
Committee Meeting

of

ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

Assembly Bill No. 3301

(The "Global Warming Response Act")

LOCATION: Committee Room 9
State House Annex
Trenton, New Jersey

DATE: February 26, 2007
2:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John F. McKeon, Chair
Assemblyman Robert M. Gordon, Vice Chair
Assemblyman Charles T. Epps Jr.
Assemblywoman Linda R. Greenstein
Assemblyman Louis M. Manzo
Assemblyman Larry Chatzidakis
Assemblyman John E. Rooney



ALSO PRESENT:

Carrie Anne Calvo-Hahn
Kelli B. Kely
Office of Legislative Services
Committee Aides

Kate McDonnell
Assembly Majority
Committee Aide

Thea M. Sheridan
Assembly Republican
Committee Aide

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

TABLE OF CONTENTS

	<u>Page</u>
William Amann President M&E Engineers, and Treasurer U.S. Green Building Council New Jersey Chapter	2
Michael C. Trachtenberg, Ph.D. Chairman, Chief Executive Officer, and Director of Research Carbozyme, Inc.	10
Glen D. Gilmore Mayor Hamilton Township	12
John Hazen Director Legislative Affairs New Jersey Department of Environmental Protection	14
Ed Wengryn Representing New Jersey Farm Bureau	18
Carlos Rodrigues Vice President and New Jersey Director Regional Plan Association	20
John A. Maxwell Associate Director New Jersey Petroleum Council	22
Assemblywoman Linda Stender District 22	27
Michael Egenton Vice President Environment and Transportation New Jersey Chamber of Commerce	27

TABLE OF CONTENTS (continued)

	<u>Page</u>
Michael L. Pisauro Jr., Esq. Legislative Director New Jersey Environmental Lobby	30
Tim Dillingham Executive Director American Littoral Society	33
APPENDIX:	
Outline submitted by Michael C. Trachtenberg, Ph.D.	1x
Statement submitted by Carlos Rodrigues	7x
Memorandum addressed to Assembly Environmental and Solid Waste Committee from Sara Bluhm Assistant Vice President New Jersey Business and Industry Association	11x
Testimony, plus attachments submitted by Suzanne Leta Liou Global Warming and Clean Energy Advocate Environment New Jersey	13x
rs: 1-45	

ASSEMBLYMAN JOHN F. McKEON (Chair): Carrie, if you could, there's a technical announcement as it relates to transcription. You mentioned it to me before. You said everybody should be noted.

MS. CALVO-HAHN (Committee Aide): Yes. We're going to be transcribing the testimony for A-3301. So if all the speakers could pronounce their names when they come up to speak; and just note that it's being transcribed.

Thank you.

ASSEMBLYMAN McKEON: All right then. The last bill is A-3301, put forward by Assemblywoman Stender -- the Global Warming Response Act.

Here is what -- how we're going to run things on a going-forward basis today. We had, last week, about four hours of testimony that we took while in West Orange, as we said we would, at an official Committee hearing. We took a bunch of testimony in writing besides the verbal testimony. There has been additional e-mails and other written materials that have been forwarded to us since that time.

I'm going to use the prerogative of the Chair to keep those who have already testified -- to note that we remember and recall your testimony very well from the last hearing. For those members that couldn't be here, they'll have caught up through the transcripts and the like, and certainly would be in a position to ask any questions that they need to of the sponsor or any of the other witnesses who will testify.

Please follow our example, as you'll see none of the members -- including even the sponsor -- are going to speak upfront. We'll reserve our comments when we vote. And we'll have the sponsor be in a position to

sum up, as she is not substituting in today as we have a full composite of members. Although, Assemblywoman Greenstein is here substituting in, which we appreciate you being here for Assemblyman Panter.

Thank you very much, Linda.

As I promised at the end of the hearing last time, there were two individuals in West Orange -- when we cut the hearing off at 10:00 -- who I said would be the first to speak today when we came to Trenton. The first individual I'm going to call is William Amann, of U.S. Green Building Council.

Bill, please come on up.

WILLIAM AMANN: Thank you.

I'd like to thank Assemblyman McKeon and the Committee for the opportunity to speak on this important issue.

My name is William Amann. I am a graduate of Rutgers University, with degrees in Industrial Engineering and Economics. I'm a registered professional engineer in the State of New Jersey. I'm the President of M&E Engineers, which provides engineering design services to many private companies and public agencies, including the great State of New Jersey. Additionally, I volunteer on the Board of Directors for the U.S. Green Building Council, New Jersey Chapter, and currently serve as Treasurer.

I am here today on behalf of the U.S. Green Building Council. I wish to express our strong support for the Global Warming Response Act. We have 700 architects, engineers, and industry professionals here in New Jersey that have been trained and accredited in the LEED Green Building program, which stands for Leadership in Energy and Environmental Design.

We believe that Assembly Bill A-3301 is a great example of leadership in energy and environmental policy that is desperately needed.

The latest report from the Intergovernmental Panel on Climate Change confirms that greenhouse gas emissions are affecting our climate, and the economic impact on our economy will be devastating if we do not act decisively to reduce these emissions now. According to the U.S. Department of Energy, buildings in the U.S. consume 37 percent of our total energy consumption, 68 percent of our electricity, and generate 36 percent of the carbon dioxide we emit. The U.S. Green Building Council and our industry professionals are here to tell you that there are many technologies, techniques, and approaches we can apply today to make a huge impact on this problem. Assembly Bill A-3301 is a first step in making these practices the accepted norm.

The U.S. Green Building Council was formed in 1993 and has grown to more than 7,500 member organizations and 91,000 industry representatives, including architects, engineers, product manufacturers, energy service firms, public agencies, and contractors. Green building is now a \$7 billion industry, and growing exponentially. Our motto is, "Build Green, Everyone Profits." This is in recognition of the fact that in order for a sustainable building program to be sustainable, it must be economically viable. The results of our program, which now has more than 5,000 registered building products, demonstrate energy savings of 30 percent on average. In addition, buildings built according to our program realize energy efficiencies; and efficiencies of human occupants, with lower absenteeism and improved productivity. The resulting return on investment has been shown to be 50 percent or more. That is why you can

now see LEED certified buildings here in New Jersey, such as 30 Hudson Street, in Jersey City, built by Goldman Sachs; and many new branches built by PNC Bank. These leading financial firms recognize that our buildings are financial assets that need to be optimized.

Contrary to popular belief that green buildings are more expensive than traditional buildings, we have the case studies to show that they can be built for the same or lower cost. In fact, PNC has found that they save \$100,000 at every branch they build according to the LEED standard.

