

SENATE, No. 3737

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 7, 2024

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Revises requirements for certain greenhouse gas emissions monitoring and reporting activities.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning the monitoring and reporting of greenhouse gas
2 emissions and amending P.L.2007, c.112 and P.L.2019, c.319.

3

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

6

7 1. Section 3 of P.L.2007, c.112 (C.26:2C-39) is amended to
8 read as follows:

9 3. For the purposes of P.L.2007, c.112 (C.26:2C-37 et al.):

10 "Department" means the Department of Environmental
11 Protection.

12 "Global warming potential" means the determination of the
13 atmospheric warming resulting from the release of a unit mass of a
14 particular greenhouse gas, integrated over a given time horizon, in
15 relation to the warming resulting from the release of the equivalent
16 mass of carbon dioxide.

17 "Greenhouse gas" means carbon dioxide, methane, nitrous oxide,
18 nitrogen oxides, hydrofluorocarbons, perfluorocarbons, sulfur
19 hexafluoride, hydrogen, and any other gas or substance determined
20 by the Department of Environmental Protection to be a significant
21 contributor to the problem of global warming.

22 "Statewide greenhouse gas emissions" means the sum of calendar
23 year emissions of greenhouse gases from all sources within the
24 State, and from electricity generated outside the State but consumed
25 in the State, as determined by the department pursuant to subsection
26 c. of section 5 of P.L.2007, c.112 (C.26:2C-41).

27 "Time horizon" means the duration of time used to calculate the
28 global warming potential of a greenhouse gas, including 10 years,
29 20 years, and 100 years.

30 "2020 limit" means the level of greenhouse gas emissions equal
31 to the 1990 level of Statewide greenhouse gas emissions.

32 "2030 objective" means the level of greenhouse gas emissions
33 equal to 50 percent less than the 2006 level of Statewide greenhouse
34 gas emissions, as established by Executive Order No. 274 (2021).

35 "2050 limit" means the level of greenhouse gas emissions equal
36 to 80 percent less than the 2006 level of Statewide greenhouse gas
37 emissions.

38 (cf: P.L.2007, c.112, s.3)

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40 2. Section 5 of P.L.2007, c.112 (C.26:2C-41) is amended to
41 read as follows:

42 5. a. No later than 18 months after the effective date of P.L.2019,
43 c.197, the department shall adopt, pursuant to the "Administrative
44 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
45 regulations establishing a greenhouse gas emissions monitoring and

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.

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1 reporting program to monitor and report Statewide greenhouse gas
2 emissions.

3 b. The rules and regulations adopted pursuant to subsection a.
4 of this section shall identify all significant sources of Statewide
5 greenhouse gas emissions, including short-lived climate pollutants,
6 and shall provide for, but need not be limited to, the following:

7 (1) monitoring and reporting of existing emissions and changes
8 in emissions over time from the sources identified by the
9 department including the global warming potential of the emissions
10 from each source, calculated using a 20-year time horizon;

11 (2) reporting the levels of those emissions and changes in those
12 emissions levels annually, commencing 18 months after the
13 effective date of P.L.2019, c.197. A report developed pursuant to
14 this paragraph shall be published no later than six months after the
15 end of the calendar year for which the report provides greenhouse
16 gas emissions data; and

17 (3) monitoring progress toward the 2020 limit **[and]** , the 2030
18 objective, the 2050 limit, and any interim limits.

19 c. Pursuant to the rules and regulations adopted pursuant to
20 subsection a. of this section, the department shall require reporting
21 of the greenhouse gas emissions:

22 (1) associated with fossil fuels used in the State, as reported by
23 entities that are manufacturers and distributors of fossil fuels, which
24 may include, but need not be limited to, oil refineries, oil storage
25 facilities, natural gas pipelines, and fuel wholesale and retail
26 distributors;

27 (2) from any entity generating electricity in the State and from
28 any entity that generates electricity outside the State that is
29 delivered for end use in the State. With respect to electricity
30 generated outside the State and imported into the State, the
31 department shall determine the emissions from that generation by
32 subtracting the kilowatt-hours of electricity generated in the State
33 from the kilowatt-hours of electricity consumed in the State, and
34 multiplying the difference by a default emissions rate determined by
35 the department;

36 (3) from any gas public utility as defined in section 3 of
37 P.L.1999, c.23 (C.48:3-51); and

38 (4) from any additional entities that are significant emitters of
39 greenhouse gases or indirect greenhouse gases such as hydrogen, as
40 determined by the department, and as appropriate to enable the
41 department to monitor compliance with progress toward the 2020
42 limit, the 2030 objective, and the 2050 limit.

43 d. No later than 18 months after the department prepares and
44 transmits the report as required pursuant to subsection c. of section
45 6 of P.L.2007, c.112 (C.26:2C-42), the department shall adopt,
46 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
47 (C.52:14B-1 et seq.), rules and regulations establishing interim
48 benchmarks necessary to achieve the 2030 objective, the 2050 limit,

1 and measures necessary to achieve the 2050 limit and the
2 established interim benchmarks.

