pending before the Legislature as this 20 bill), the department, <sup>1</sup>in consultation with the Board of Public 21 <u>Utilities</u><sup>1</sup> and any other State agencies, as appropriate, shall prepare 22 23 a report recommending the measures necessary to reduce 24 greenhouse gas emissions <sup>1</sup>, including short-lived climate pollutants, <sup>1</sup> 25 to achieve the 2050 limit. The report shall include specific 26 recommendations for legislative and regulatory action that will be 27 necessary to achieve the 2050 limit <sup>1</sup>and any established interim benchmarks<sup>1</sup>. The report shall also include recommendations for 28 29 additional policies and measures that will be required if the State is 30 otherwise expected to exceed the 2020 limit and any additional 31 measures that will be required to meet the 2050 limit. The report 32 shall be transmitted to the Governor, to the State Treasurer, to the 33 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) 34 and to the members of the Senate Environment Committee and the 35 Assembly Environment and Solid Waste Committee.
- d. The Energy Master Plan Committee shall include in its adoption of the first update of the energy master plan completed after the date of enactment of [this act] P.L.2007, c.112 (C.26:2C-37 et al.), a list of recommended policies and measures to reduce the emission of greenhouse gases from the production, processing, distribution, transmission, storage, or use of energy that will contribute to achieving the 2020 limit.
- e. Nothing in **[**this act**]** P.L.2007, c.112 (C.26:2C-37 et al.) shall impose any limit on the existing authority of the department, the Board of Public Utilities, or any other State department or agency to limit or regulate greenhouse gas emissions pursuant to law.
- 48 (cf: P.L.2007, c.112, s.6)

- 5. Section 7 of P.L.2007, c.112 (C.26:2C-43) is amended to read as follows:
- 7. a. No later than [January 1, 2009] 18 months after the
- 4 effective date of P.L. , c. (C. ) (pending before the
- 5 <u>Legislature as this bill</u>), and biennially thereafter, the department
- 6 shall prepare and transmit, in writing, a report to the Governor, to
- 7 the State Treasurer, to the Legislature pursuant to section 2 of
- 8 P.L.1991, c.164 (C.52:14-19.1) and to the members of the Senate
- 9 Environment Committee and the Assembly Environment and Solid
- Waste Committee, on the status of the greenhouse gas emissions
- monitoring and reporting program established pursuant to [this act]
- 12 P.L.2007, c.112 (C.26:2C-37 et al.), the current level of greenhouse
- 13 gas emissions in the State and the progress made toward compliance
- with the 2020 limit and the 2050 limit established pursuant to [this]
- 15 act P.L.2007, c.112 (C.26:2C-37 et al.). The report shall also
- 16 include updated and comparative inventories of Statewide
- 17 greenhouse gas emissions.
- b. [No later than January 1, 2015,] As part of the reports required pursuant to subsection a. of this section, the department shall evaluate the ecological, economic, and environmental factors and the technological capability affecting the attainment or
- 22 maintenance of the 2020 limit and the 2050 limit established
- pursuant to this act.
- 24 (cf: P.L.2007, c.112, s.7)
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- <sup>1</sup>[6. (New section) a. No later than 18 months after the effective date of P.L., c. (C. ) (pending before the Legislature as this bill), the department shall develop a
- 29 comprehensive strategy to reduce emissions of short-lived climate
- pollutants in the State. In developing the strategy, the department shall:
- 32 (1) complete an inventory of sources and emissions of short-33 lived climate pollutants in the State based on available data;
  - (2) identify research needs to address any gaps in the data;
  - (3) identify existing and potential new control measures to reduce emissions;
  - (4) prioritize the development of new measures to reduce short-lived climate pollutants that offer co-benefits by improving water quality or reducing other air pollutants that impact community health and benefit disadvantaged communities, as identified by the department; and
  - (5) coordinate with other State agencies and local government units to develop measures identified as part of the strategy.
- b. The department shall hold at least one public hearing during the development of the strategy required pursuant to subsection a. of this section to receive input from members of the academic community, industry experts, and members of the public.

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1	c. Nothing in this section shall be construed to limit the
2	existing authority of the department, the Board of Public Utilities
3	or any other State department or agency to limit or regulate short
4	lived climate pollutants pursuant to law.
5	d. As used in this section, "short-lived climate pollutant'
6	means a pollutant that has a relatively short lifespan in the
7	atmosphere, from a few days to a few decades, and has a warming
8	influence on the climate that is greater than that of carbon dioxide
9	and includes, but is not limited to, black carbon, fluorinated gases
10	and methane.] <sup>1</sup>
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12	<sup>1</sup> [7.] <u>6.</u> <sup>1</sup> This act shall take effect immediately.
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17	Establishes new timeframes for implementation of, and revises
18	certain requirements in "Global Warming Response Act."