

ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

STATEMENT TO **ASSEMBLY, No. 5583**

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2019

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 5583.

This bill, as amended, would prohibit a person from offering any product or equipment for sale, lease, or rent, or installing or otherwise causing to enter into commerce in the State certain restricted equipment or products that consist of, use, or will use as a substitute, hydrofluorocarbons (HFCs), or other similar substances, in accordance with timeframes established in the bill. The bill would establish the following effective dates for the restrictions:

- July 1, 2020, for: propellants; rigid polyurethane applications and spray foam, flexible polyurethane, integral skin polyurethane, flexible polyurethane foam, polystyrene extruded sheet, polyolefin, and phenolic insulation board and bunstock; and supermarket systems, remote condensing units, and stand-alone units;
- January 1, 2021, for: refrigerated food processing and dispensing equipment; compact residential consumer refrigeration products; and polystyrene extruded boardstock and billet, and rigid polyurethane low-pressure two component spray foam;
- January 1, 2022, for: residential consumer refrigeration products, other than compact and built-in residential consumer refrigeration products; and vending machines;
- January 1, 2023, for: cold storage warehouses; and built-in residential consumer refrigeration products; and
- January 1, 2024, for centrifugal chillers and positive displacement chillers.

In addition, for all other applications and end uses for substitutes not covered by the categories listed above, the effective date of the restrictions would be either July 1, 2020, or the effective date of the restrictions identified in Appendix U and Appendix V of Subpart G of 40 C.F.R. Part 82, as those appendices read on January 3, 2017, whichever is later.

The bill would require every manufacturer to disclose the HFCs and substitutes used in its products or equipment in a form and manner as determined by the Department of Environmental Protection (DEP) pursuant to rules and regulations, which may take the form of a model rule established by the United States Climate Alliance. Until such time as the DEP adopts disclosure rules, a manufacturer would be required to use labeling that provides sufficient disclosure of the use of substitutes in the product or equipment.

Except where existing equipment is retrofitted, a person would be permitted to continue using a product or piece of equipment that was manufactured prior to the effective date of a restriction. A product or equipment manufactured prior to the applicable effective date of the restriction specified in the bill could be sold, imported, exported, distributed, installed, and used after the effective date. Additionally, the bill provides that nothing in the act shall be construed to impose liability on news media that accept or publish advertising for any equipment or product that is otherwise prohibited under the bill.

Under the bill, no later than one year after enactment by another state of restrictions on substitutes for new light duty vehicles, the DEP would be authorized to adopt restrictions applicable to the sale, lease, rental, or other introduction into commerce by a manufacturer of new light duty vehicles consistent with the restrictions identified in appendix B of Subpart G of 40 C.F.R. Part 82, as that appendix read on January 3, 2017. If the United States Environmental Protection Agency (EPA) approves a previously prohibited HFC blend with a global warming potential of 750 or less for foam blowing of polystyrene extruded boardstock and billet and rigid polyurethane low-pressure two-component spray foam pursuant to the significant new alternatives policy program established pursuant to the federal “Clean Air Act,” the DEP would be authorized to propose a rule to conform the restrictions established under the bill to the federal action.

In addition, the bill would require the DEP, no later than December 1, 2020, to prepare and submit to the Governor and the Legislature a report providing recommendations on how to increase the use of substitutes for HFCs that reduce overall risk to human health and the environment in mobile sources, utility equipment, and consumer appliances, and how to reduce other uses of HFCs in the State, including recommendations, if deemed appropriate, concerning how to structure, fund, and prioritize a State incentive program to reduce uses of HFCs in the State.

Finally, the bill includes a severability clause, providing that if any provision or its application to any person is held invalid, the remainder of the bill or the provision’s application to other persons or circumstances is not affected.

COMMITTEE AMENDMENTS

The committee amendments to the bill:

(1) prohibit a person from otherwise causing any equipment or product that is prohibited under the bill from entering into commerce in the State;

(2) provide that equipment that is retrofitted would be subject to the prohibitions in section 1 of the bill, and provide a definition for the term “retrofit”;

(3) change the effective date for the prohibition on the products and equipment listed in paragraph (1) of subsection b. of section 2 of the bill from January 1, 2020 to July 1, 2020;

(4) change the effective date for the prohibition on vending machines from January 1, 2020 to January 1, 2022;

(5) change the potential effective date for the prohibition on all other applications and end uses for substitutes not covered by the categories listed in the bill from January 1, 2020 to July 1, 2020;

(6) provide that, no later than one year after enactment by another state of restrictions on substitutes applicable to new light duty vehicles, the DEP may adopt restrictions applicable to the sale, lease, rental, or other introduction into commerce by a manufacturer of new light duty vehicles consistent with the federal restrictions;

(7) provide that if the EPA approves a previously prohibited HFC blend with a global warming potential of 750 or less for foam blowing of polystyrene extruded boardstock and billet and rigid polyurethane low-pressure two-component spray foam pursuant to the significant new alternatives policy program established pursuant to the federal “Clean Air Act,” the DEP may propose a rule to conform the requirements established under the bill with that federal action;

(8) remove language that requires a manufacturer’s disclosure of the HFCs and substitutes in its products to take the form of a label on the equipment or product. The bill would instead require that a manufacturer disclose the HFCs and substitutes in a form and manner as determined by the DEP pursuant to rules and regulations;

(9) provide that, until the DEP adopts disclosure rules under the bill, a manufacturer is required to use labeling that provides sufficient disclosure of the use of substitutes in the product or equipment;

(10) remove a provision in the bill requiring a manufacturer to annually notify the DEP of the types of products and equipment containing HFCs that the manufacturer sells, offers for sale, leases, installs, or rents in the State;

(11) provide that, in lieu of submitting a separate report pursuant to section 6 of the bill, the DEP may include the information required to be submitted under that section in the report required pursuant to subsection c. of section 6 of the “Global Warming Response Act,” P.L.2007, c.112 (C.26:2C-42);

(12) remove section 7 of the bill, which would have required the DEP, in consultation with the Department of the Treasury, to establish a purchasing and procurement policy that provides a preference for

products that are not restricted under the bill and uses substitutes with low global warming potential;

(13) provide that nothing in the bill shall be construed to impose liability on any news media that accept or publish advertising for any product that would otherwise be subject to the provisions of the bill.

(14) add a severability clause to the bill; and

(15) make technical changes.