



March 5, 2020

TO: NJDEP - PACT: GHG Monitoring & Reporting Rule
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 to three questions posed by the NJDEP on the presentation given February 21, 2020.

- a) Are there additional obstacles or costs associated with reporting fuel sales directly to the Department?
- b) Are there any concerns in proceeding as described for this sector?
- c) Are there better ways to collect GHG monitoring and reporting information from fossil fuel manufacturing and distribution that the Department should consider?

Are there any concerns in proceeding as described for this sector?

FMA is gravely concerned that there will be double, or even triple, counting of the same unit of fossil fuel.

For example, a refinery manufactures a gallon of fossil fuel - Gallon A1Z2 - from crude oil into gasoline. Gallon A1Z2 is then moved from the refinery to the distribution terminal where it is sold to a fuel distributor. The fuel distributor then delivers Gallon A1Z2 to a service station. Depending on how and at what level of distribution the NJDEP requires reporting Gallon A1Z2 could be counted three times.

FMA's concern is underscored by the NJDEP's response to our question on this matter at the February 21, 2020 stakeholder meeting.

The NJDEP stated that Gallon A1Z2 would be reported in the refinery's report as an industrial emission. The NJDEP then went on to state that it is still considering using vehicle miles traveled as a proxy for transportation fuels at retail. Either way Gallon A1Z2 is being counted twice. This will overstate the contribution of Gallon A1Z2 to CO2 emissions and if a fee were to be associated with fossil fuel emissions, the fee would be assessed more than once.

FMA believes our answer to c) obviates our concern.

Are there better ways to collect GHG monitoring and reporting information from fossil fuel manufacturing and distribution that the Department should consider?

Federal law requires fuel distributors to report sales by sector (residential, commercial, on-highway, farm, retail, etc.) to the Energy Information Administration. Some reports are annual, some monthly, and some weekly. [Here](#) is the EIA list of reports by type and timeframe that the petroleum industry already submits.

The Department acknowledged the existing federal reporting at the stakeholder meeting and stated that it wanted to try and “mirror” the federal requirement. Why doesn’t the Department simply take the information already submitted to and reported by EIA? EIA’s data is deemed authoritative by policymakers, regulators, and financial markets so why do anything other than require the exact same submission?

N.J.S.A. 26:2C-41c.(1) and Governor Murphy Executive Order 100 Paragraph 1a both mandate that this information be reported to the Department but neither proscribe how it is to be done. As such FMA believes that using the EIA data complies with the mandate. If the NJDEP disagrees, please explain why. Furthermore if the NJDEP disagrees, it should simply take a duplicate EIA submission.