Our message to you is that we have the means, methods, and technologies to make measurable reductions in energy and our greenhouse emissions. The U.S. Green Building Council has signed on with the American Institute of Architects, the American Society of Heating and Refrigeration Engineers, and other organizations to support the Wingspread Principles to reduce our carbon footprint. These goals include a commitment to reduce our greenhouse gas emissions by 60 percent by 2010, and to be carbon neutral by 2030. These initiatives are happening because our industry recognizes our responsibility to address this problem. Despite a lack of leadership from the Bush administration, we have seen green building and global warming initiatives adopted in California, New York City, Boston, and numerous other states and cities.

While we will continue to press for Federal incentives and policies, it is clear that the expression, "Think Globally, Act Locally," is now critically relevant. We must not hesitate in pushing forward to address this pressing issue.

We endorse the proposals put forth by Environment New Jersey to double the funding for our successful SmartStart program. Furthermore, we believe there are many opportunities to enhance our position in the energy sector. We encourage our fine engineering schools and NJHEPS to establish curricula and degree programs for HVAC and power production engineering.

Conservation is our least expensive form of energy. And the DCA can make real improvements in our energy codes. We can raise the rebate cap in the SmartStart program for our larger industrial customers. We can leverage our position as a major energy consumer to promote clean fuels and discourage dirty coal production in other states. We must continue to fund our incredibly successful solar energy program. And critically important is the need to conduct energy audits on our existing buildings, which offer a huge opportunity to reduce the energy we use right now.

We recognize the concerns expressed by the industrial and energy sectors that our actions cannot put New Jersey at a competitive disadvantage. We agree that there are issues such as leakage and market concerns with the Regional Greenhouse Gas Initiative that need to be addressed. But we urge the Legislature to provide the DEP with the authority to formulate the regulations and policies to promote this investment in our future, to provide the financial incentives to attract capital and reduce our energy costs and expenses, and make New Jersey one of the recognized leaders as a healthy and viable place to live and work.

We urge you to pass Assembly Bill 3301. And, again, thank you for this opportunity to present our encouragement and commitment to make New Jersey a leader in the efforts to reduce global warming.

Thank you.

ASSEMBLYMAN McKEON: Bill, thank you very much.

I know there is--

ASSEMBLYMAN ROONEY: John.

ASSEMBLYMAN McKEON: Yes, sir.

I know there are a number of bills that will come up over and above this one relating to green building in general -- that we're going to try to incentivize builders of future construction and reconstruction throughout the state. So we look forward to working with you.

Thank you for your testimony.

Assemblyman.

ASSEMBLYMAN ROONEY: (indiscernible) met Cavanetti (phonetic spelling).

MR. AMANN: No.

ASSEMBLYMAN ROONEY: Different-- Okay, just curious.

The SmartStart program that you mentioned-- Could you give us an overview on that, what it really comes down to?

MR. AMANN: SmartStart is an incentive program that's funded out of the Board of Public Utilities, that promotes or encourages companies, individuals, whomever, to install more efficient equipment, do lighting retrofits, use high-efficiency equipment, additional insulation, etc., to reduce energy. And there's a rebate incentive for them to do that. And it offsets some of those costs and provides a quicker payback.

ASSEMBLYMAN ROONEY: I don't know if it's any different now than when I was looking at it some years ago -- it seems that most of the money in the SmartStart program goes into, basically, people like yourselves -- engineers -- to do the work on that, rather than have the power companies tell the customers how to do it themselves. It's a simple program in order to save energy in a building.

I have a copy of the Green Building program that goes back to 1993, as a matter of fact. And right in there it shows you, on HVAC systems, that if you went from an outlet damper to inlet vein, to a variable speed system, you would save probably about two-thirds of your energy costs. The same thing is true if you switched over to energy-efficient motors in your building. You'd save a big chunk of change there.

One of the things I've always had a problem with: the New Jersey system -- as compared to New York, where Con Edison had the smart -- actually, the Apple Power Program -- was, they gave the, basically, benefits directly to the customer. In other words, if you're putting in -- or changing your building out, they would actually give you the rebate to pay for the equipment instead of having an engineer hired. And I appreciate that engineers have to make a living. I'm not trying to take your living away.

But what I've seen in New Jersey -- and this has been the problem all along, this is why we don't have energy efficiency -- most of the money that's put into it by these incentives doesn't go for the changeover, but goes for the engineer to design a changeover and to reinvent the wheel.

No, I disagree. I'm in the electrical industry. I used to teach

this at NYU, and a few other things on how to save energy. I know from which I speak. I've gone before the Energy Association.

Bill-- Where's Bill?

Jane Kelly -- what association was she in charge of many years--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Utilities Association.

ASSEMBLYMAN ROONEY: Utilities Association.

ASSEMBLYMAN McKEON: Yes, I don't--

ASSEMBLYMAN ROONEY: I just want to just--

ASSEMBLYMAN McKEON: Assemblyman, none of us doubt that you know from which you speak. We know you well.

ASSEMBLYMAN ROONEY: No, I just want to say that--

ASSEMBLYMAN McKEON: But I just need you to logistically -- because we're transcribing these -- to speak into your microphone.

ASSEMBLYMAN ROONEY: I apologize for not being at the meeting. I told you I spent at least an hour on the Palisades Parkway.

ASSEMBLYMAN McKEON: Don't be silly. Take your time. I just want you to talk into the microphone so they can get the transcription.

ASSEMBLYMAN ROONEY: Okay.

At the last meeting, I was stuck on the Palisades Parkway for over an hour, and I went two miles. And then I heard there were more accidents on the way down, so I had to turn around and go back. So my apologies for not being there.

But I will probably deal with that same question a little bit later. I think the way New Jersey has gone about it in the past-- And if the

SmartStart program is the same as it was before, I'm going to have a major problem with it.

So thank you for your testimony.

Feel free to respond.

MR. AMANN: Thank you.

I'm not sure-- I believe it's changed, because there are very limited funds available during the design process for-- There is some incentive during the design process. And it involves collaboration with the gas, or electric, or utility involved. But most of the moneys-- By far, the large share of the moneys that I see -- because we've collected, on behalf of our clients, a lot of -- a substantial amount of money. And it goes directly to the clients, directly for the equipment.

ASSEMBLYMAN ROONEY: That's my problem. In order to basically get into the SmartStart program, you have to have an engineer to make the application, from what I remember. If it's different, then--

MR. AMANN: It's better.

ASSEMBLYMAN ROONEY: Then it's better. I would ask the people on the utility end of it to give me copies of it so I could see.

Thank you.

ASSEMBLYMAN McKEON: Okay.

Seeing no other questions, Bill, thank you very much.

Mike Trachtenberg, of Carbozyme, Inc.

Again, we're really sorry we didn't reach you in West Orange.

