

**LEGISLATIVE FISCAL ESTIMATE**

[Second Reprint]

**SENATE, No. 3207**

**STATE OF NEW JERSEY  
218th LEGISLATURE**

DATED: MARCH 29, 2019

**SUMMARY**

- Synopsis:** Establishes new timeframes for implementation of, and revises, certain requirements in "Global Warming Response Act."
- Type of Impact:** Annual expenditure increase from the General Fund.
- Agencies Affected:** Department of Environmental Protection; Board of Public Utilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Expenditure Increase</b>		Indeterminate	

- The Office of Legislative Services (OLS) estimates that bill will 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) and the Board of Public Utilities (BPU).
- 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 tasks on the DEP, and may require hiring new staff.
- The bill requires the DEP, in consultation with BPU, 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" (GWRA). This requirement would impose additional administrative tasks on the DEP and BPU.
- The bill requires the DEP to prepare rules and regulations establishing interim benchmarks necessary to meet the 2050 limit and measures necessary to achieve such benchmarks and the 2050 limit. This requirement would impose additional administrative tasks on the DEP.

## **BILL DESCRIPTION**

This bill would establish new timeframes for the implementation of, and revise, certain requirements 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. These rules and regulations are to identify all significant sources of Statewide greenhouse gas emissions including short-lived climate pollutants, and 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; and (3) monitoring progress toward the 2020 limit and the 2050 limit and any interim limits.

The bill would require, no later than one year after the bill is enacted into law, the DEP, in consultation with BPU, and any other State agencies, as appropriate, to prepare a report recommending the measures necessary to reduce greenhouse gas emissions, including short-lived climate pollutants, to achieve the 2050 limit. The report is to include specific recommendations for legislative and regulatory action that will be necessary to achieve the 2050 limit and any established interim benchmarks. The bill would also require the DEP, no later than 18 months after submitting this report, to adopt rules and regulations that implement the report's recommendations, by establishing (1) interim benchmarks necessary to achieve the 2050 limit, and (2) measures necessary to achieve the 2050 limit and the established interim benchmarks.

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.

## **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. The DEP 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. This will impose additional administrative duties on the DEP, which could likely be accomplished with existing staff.

The bill also requires the DEP, in consultation with BPU, 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 whether the policies, if implemented, would result in achievement of the 2050 goal as well as any interim goals, which is required by the report mandated in the bill. On the other hand, the DEP recently released a 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 a basic report that fulfills the bill's requirements using existing staff and resources.

Finally, the bill requires the DEP to adopt rules and regulations that implement the recommendations of this report, by establishing interim greenhouse-gas-emission benchmarks and measures necessary to achieve these benchmarks and the 2050 goal. This rulemaking process will add to the DEP's administrative workload and may result in a marginal one-time expenditure increase approximately 30 months after the effective date of the bill.

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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 (C.52:13B-6 et seq.).