3 e. The department shall contract with a provider of satellite
4 greenhouse gas sensing technology in order to facilitate the
5 greenhouse gas monitoring and reporting activities required by this
6 section. The contract may include provisions for the satellite
7 sensing technology provider to perform data analysis, modeling,
8 and other functions related to greenhouse gas emissions reporting.

9 f. Greenhouse gas emission reports issued pursuant to this
10 section may include global warming potentials that are calculated
11 using a 100-year time horizon, provided that the potentials are also
12 stated in their magnitudes calculated using a 20-year time horizon,
13 as required pursuant to section 1 of P.L.2019, c.319 (C.26:2C-59),
14 and that any calculations made using global warming potentials,
15 including those made pursuant to paragraph (3) of subsection b. of
16 this section, are made using global warming potentials calculated
17 using a 20-year time horizon.

18 (cf: P.L.2019, c.197, s.3)

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20 3. Section 1 of P.L.2019, c.319 (C.26:2C-59) is amended to
21 read as follows:

22 1. a. Whenever the Department of Environmental Protection, the
23 Board of Public Utilities, or any other State agency **calculates**
24 utilizes a global warming potential for the purposes of assessing the
25 global warming impact of a greenhouse gas, the Department of
26 Environmental Protection, the Board of Public Utilities, or other
27 State agency shall use a 20-year time horizon. This requirement
28 shall apply to any study, assessment, regulation, or incentive that is
29 conducted by, supported by, or produced for any agency in the
30 executive branch of the State government, including, but not limited
31 to, any department, board, bureau, commission, division, office,
32 council, or instrumentality thereof. The provisions of this
33 subsection shall not prevent a State agency from reporting
34 greenhouse gas emissions to federal or international jurisdictions
35 using global warming potentials calculated using a 100-year time
36 horizon, if doing so is specifically required by international treaty
37 or federal law. However, in such cases the agency shall also report
38 the greenhouse gas emissions based on a 20-year time horizon in a
39 prominent fashion.

40 b. Whenever relevant to assessing global warming impacts, the
41 Department of Environmental Protection, the Board of Public
42 Utilities, or any other State agency shall use the most recent version
43 of the Intergovernmental Panel on Climate Change's Assessment
44 Report, or a substantially similar, more recent report that addresses
45 global warming impacts at a comparably rigorous level.

46 c. Whenever the Department of Environmental Protection, the
47 Board of Public Utilities, or any other State agency performs a
48 socio-economic impact analysis pursuant to section 4 of P.L.1968,

1 c.410 (C.52:14B-4), and that analysis involves the socio-economic
2 impact of global warming, the agency shall use the lowest discount
3 rates that are consistent with federal guidelines, including the
4 federal Office of Management and Budget Circular A-94, or
5 successor guidance.

6 d. Any study, assessment, regulation, or incentive developed by
7 the Department of Environmental Protection, the Board of Public
8 Utilities, or any other State agency involving greenhouse gas
9 emissions shall include:

10 (1) methane and nitrous oxide emissions; and

11 (2) fugitive emissions or leakages at the point of generation, the
12 point of use, and at any point in the fuel supply chain.

13 (cf: P.L.2019, c.319, s.1)

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15 4. This act shall take effect immediately.

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STATEMENT

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20 This bill would make various changes to the statutory
21 requirements governing greenhouse gas (GHG) emissions
22 monitoring and reporting activities, including those carried out by
23 the Department of Environmental Protection (DEP) and the Board
24 of Public Utilities (BPU).

25 Specifically, the bill would:

26 (1) revise the definition of "greenhouse gas" to include nitrogen
27 oxides and hydrogen;

28 (2) require the DEP to provide the global warming potential of
29 the GHG emissions from each significant source of GHG emissions
30 in the State, calculated using a 20-year time horizon;

31 (3) require annual GHG reports produced by the DEP to be
32 published no later than six months after the end of the calendar year
33 for which they provide data;

34 (4) require the DEP to monitor progress toward the 2030
35 objective for GHG emissions, established by Governor Murphy in
36 Executive Order No. 274 of 2021;

37 (5) require significant emitters of indirect greenhouse gas
38 emissions, such as hydrogen, to report their emissions to the DEP;

39 (6) require the DEP to enter into a contract with a provider of
40 satellite GHG emissions data, in order to facilitate the DEP's
41 production of GHG emissions reports;

42 (7) clarify that the DEP, and other State agencies if required by
43 federal law or international treaty, may state global warming
44 potentials calculated using a 100-year time horizon, provided that
45 the potentials are also stated in terms of a 20-year time horizon,

46 (8) expand the requirement in existing law for State agencies to
47 use a 20-year time horizon for global warming potentials to include

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1 any study, assessment, regulation, or incentive that is conducted by,
2 supported by, or produced for any State agency; and
3 (9) require any study, assessment, regulation, or incentive that is
4 developed by a State agency and is related to GHG emissions to
5 include methane and nitrous oxide emissions, and fugitive
6 emissions and leakages.