And then we have new witnesses signed up. And I know we have Mayor Gilmore, who is here. And in deference to his schedule, we will call him next.

MICHAEL C. TRACHTENBERG, Ph.D.: Mr. Chairman, ladies and gentlemen, thank you very much for listening to my testimony.

My name is Michael Trachtenberg. I am the CEO of Carbozyme. Carbozyme is a development-stage company that is focusing on producing new membrane systems for the selective capture and enrichment of carbon dioxide. We are currently working under Department of Energy funding in excess of \$7.5 million. We are working with a number of large utilities here in the state.

So I'd like to tell you, first and foremost, that there are new processes, that will soon come online, that will be capable of capturing carbon dioxide from both natural gas and coal-fired power plants.

I would guess, in all reality, that we're looking at about four years or so before those will be commercially viable. The key is to reduce the cost of energy so as not to derate the power plant so much that one needs new construction in order to compensate. And the magic number is something under 20 percent. Above that, you're starting to look at significant infrastructure additions, not simply at power plants, but also in terms of rail lines, coal supply, and a variety of other infrastructure elements. Currently, our technology is looking at about 12 percent. And the DOE target is 10 percent. Therefore, I think that our technology provides a vehicle in support of 3301, namely a cost-effective method for CO₂ capture.

Let me switch now and discuss a couple of problems, as a concerned citizen. That is that New Jersey does not have a wealth of sites at which to dispose of that CO₂. The current Department of Energy model is three stages: capture, transportation -- primarily by pipeline -- and storage

in deep geologic reservoirs, with the object of storing that CO₂ for thousands of years safely.

They're making considerable progress towards that end. However, that is not a terribly viable alternative for New Jersey, in as much as there is only one deep saline reservoir in the local area, and it is offshore, near Atlantic City. Therefore, one would have to develop a substantial pipeline facility capability and a deep-well drilling capability in order to dispose of this CO₂. In separate activities, we are looking at new technologies for turning the carbon dioxide into carbonates and bicarbonates to provide both solid and liquid storage vehicles in and apart from the high-pressured gas.

Secondly, I'd like to call your attention to some work we are just beginning that converts carbon dioxide back into hydrocarbon fuels. In other words, we can convert CO₂ into gasoline by a biotechnology-driven biofuels process, in contrast to an agricultural-driven biotechnology process. Our current estimates are that the cost of gasoline by this matter would be on the order of \$1.00 to \$1.25 to manufacture. This compares with about \$0.75 today from a gallon -- for a gallon of gasoline from crude oil, and about \$2.39 for a gallon of ethanol, realizing that ethanol has only 70 percent of the energy capacity of gasoline.

So I want to keep my remarks brief, but I do want you to be aware of the fact that there are interesting opportunities available for dealing with the capture, the storage, and the utilization of carbon dioxide.

Let me close in pointing out the extreme benefits of the CO₂ conversion to gasoline, or gasoline equivalents: and that is a benefit in terms of the balance of payments, a benefit in terms of energy security, and

the fact that we are now reducing the overall CO₂ output by 23 percent by carrying out this conversion, in essence getting two bites at the apple for the same cost.

I thank you very much for your attention, and would be delighted to take any questions.

ASSEMBLYMAN McKEON: Dr. Trachtenberg, thank you for your testimony.

Any questions from members? (no response)

Seeing none, Mayor.

Thank you, again, doctor.

If you can get those technologies commercially viable within two years, we'd appreciate it. (laughter)

DR. TRACHTENBERG: A little bit of funding, and we will fast track.

ASSEMBLYMAN McKEON: It just takes money, that's all.

MAYOR GLEN D. GILMORE: Thank you, Mr. Chairman.

Glen Gilmore, the Mayor of Hamilton, New Jersey, in Mercer County.

ASSEMBLYMAN McKEON: Welcome to you, Mayor.

MAYOR GILMORE: Thank you, Mr. Chairman.

As Mayor of New Jersey's eighth largest municipality, I urge this Committee to pass -- or endorse -- this legislation. We cannot, at the local or State level, afford to abdicate our responsibility to address the grave challenge posed by global warming to our Federal government. The costs of ignoring this challenge are far, far greater than the costs of addressing it.

We in Hamilton Township are trying to do our part. We have actually begun the process of conducting our own greenhouse emissions inventory, so we can track our effort to reduce greenhouse emissions in concert with what the State is trying to accomplish. We have converted all of our trucks to using biodiesel. We are looking to try and do green building in our community and to investing in renewable energy sources.

I can well-appreciate the concerns of how incentives are spent and the responsibility to make sure that they're spent wisely. But I think there's much that our State can do to help us lessen greenhouse emissions by removing some of the disincentives that exist. I know that Assemblyman McKeon and others on this Committee have also sponsored legislation that would remove the tax hit that some people take when they try and invest in solar panels.

We in Hamilton Township, just last week, had a family that was very proud of doing their part to invest in renewable energy and install -- to great costs to themselves -- solar panels, only to discover that they're being hit with a property tax assessment that is going to, each year, hit them with added property taxes. So it's not simply a matter of us looking to create incentives for people to invest in renewable energy. It's a matter of us also looking for ways to remove some of those disincentives.

And, again, I know that Assemblyman McKeon and others have looked to take legislation that expired in 1987, that had been in existence from 1977 to 1987, that removed solar panels as something that would cause a homeowner to be hit with heightened property taxes -- to restore that back to being legislation that will, hopefully, encourage more people to invest in renewable energy.

Again, the costs of ignoring this challenge are far outweighed by what we face if we, as a community; if we, as a State; if we, as a nation don't do something to address the devastating consequences of global warming.

Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you, Mr. Mayor.

We have passed that bill out of this Committee. It's in *approps* now. And, honestly, it's silly that we even had to. There was a memo that came out of the Treasurer's Office -- not in this administration but the last one -- questioning, because of the fact that it had expired, as to whether or not they should start taxing that kind of improvement. Which, to me, you should just use your common sense. But we're going to try to make sure that we put the legislative imprimatur behind it.

So thank you for coming down and testifying today.

MAYOR GILMORE: Thank you, all. Thank you.

ASSEMBLYMAN McKEON: John Hazen, New Jersey DEP.

Just for the record, for the second time, I did speak to Commissioner Jackson several times over the last few days. And she's been working diligently, along with Assemblywoman Stender, in coming to a point where DEP can be collectively working together with us on this legislation.

J O H N H A Z E N: Yes, Mr. Chairman.

I'm John Hazen, Director of Legislative Affairs for the DEP.

First, I just want to-- I believe the Commissioner had sent you a letter prior to your public hearing. And I just want to reiterate our

support for your effort, and commend you and Assemblywoman Stender for pushing this important issue forward.

