



March 10, 2020

TO: NJDEP - PACT: Reducing CO2 Emissions
FROM: Eric DeGesero, Executive Vice President

The Fuel Merchants Association of New Jersey (FMA) represents distributors of heating oil, gasoline, and diesel fuel in the state.

The NJDEP has asked for stakeholder input on reducing CO2 emissions from non-electric generating units (EGU) on both a short and long term basis as presented by the NJDEP on February 25, 2020.

CO2 Reductions vs GHG Reductions

FMA respectfully requests the NJDEP explain why it is limiting the reduction of greenhouse gases (GHG) to only CO2 emissions and not all GHG emissions?

On February 21, 2020 the NJDEP proposed methods for creating an inventory of and reporting procedures for GHG emissions. At that meeting the NJDEP handed out copies of NJSA 26:C-41 which was amended by the Legislature and signed by Governor Murphy on July 23, 2019. The amendments specifically included “short-lived climate pollutants” in not only the monitoring and reporting provision (NJSA 26:2C-41) but also the in the provision to reduce greenhouse gas emissions (NJSA 26:2C-42). The Legislative Findings and Declarations specifically lists methane as a “short-lived climate pollutant (NJSA 26:2C-38).

Why then is the NJDEP singling out CO2 among all GHGs for reductions, as opposed to “...greenhouse gas emissions, including short lived climate pollutants...” in direct contravention of NJSA 26:2C-42c?

Measures to Reduce CO2 Emissions

An action that the NJDEP should take to reduce CO2 emissions from non-EGUs is to require the use of liquid fuels with a lower CO2 profile than is provided for by current liquid fuels. For example, require the use of liquid distillate fuels in any regulated application that have greater than a 5% by volume concentration of ASTM 6751 specification Biodiesel.

Attached with this submission is a pathway that the heating oil industry is embarking on to reduce the carbon content of our fuel until it is net carbon neutral. Our analysis includes a complete life-cycle analysis of CO2 emissions and does not impact the food vs. fuel argument since biodiesel is made from the byproducts of soybean production and not a diversion of foodstuffs as is the case with ethanol currently. To implement this will require ramping up over time the use of biodiesel blends which is far less disruptive to regulated non-EGUs than would a conversion to another source of heat/power, such as electricity.

Requiring the use of a different blend of fuel than is currently available to regulated facilities is not without NJDEP precedent. Prior to the statewide adoption of ultra-low sulfur heating oil the NJDEP required as a condition of the general permit for regulated facilities' air permits that the facility only use ultra-low sulfur heating oil.

FMA welcomes the opportunity to discuss this option in further detail with the NJDEP.