



October 8, 2020

VIA ELECTRONIC MAIL

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RE: REDUCING CO₂ EMISSIONS: STATIONARY SOURCES; ADVANCED CLEAN TRUCKS, HEAVY DUTY ENGINES AND VEHICLES, FLEETS & DRAYAGE TRUCKS

To Whom It May Concern:

On behalf of our members, the Chemistry Council of New Jersey (CCNJ) appreciates the opportunity to provide the following preliminary comments to the New Jersey Department of Environmental Protection (NJDEP) on the above-mentioned carbon dioxide (CO₂) emissions reduction topics related to the New Jersey Protecting Against Climate Threats (NJPACT) rulemaking efforts:

General Comments

- All forms of energy are needed now and as a bridge to the future.
- CCNJ member companies are committed to conducting operations in a sustainable and environmentally responsible manner while pursuing business goals which add to New Jersey's economic recovery. To that end, they have invested in voluntary programs to help reduce their overall greenhouse gas (GHG) emissions. Any future regulations should take these efforts into account, and companies should be provided some credit and not penalized for taking early action on reducing emissions and improving overall efficiencies before any actual requirements were in place. Early actors have the potential of being held to a more difficult standard to reduce their emissions further than those who have done very little thus far.
- The NJPACT rulemaking process should be transparent, allow for all stakeholders to participate, and not be truncated.
 - We strongly encourage the NJDEP to hold follow-up stakeholder meetings as their rule writing efforts progress, and also share draft regulation language prior to the publication of any final rule proposal to promote open communication and transparency.
- The NJDEP should also be transparent about the implementation costs, including costs of subsidies, rebates, and other costs funded directly or indirectly by taxpayers, ratepayers, and consumers. Unintended, negative economic consequences with far-reaching impacts need to be considered when developing these proposed rules.

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- We recommend that the NJDEP consider a phase-in approach for this rulemaking and overall strategy. We see NJPACT as a multi-decade transition that needs to allow for technology and economics to realign.
- Considering that climate threat is a global phenomenon that cannot be solved by a single state, the NJDEP should review existing models (e.g. Europe) and not try to invent yet another approach, especially with its limited resources.
- The NJDEP should take the on-going COVID-19 pandemic into consideration as it has significantly reduced GHG emissions, and is anticipated to have a lasting impact on not only CO₂ emissions but also taxpayers, which are stakeholders who should be factored in.

Stationary Sources ([September 3, 2020](#))

- The NJDEP should provide stakeholders with compliance timing for the carbon intensity threshold and any plans to lower this standard.
- We urge the NJDEP to exclude/exempt cogeneration facilities and Electric Generating Units (EGUs) of a certain size (i.e. 25 megawatts (MW)) from having to comply with a CO₂ emissions limit. There should also be an exclusion for larger “inside the fence” power plants that sell less than a certain percentage (e.g. 25%) of their power to the grid.
 - There should be no expansion in capacity of the current Regional Greenhouse Gas Initiative (RGGI) applicability to regulated sources.
- Hydrocarbon-based fuel sources will continue to play a role in the world’s transportation energy needs for many years and have played a critical role in GHG emissions reduction to-date.
 - We recommend that the NJDEP consider new and emerging technologies, such as carbon capture/sequestration and renewable natural gas and hydrogen, in their framework.
- We oppose the unnecessary banning of installations of new fossil fuel boilers. Manufacturers have been required to comply with the U.S. Department of Energy (DOE) energy conservation standards since the 1990s. In addition, with the abundance of inexpensive natural gas, new installations are likely to use this low carbon intensity fuel. The market-driven switch to natural gas has netted New Jersey significant GHG reductions over the last 10 years; there is no reason to believe that this will not continue.
- For similar reasons as the above bullet, we oppose the NJDEP denying permit renewals of existing fossil fuel boilers. Through boiler replacement and, again, market-driven forces of abundant, inexpensive low carbon intensity fuels, regulating fossil fuel boilers in this way is unnecessary.

Advanced Clean Trucks, Heavy Duty Engines and Vehicles, Fleets & Drayage Trucks ([September 10, 2020](#))

- Policy should be technology-neutral. Alternative fuels and hybrid powertrains should be able to compete and can support New Jersey’s goal of reducing GHG and NO_x emissions quickly and cost effectively.
- Mandates for electric vehicles could raise concerns not only with supply chain constraints but also with the availability of certain critical minerals.
- Massive electrification would require significantly more critical minerals. Given challenges regarding permitting of new mines in the United States, our nation would be overly reliant on foreign nations for minerals needed for mass electrification.
- Massive electrification would also drive the need for significant additional power generation.

We would like the record to reflect our support of any comments submitted by CCNJ Regular Members.

Thank you for your consideration of our comments on this very important rulemaking effort. We look forward to continuing to work with the NJDEP on this and other matters of critical importance to CCNJ members. If I can be of further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to be 'DH', with a long horizontal flourish extending to the right.

Dennis Hart
Executive Director