We do want to continue to work with the sponsor and with the Committee. There are some valid concerns that we have. A big one has to do with the resources. We think that A-3301 mandates for DEP action and analysis is quite broad. It requires significant new staff resources.

We also have concerns about the fact that it's pretty much all our Department, and that the bill -- the emission limits will require a portfolio of action across the board, whether they're transportation, building, power generation. And these will be outside the current authority of DEP and really reside with other agencies in State government. And we are working with those agencies, with the sponsor, to try and come up with an approach that can be included in the legislation.

We also would like to raise some concerns about the schedule. One thing that we note is that this bill is based on the California bill that passed to set up a program out there. But it should be noted that in California, they did do basically an 18-month process of meeting with stakeholders before the bill was passed. And we would appreciate the opportunity to have more time to be able to do that.

One other comment that we would like to make is that we need, really, some more specific guidance. For example, the bill should broaden the language to allow for emission reduction measures, including market-based greenhouse gas emissions cap and trade programs.

So these are the types of things that we would like to work with the sponsor on as the bill moves through the process. And, again, we do appreciate your efforts, and of this Committee, in making the steps to

address this important issue which we feel is crucial, as was evidenced in Governor Corzine's recent executive order.

And with that, I will close.

ASSEMBLYMAN McKEON: Mr. Hazen, the prime sponsor, and all the prime sponsors, have pledged to work with your offices, and particularly the Commissioner, toward additional and potential amendments as this goes through the legislative process. So we appreciate your willingness to cooperate with us, notwithstanding that we know we still have some work to do.

But contingent on support by the Committee, we do plan on moving this bill today.

MR. HAZEN: Great.

ASSEMBLYMAN McKEON: Any questions for Mr. Hazen?

ASSEMBLYMAN CHATZIDAKIS: Mr. Chairman.

ASSEMBLYMAN McKEON: Yes, Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Thank you.

The benchmark, obviously, in this bill is based on returning the emissions level back to 1990 levels. And I'm just curious how much information and data you would have relating to that benchmark era, how accurate you think it would be in setting-- Obviously, it's all based on those 1990 numbers.

MR. HAZEN: I really don't have that information at hand. Thea had raised it before to me, and I will go back to my folks.

But the one thing that I know about my Department is, we love collecting data. And we have been collecting it for 30 years. And as a matter of fact, many in the regulated community have complained that we

collect things that we never use. So my confidence would err on the side that we do have the ability to set the inventory and to have it. But I will get back to the Committee with a more precise answer.

ASSEMBLYMAN CHATZIDAKIS: I don't doubt your collected data. I'm just curious if the pertinent data is available, so we don't end up with the SWAG theory of people -- I don't want to say what that stands for, but it begins with a *wild guess*, as a couple of words in there. But anyway--

MR. HAZEN: Right.

ASSEMBLYMAN CHATZIDAKIS: Obviously, we have a concern, because we're using that as a benchmark to move forward, and the impacts it has with everything else that will be discussed later on.

But you feel confident that the pertinent information that will be required to establish that benchmark -- you think that information is there?

MR. HAZEN: I do believe it; but let me check with my program folks, and I will get back to the Committee, through the Chair.

ASSEMBLYMAN CHATZIDAKIS: Sure.

Thank you.

ASSEMBLYMAN McKEON: Any further questions for Mr. Hazen? (no response)

Seeing none, John, thank you, again, as always, for your professionalism.

Ed Wengryn, from New Jersey Farm.

E D W E N G R Y N: I'm Ed Wengryn, from the New Jersey Farm Bureau, a member organization with 16,000 farm- and green-industry related families.

Across the country, agriculture already is playing a crucial role in the effort to control greenhouse gases. Agriculture lands in the Midwest are farmed as part of carbon trading agreements. The caps in trading programs were just mentioned -- to help reduce and encourage carbon sequestration. Those practices can and are being used here in New Jersey, as well. The opportunity for new crop markets is exciting, especially when paired with the State's successful Farmland Preservation Program, which has already preserved over 160,000 acres.

Biomass and bioenergy crops can substitute for carbon fuels in power generation. Biofuels shift the fuel blend away from traditional CO₂ fuels. This bill helps set the stage for the holistic approach needed in State policies for energy, solid organic waste, and agricultural production.

New Jersey farmers have already shown their excitement about being part of the solution. Over 20 farms currently generate 1.2 million kilowatt hours a year of solar energy, displacing their use of fossil fuel-based electric sources. Over a 20-year period, those few farms will reduce CO₂ by over 30 million pounds. Imagine if the 9,000 farms in the state were able to participate in that kind of program.

The legislation outlines some goals to reduce greenhouse gas emissions, look for partners, and work with other states in the region to accomplish this with minimum impacts to New Jersey business and industry. With over a quarter of New Jersey's remaining open space

dedicated to agricultural production, New Jersey farmers stand ready to be part of the solution in addressing the reduction goals outlined in the bill.

Questions?

ASSEMBLYMAN McKEON: Oh, Ed, I'm sorry. I didn't know that you were--

MR. WENGRYN: Nice and simple.

ASSEMBLYMAN McKEON: It was an excellent--

MR. WENGRYN: We're in favor of the bill.

ASSEMBLYMAN McKEON: Excellent presentation. And thank you very much.

Any questions for Ed?

ASSEMBLYMAN ROONEY: Just a comment.

ASSEMBLYMAN McKEON: Assemblyman.

ASSEMBLYMAN ROONEY: I just read recently that one of the major causes of this is animal flatulence. This was in the *Record*, I believe, just last week. Are there any plans for the Farm Bureau to reduce-- (laughter)

MR. WENGRYN: With fewer than 130 dairy farms in the state, I don't think we have a huge animal flatulence problem. (laughter)

ASSEMBLYMAN ROONEY: Well, they said it was even greater than the amount of pollution created by transportation, which I found very hard to believe. But it was only a few days ago in the *Record*. It was an interesting article. So how do we prevent that? Beano for all of the animals, right? (laughter)

MR. WENGRYN: Again, there's balancing, trading crops with what you can grow.

ASSEMBLYMAN MANZO: I'm going to pass on that.
(laughter)

ASSEMBLYMAN McKEON: There are those who would argue, not flatulence, per se, but hot air out of Trenton itself accounts for 14 percent of all growth--

ASSEMBLYMAN ROONEY: Have to add a little levity here.
(laughter)

MR. WENGRYN: Yes. Any other questions?

ASSEMBLYMAN McKEON: Any other questions for Ed? (no response)

I thank you very much.

Mr. Rodriguez, Regional Plan Association.

CARLOS RODRIGUES: Thank you, Mr. Chairman.

As everyone in the room knows, my name is Carlos Rodrigues.
(laughter)

ASSEMBLYMAN McKEON: Are you in favor or against this bill, sir?

