

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3207
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: FEBRUARY 7, 2019

SUMMARY

Synopsis: Establishes new timeframes for implementation of certain requirements in “Global Warming Response Act”; requires DEP to adopt strategy to reduce short-lived climate pollutants.

Type of Impact: Annual 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 Expenditure Increase | | Indeterminate. | |

- The Office of Legislative Services (OLS) estimates the bill would result in an indeterminate increase in annual State expenditures, since it imposes additional research, planning, and administrative responsibilities on the Department of Environmental Protection (DEP).
- The bill requires the DEP to establish a program that monitors and reports annually on Statewide greenhouse gas emissions. The bill also requires the DEP to prepare biennial reports on the status of the program. These requirements would impose additional administrative burdens on the DEP, and may require hiring new staff.
- The bill requires the DEP to prepare a report that recommends strategies to meet the 2050 goal for Statewide greenhouse emissions, which was established by the 2007 "Global Warming Response Act." This bill also requires the DEP to develop a strategy to reduce emissions of short-lived climate pollutants. These requirements would also impose additional administrative burdens on the DEP.

BILL DESCRIPTION

This bill would establish new timeframes for the implementation of certain requirements in the “Global Warming Response Act” (GWRA), and require the DEP to adopt a strategy to reduce short-lived climate pollutants.

This bill would establish new timeframes for the completion of the Legislature's directives in the GWRA. The GWRA required the DEP to, among other things, adopt rules and regulations establishing a greenhouse gas emissions monitoring and reporting program, prepare biennial reports on the status of this program, and make recommendations for legislative and regulatory action necessary to accomplish the 2050 goal for reductions in greenhouse gas emissions.

Under this bill, within 18 months after the date of enactment of the bill into law, the DEP would be required to adopt rules and regulations establishing a greenhouse gas emissions monitoring and reporting program. In addition, within 18 months after the date of enactment, and biennially thereafter, the DEP would be required to prepare a report on the status of the greenhouse gas emissions monitoring and reporting program, the current level of greenhouse gas emissions in the State, and the progress made toward compliance with the goals established in the GWRA. The bill would also require the DEP, within one year after the date of enactment, to prepare a report recommending additional measures necessary to reduce greenhouse gas emissions to achieve the 2050 goal.

Lastly, the bill would also require the State to develop a comprehensive strategy to reduce emissions of short-lived climate pollutants in the State.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate increase in annual State expenditures. The OLS cannot quantify this increase due to the unavailability of pertinent information.

The bill requires the DEP to establish a new program to monitor and report greenhouse gas emissions in the State. The costs of this program are difficult to estimate, because the DEP might implement this program in a variety of different ways. It might develop regulations to require emitters of greenhouse gases to measure and report emissions, which could likely be achieved using existing staff. Alternatively, the DEP might choose to collect and process data from a wider variety of sources, which would likely require hiring new full-time staff members.

The bill also requires the DEP to adopt rules and regulations to establish the program, and to prepare biennial reports on its status. Without information from the DEP, the OLS cannot determine whether it has sufficient staff and resources to perform the additional administrative duties.

In addition, the bill requires the DEP to prepare a report that recommends strategies to meet the 2050 goal for Statewide greenhouse emissions. The costs of this report could vary widely depending on the depth of the study that the DEP chooses to undertake. A comprehensive study that examined policy options for achieving reductions in greenhouse gas emissions was completed in 2017 by Rutgers University, and was estimated to cost approximately \$250,000. That study, however, did not examine the economic impact of the policies, nor whether the policies, if implemented, would result in achievement of the 2050 goals, both of which are required by the report mandated by the bill. On the other hand, the DEP recently released a brief report entitled "2050 GHG Emissions Scenarios Report Online," which analyzed four different

scenarios related to prospective greenhouse gas emissions, so it may have the capacity to produce the report required by the bill using existing staff and resources.

Finally, the bill requires the DEP to develop a strategy to reduce emissions of short-lived climate pollutants. Again, the costs of developing this strategy could vary depending on the approach that DEP chooses to take. Without information from the DEP, the OLS cannot determine whether it has sufficient staff and resources to handle this additional requirement.

Section: Environment, Agriculture, and Natural Resources

*Analyst: Eric Hansen
Assistant Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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