MR. RODRIGUES: I had a little global warming event of my own a little while back there.

Okay. Carlos Rodrigues, Vice President and New Jersey Director of the Regional Plan Association, the nation's oldest civic group dedicated to regional planning, and improving the quality of life and the economic competitiveness of the 31-county New York-New Jersey-Connecticut region.

You have a copy of my testimony.

ASSEMBLYMAN McKEON: Thank you for that, sir.

MR. RODRIGUES: I really don't feel the need to read all of this.

I'd just like to make, essentially, three points. First, obviously, we support this bill. We don't think that this bill, on its own, is going to solve our problems, but it's a part of a three-part strategy which we think will address, or help us to address, this issue.

This three-part strategy would be: Through this bill, and other similar initiatives, to establish a comprehensive and expedited planning process leading to a market-based regulatory program that allows for compliance flexibility. We want a program that will promote economic development in the alternative energy sectors and not simply clamp down on the fossil fuel consumption side. So we have to be careful to create a framework that allows for innovation, creativity, and economic development; and becomes, in itself, an engine of future economic development in this state.

In addition to that, we see two other prongs, if you will, to a New Jersey response to global climate change. The second prong would be to invest in the remediation and restoration, at a much larger scale than we are now, of the large regional ecosystems which will be effected by climate change. And we should be modeling them now and understanding what the likely changes in their behavior will be, and taking the appropriate steps to protect affected communities and to enhance these ecosystems.

And third, obviously, since -- as we have heard already, several times today -- 50 percent of the cause and effect relationship here is coming from the transportation sector. And the transportation sector is inherently linked to our landuse patterns. We need to refocus our attention and our

efforts on the way we develop and redevelop the land-use patterns and transportation patterns that we are creating. If we do not continue to refocus, essentially following in a much more aggressive manner the blueprints that New Jersey has had in the State development and redevelopment plan -- and in particular in the redevelopment component of that plan -- and if we do not continue to invest in public transportation in ways in which we have not, I'm afraid that we will suffer the consequences.

So again, thank you, Mr. Chairman, for the opportunity to testify here.

Any questions?

ASSEMBLYMAN McKEON: Mr. Rodrigues, thank you for your testimony. And we appreciate you hitting the highlights of your written testimony. We'll all take them under consideration.

Seeing no questions, we will call upon John Maxwell, of the New Jersey Petroleum Council.

John, not to tease you, but you're only -- you could never be as good as Eric DeGesero, who almost was drawn to tears defending fossil fuels at the West Orange hearing. (laughter)

J O H N A. M A X W E L L: Assemblyman, here is a copy of my dry testimony. I'll try to scoot through it as quickly as I can.

ASSEMBLYMAN McKEON: We appreciate that.

MR. MAXWELL: Obviously, we have some concerns.

But good afternoon, Chairman McKeon and members of the Assembly Environment and Solid Waste Committee.

The New Jersey Petroleum Council has been supportive of efforts by the Corzine administration and the Legislature to discuss the

issue of climate change. We have been constructively engaged with the Governor's administration and staff in a serious discussion to help shape our State's perspective on climate goals with the least adverse impact on our State's consumers, businesses, and economy. Companies are working in a variety of ways to address climate change, including improving refinery efficiency to reduce greenhouse gas emissions, even as significant ongoing research continues.

And just as an aside, I'd like to mention that our companies made a pledge to the Federal Government, in 2002, to improve energy efficiency in their refineries by 10 percent over 10 years. The companies are on track to meet the goal and, currently, our operations are becoming cleaner every day. Energy savings at our refineries in 2004 were equivalent to taking more than 350,000 vehicles off the road, or the amount of electricity used in more than 710,000 homes.

While we recognize the overarching policy goals of Assembly 3301 -- reducing greenhouse gas emissions and promoting low-emission carbon technology -- we believe that the bill lacks essential language and structural elements necessary to set an effective framework for possible future regulations. We believe that the stakes are far too significant to expect such precedent-setting and landmark decisions to be made without the benefit of additional policy direction or oversight.

Specifically, our concerns center on the lack of appropriate statutory direction establishing effective means for achieving the stated goals of Assembly 3301, including allowance for flexibility, ensuring that any reductions are cost-effective and sustainable, and ensuring that incentives are in place to encourage reductions. A focus only on emission

caps and timelines cannot be fairly evaluated without additional consideration of what type of regulatory programs would be employed to reduce emissions and achieve cap levels.

As an example, in Section 2, the bill states that “Solutions exist to halt the increasing of greenhouse gasses in the atmosphere and reduce these emissions.” However, the legislation makes no specific mention of solutions and, instead, directs the DEP to establish rules and regulations to achieve the 2020 limit on emissions. The development of a list of the potential solutions and a proper review by the Legislature seems to be in order.

In addition, Sections 4 and 5 establish a timeline for implementation of this measure. As many legislators are aware, efforts regarding development of an Energy Master Plan are underway on a similar, expedited time schedule. This plan is scheduled for release in October 2007. The potential for overlap and conflict between the Energy Master Plan effort and the requirements of Assembly 3301 exists, and should be addressed while this legislation is being considered.

Similarly, Section 4.b requires that the State “shall” reduce greenhouse gas emissions to the percentage level below the 1990 levels that the DEP ultimately sets by regulation. There is no mention of this being a goal, as stated in Section 2; or any provision for potential relief should it be determined that such a goal, or the methods of attaining it, ultimately prove not to be economical, or cost-effective, or practicable.

In Section 5, there is little clarity in setting the means or point of any future regulation. We believe the point of compliance is a significant but highly complicated issue that could have important consequences for

the cost-effectiveness of efforts to achieve the goals of this bill. Without careful consideration of the administrative effectiveness of the bill, and its applicability to and impact on the people or entities actually emitting greenhouse gasses, this legislation could cause problems for the citizens of New Jersey.

Specifically, Section 5.e.(1) broadly states that the rules “shall” distribute costs and benefits of the program -- including emission allowances -- equitably, but provides very little guidance as to how that should be done. Moreover, the Legislature may want to include a requirement that the estimates of the costs and benefits of any proposed rules be reported to the Legislature before they are implemented.

There also appears to be a logical inconsistency between Section 4.a, which requires the DEP to adopt rules no later than one year after the effective date of the Act, setting the percentage reduction below 1990 levels to be met by 2020; and Section 5.a.(2), which requires the DEP to adopt rules by January 1, 2008, to achieve those percentage reductions. It is hard to see how rules to achieve specific reduction levels could be adopted sooner than the reduction levels themselves.

Special attention should be paid to Section 6, which directs the DEP to adopt any rules or regulations necessary to implement the model rules adopted by the RGGI initiative. It should be noted that these rules are presently under policy review and debate by states within the region. Some have signed on to this initiative, yet others are deferring due to state-specific concerns. And can any of us spell *Pennsylvania*? It is important that this policy discussion continue in New Jersey for the application of strategies that may have specific impacts on our state.

In Section 9, there is a mechanism for evaluating the factors and technical capacity for this 2020 limit. Specific reference is made to strategies that may assist in tightening the 2020 emissions limit. However, there does not appear to be any method in place for adjustments, should the initial reduction levels or methods prove to be impracticable or unacceptable public policy.

The costs of these proposed elements of the bill were recently estimated -- I believe last week, by our State's largest utility -- it's back in the corner -- to be in the \$3 billion to \$6 billion range. This has the potential to be a most significant commitment of our State expenditures relative to other programs. Understanding the potential costs and benefits of mitigating climate change is essential to all stakeholders -- including legislators, regulators, consumers, and businesses, especially given the magnitude of the potential costs -- we believe in keeping the benefits and impacts of climate change policies transparent in doing the analysis and communicating to policy leaders the results. Part of that transparency should be the resources -- funding and personnel, which were alluded to by the DEP today -- needed to effectively implement the requirements of this bill. The bill, as drafted, provides no funding to any agency of the New Jersey State government.

We are available to continue to meet with sponsors and those considering Assembly 3301 to further clarify our comments and develop sound solutions through further amendments to this measure. Until such time, we must urge the members of this Committee, and the members of the State Legislature, to carefully consider this precedent-setting legislation.

Thank you.

ASSEMBLYMAN McKEON: Mr. Maxwell, thank you.

Any questions for the witness? (no response)

Seeing none, Mr. Maxwell, there were a couple of amendments that you might want to take a look at.

MR. MAXWELL: I glanced at them quickly.

I think it's a step in the right direction.

A S S E M B L Y W O M A N L I N D A S T E N D E R: Good.

ASSEMBLYMAN McKEON: Good.

I'm glad to hear that. Because in listening to your testimony -- there were some changes already made. And as we've agreed with everybody, we need to -- and will -- continue to work forward with all stakeholders.

MR. MAXWELL: We appreciate that.

ASSEMBLYMAN McKEON: Thank you, sir.

Mike Egenton.

Mike, we don't want to hear the story about how you used to play with mercury as a kid, okay?

M I C H A E L E G E N T O N: You didn't like that story? (laughter)

ASSEMBLYMAN McKEON: I repeat that all the time, actually.

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's obvious to this day. (laughter)

ASSEMBLYMAN McKEON: See, you know, I have a problem with that, because I was just about to say, sir, that I used to play with mercury too, as a kid. (laughter)

MR. EGENTON: Thank you, Chairman.

For the matter of the record, I'm Michael Egenton, Vice President, New Jersey State Chamber of Commerce.

And I just wrote down a couple of -- three or four brief thoughts, concerns that we have at the Chamber on behalf of the business community.

Obviously, Chairman, you appreciate and recognize that New Jersey industry, as a whole, for over a decade has really stepped up to the plate. And we have data that several of our Environment Committee members have put together using EPA data that shows that our air in New Jersey is, indeed, cleaner. We've also proactively supported initiatives to go better and do better, such as the diesel legislation that you've sponsored, Chairman.

Recognizing the importance of this issue and, obviously, an issue of this magnitude, we really do believe that it should be tackled on the Federal level -- recognizing that you're trying to do the local approach -- I think because the concern still remains with us on the competitiveness issue. Every time I come before this Committee, or the Economic Development Committee, or whatever committee in the Legislature, that is a tantamount issue for the State Chamber.

Over the years, you've heard us ring the bell, bang the drum about more stringent standards for New Jersey businesses compared to other states -- will only continue to put a strain on the New Jersey economy. So we have that underlying concern as we move forward.

Number two, additionally, our concern still remains with the future costs of energy.

Chairman, you know, next to-- You do the survey of your constituents. You hear about property taxes, you hear about health care. Well, energy ranks up there when we reach out to our members, as well. And it's a top issue in the business community.

My question -- and a lot of these are questions and concerns. That's why we didn't indicate a formal position on the legislation as of yet. We want to let this process play out, and be actively involved in it and engaged as the issue moves forward.

But with regard to energy costs, what guarantees that energy costs will not escalate due to meeting the demands of this legislation?

Thirdly -- and we've heard this before -- as more individuals are slated to move in and call New Jersey home in the next decade, how do we, as a State, meet the growing energy challenges. Other forms of alternate energies are a good thing, but cannot be realistically relied on. We must consider new sources of energy, possibly like nuclear, to balance the equation.

Honestly, from our perspective, solar and wind -- although welcomed -- cannot meet that energy demand alone and fill the energy needs of our state, especially if we continue to put more pressure on coal.

We can't have it both ways, Chairman. We must reasonably and methodically discuss, debate, analyze, review this very important issue with all the proper stakeholders. We should give the Energy Master Plan the process and the due diligence it deserves.

Therefore, Chairman-- I know you said it was your intent to move the bill out of Committee, but we have two requests: that we respectfully hold the legislation and allow the Energy Master Plan process

to continue to move forward; and for possibly this Committee to convene several fact-finding hearings like we did over the Summer on the property tax issue. It's a huge issue. We don't have all the answers. There's a lot of stakeholders that want to be involved in this process.

That's our request, Chairman.

Thank you.

ASSEMBLYMAN McKEON: We appreciate that, Mike, as well as the issues raised.

Any questions for Mr. Egenton? (no response)

Okay, seeing none, Mike Pisauero.

Mike, NJEL--

How are you, Mike?

MICHAEL L. PISAURO JR., ESQ.: Thank you.

Chairman, how are you doing?

ASSEMBLYMAN McKEON: Good.

ASSEMBLYWOMAN STENDER: Hi.

MR. PISAURO: Hi. How are you doing?

ASSEMBLYWOMAN STENDER: Good.

MR. PISAURO: Nice meeting you.

Good afternoon.

My name is Mike, last name is Pisauero, P-I-S-A-U-R-O. I represent as the Legislative Director for the New Jersey Environmental Lobby.

I want to thank the sponsor and this Committee for holding this hearing on global warming. Global warming is not a theory or something we can ignore. Every person, municipality, county, state,

national government has to step up to the plate to address the problem. The ramifications for not addressing the problem now will be huge.

The United States, as we all know, is probably the most powerful nation in the world. It's the greatest user of energy, probably one of the greatest resources of intellectual power, yet we have, as a nation, not really done what we should be doing. And that is sad in one part, but also I commend that, because this allows the states -- the sovereign states in our federalist system -- to step up to the plate in the laboratory of democracy to start setting up solutions. And that's what New Jersey is doing today. We're taking that first step in maybe coming up with some solutions that may, at some point, become a national solution.

As I said, repercussions of global warming are astronomical. We all know that. I just want to hit a couple of highlights; because from just a nonenvironmental perspective, from an economic perspective, we can't afford not to address them. The costs are too much, as I've said before.

We can expect little over a half-meter to over a meter rise in sea level within this century. And what does that mean? One to 3 percent of our coast may be under water, floods may become more frequent and harsher. What does that mean? Well, our third largest industry is tourism. Most of that is along the shore. If the shore is under water, where is our tourism industry? Where are-- I forget the exact number, but 50 percent of the people live fairly close to the shore. We are--

ASSEMBLYMAN McKEON: Mike, I don't want to interrupt you, but one of the scientists from Princeton or Rutgers had testified that,

actually, Newark Airport and the New Jersey Turnpike -- in an area -- would be under water.

MR. PISAURO: Yes.

We are already the third highest state in FEMA flood claims. It's only going to get worse. These are economic costs, if we don't start addressing, we're going to continue to have to deal with. As we wait longer and longer to address it, what we do today is going to have effects years from now, not immediate. The costs are going to increase.

The ocean is becoming warmer and increasing in acidification. How is that affecting our recreation and commercial fishing industries? How is that affecting our bays where people go to fish?

The causes of the problem, as you know, are fossil fuels, but also, to a lesser extent, land use. We've got to start addressing that issue: how we use our land; where we locate people for travel, for business. We must begin to plan along those regards.

We support the bill. I would love to see -- going back to the language -- the goal of reducing below 1990 levels. 1990 levels are only the start. Even if we get to 1990 levels, we haven't solved the problem. We are just modifying and moderating the effects.

And I say this: We have to start acting. Back in 2003, Swiss Re, the second largest reinsurance company, announced it was going to start to look at its applicants for directors and officers insurance and ask them what they are doing in their companies to look at and address global warming. "Many representatives" -- I'm quoting from the *Environmental Law Forum*, November and December 2003 issue. "Many representatives of the insurance industry believe that they are suffering heavier losses now as a

result of claims for weather-related damage linked directly to climate change.” The recent panel in Paris indicated that hurricanes and tropical storms are a likely cause -- the increase in intensity is likely caused by humanity. Insurance companies are looking to their insureds to see what they are doing. How can we ask the State to do any less of looking and protecting our citizens?

And just to wrap up: This is a great-- These are the first steps. We must become more efficient, we must be smarter in our energy usage and where we’re getting our energy from; we must adopt both individual and government green buildings, open space -- the more open space we have, the better off we are. It may be just a drop in the bucket, but I’d much rather have a drop in the bucket than nothing. We must make it easier for people to use renewable energy and make it easier for them to install solar panels, wind on their homes; and not make it difficult.

So I’d like to thank the sponsor, again the Committee. And I ask that we pass this out of Committee and move forward. Any delay, I think, is too long. We’ve already delayed far enough.

Thank you.

ASSEMBLYMAN McKEON: Mike, thank you very, very much.

Any questions for this witness? (no response)

Seeing none, Tim Dillingham, of the American Littoral Society.

TIM DILLINGHAM: Mr. Chairman, thank you very much.

I’m Tim Dillingham. I’m the Executive Director of the American Littoral Society.

ASSEMBLYMAN McKEON: Welcome, Tim.

MR. DILLINGHAM: For those of you who don't know, we're a coastal conservation organization based out of Sandy Hook, New Jersey. We're here to support the bill today, and to thank and commend the sponsors for it.

The folks that are part of my organization are fishermen, scuba divers, beach walkers, people who live along the shore. They're really the ones that are on the receiving end of the problems -- many of the problems of global warming. And obviously the most pressing, from our parochial perspective, is sea level rise and its impacts.

I think you probably heard, throughout the course of your testimony, about the effects of global warming on oceans; as well as the direct problems that it poses to the ocean environment, to human safety, and to the economy -- particularly here in New Jersey, where so much of the economy is built around tourism at the shore, is built around commercial and recreational fishing, and is built around the time that we spend down on the beaches.

The developed nature of New Jersey's coastline, as the Chairman mentioned, makes it very vulnerable to flooding and inundation. I have a report that the society did, in cooperation with Rutgers University -- which I will leave for the Committee -- which looked at the vulnerability of coastal habitats, very much in line with what Mr. Rodrigues suggested about places -- very specific places along the coast that are vulnerable to the impacts.

I think that the bottom line is that now is the time to begin to deal with this. There is-- The debate is, I think, pretty much settled. There is no leadership coming out of Washington on the Federal level. The

State cannot afford to not act, to not answer the questions which have been raised, and not to continue to move forward.

And I guess in closing I would say, while the steps taken to reduce the emissions of greenhouse gases and mitigate its impacts are very important, sea level rise is an ongoing natural process. And I was very glad to hear the Committee talk about parallel legislation going forward to address other parts of this question. And we will look forward to moving -- working with you on particularly wetlands -- tidal wetlands protection, coastal habitats, other things which are very key to the shore and the economy there.

So thank you very much, Mr. Chairman.

ASSEMBLYMAN McKEON: Mr. Dillingham, thank you very much.

Any members wish to question this witness? (no response)

All right, seeing none, the only other people who signed up to testify have already testified at the West Orange hearing. So I'm going to ask them to defer.

Madam Sponsor, if you'd like to make a general statement, and then make yourself available for questions from any of the members--

And when we're through with that, I'll then accept the motion, and we will vote.

ASSEMBLYWOMAN STENDER: Thank you, Mr. Chairman and members of the Committee, for your attention and consideration of this piece of legislation which, as we have heard, offers a very important step for us as a State. The stakes are very high. We know that the science is there to support our taking this action. And, clearly, the framework for

the future of our energy consumption and energy planning, I believe, is defined within the context of this overriding piece of legislation. Because, indeed, there will have to be other pieces. And I do want to assure you that it is my intention, and of the other sponsors -- along with, I know, the Chairman -- for work to continue with the DEP to make sure -- and the stakeholders -- to make sure that this legislation can be successful. Because to have a victory of moving legislation, but to not have it go the full distance to implementation will not achieve the goals that we are all interested in, which is making sure that we have a future for our families and generations to follow, in which we can exist in this state and on this planet.

So I want you to know that I am committed to making sure that we get the details done well and that we'll have a piece of legislation that will, in fact, not only create an inventory, but will put in place the structures needed to implement the reductions of emissions that are so important to our future health and welfare in this state.

Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you, Assemblywoman Stender.

Any questions from members, of the principal sponsor? (no response)

Seeing none, I'll accept the motion to accept.

Now, I know there were amendments. Do we need to do it separately, or can they be moved -- since they were pretty simple, we can do it together? (affirmative response)

Okay. So I'm going to ask for a motion to move the bill, as amended.

ASSEMBLYMAN EPPS: Motion.

ASSEMBLYMAN GORDON: Second.

ASSEMBLYMAN McKEON: Moved and seconded.

Roll call.

And all of my colleagues who have been quite patient in deference to the schedule, please feel free to speak at whatever length you want, other than Assemblyman Rooney. (laughter)

ASSEMBLYMAN ROONEY: You know I'm ready to speak.

ASSEMBLYMAN McKEON: I look forward to it.

MS. CALVO-HAHN: On the motion to release A-3301, with proposed Committee amendments; Assemblyman Rooney.

ASSEMBLYMAN ROONEY: Yes.

And on the vote, I would just like to say this is a feel-good bill, as many bills are. It makes us feel good that we're trying to do something for the environment. And it may be the right thing to do.

However, a big warning is: Number one, we have the underdeveloped nations of the world that are, today, coming into the process, and they're starting off with the lowest form of energy, such as coal. When you get into that, that's going to contribute tons more -- I mean millions of tons more -- to the problem that we have in the environment. There's nothing that we can do here in New Jersey that's going to change that. In fact, we can't even change what's happening in the United States.

One of the things that we, as a Committee, did was go down to Oyster Creek. We looked at the Oyster Creek plant. They virtually give no emissions to contribute to this problem. However, there's a move in the state to close Oyster Creek. It is one of the cleanest plants that we have. It has a couple of problems. They're easily solved. However, we're looking to close that plant. We're also looking at other plants -- nuclear plants -- that are coming up today. Again, clean-burning, do not contribute any carbon dioxide -- or hardly any carbon dioxide -- to the environment, and yet we want to close them.

What are they going to be replaced by? They're going to be replaced by coal-burning plants in our neighboring state of Pennsylvania, and we can't prevent that. What happens is, as we go to the future and we basically change the way we do business and the cost of doing business in New Jersey-- And I remind you that in New Jersey, and in the Northeast, we have the highest energy costs in the country. It makes us noncompetitive.

There are two things-- I have been in business in the state for over 40 years. I have gone to business after business, and I have watched my base go down to practically nothing. No more manufacturing jobs in New Jersey -- or hardly any. And there are fewer and fewer. And what happens is, as the cost of energy goes up, as the cost of labor goes up, we have fewer and fewer people. As we add to this, we'll have fewer and fewer people.

I am voting for the bill, and make no mistakes about it. But I caution you. I look at the example-- This is the only thing I want to caution the sponsor-- In 1999, there was a bill that I sponsored that was

signed into law. That bill said that this State had 10 years to reduce the waiting list for the most severely handicapped people in our state. At that time, the -- for DDD. At that time, the waiting list was 6,000 people. We are one year away from supposedly eliminating the waiting list. We have 8,000 people on that list. It is not going to be cleared by next year. I doubt that we're going to have cleared the environment in the next 11 years or 12 years -- in the year 2020.

So I warn the sponsor of that. This is what happens in the Legislature, as much as we want to do the right thing.

I would have liked to have seen more done to stimulate the energy credits, to stimulate people changing over to energy efficiency. Because in my own business, I can look at that and I can say that if I walked into a building, did an energy audit, I can reduce the cost of that building's energy costs by 30 to 50 percent, like that. That's a fact. We're not doing it. We're not stimulating that.

Maybe this bill will have something to do with it. I only hope that it happens. But I just had to say that on the bill.

And I am voting yes.

Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

MS. CALVO-HAHN: Assemblyman Chatzidakis.

ASSEMBLYMAN CHATZIDAKIS: Yes, thank you.

I will be voting yes, weighing all the arguments we've heard and the arguments over the years.

However, we refer to Washington. I really just look at the last 35 years, going back to the first oil embargo back in '71, and the lack of

having a cohesive energy policy for this country. When you see a country like Brazil that, today, is energy efficient, running on E85 methanol fuel for older vehicles-- And they've done some offshore drilling, but basically they're just self-reliant. So in absence of that, as Assemblyman Rooney mentioned, hopefully this bill will be a catalyst for initiative into renewable energies, and we install LEEDS program.

And I've visited one of the PNC branches, and I've spoken to the employees there. There's less absenteeism, there's less illness. And hopefully, with projects like this and this bill, it would help this type of renewable energy be focused on.

I have many bills involved with renewable energy. Hopefully this will be a catalyst to move forward and do what we can in New Jersey. Perhaps other states will start following.

Thank you.

MS. CALVO-HAHN: Assemblywoman Greenstein.

ASSEMBLYWOMAN GREENSTEIN: I'm proud to be one of the prime sponsors of the bill. And I want to commend Assemblywoman Stender for her leadership on this, and Chairman McKeon, as well.

To me, the problem is a tremendous one and, in some ways, a simple one. It would be much better if this were happening in all the states. But I agree with the Assemblyman that maybe our lead will get the other states to do what they need to do.

But it's really three parts. It's a real problem. We've learned that it's caused by ourselves. And it's a solvable problem if we do what we need to do over the next 50 years or so. And I think that it's incumbent

upon us to do everything we can. So I'm very glad that we're doing this bill, and I vote yes.

Thank you.

MS. CALVO-HAHN: Assemblyman Manzo.

ASSEMBLYMAN MANZO: Thank you.

I, too, want to commend the sponsors. And it's more of a leadership position for our State to step forward on this issue. I think I share many of the sentiments that Assemblyman Rooney stated. What he said is, really, our inconvenient truth that unless we're able to demonstrate to other nations, who are coming online now, the need to achieve environmentally sound energy policies, while New Jersey leads we will have very little of an impact. But that's not to say we shouldn't step ahead and lead.

Hopefully, this bill will lead to those energy audits that I think can have the most impact in achieving what the intentions of this bill will do.

But needless to say, I salute you, Assemblywoman, on your endeavor, and the courage to put New Jersey in the leadership position on this issue.

And I vote aye.

MS. CALVO-HAHN: Thank you.

Assemblyman Epps.

ASSEMBLYMAN EPPS: I'd just like to congratulate the sponsors of this bill. I think it's admirable that you brought this forward to this Committee. And I'm just proud to vote yes. And I vote yes.

MS. CALVO-HAHN: Thank you.

Vice Chairman Gordon.

ASSEMBLYMAN GORDON: Thank you.

I'd also like to thank the sponsors for this bill.

We recently heard about the results of the world climate study that was released recently, I believe, in Paris, which indicated that while we're not at the point of no return in terms of trying to reverse global warming, we are getting very close to that point. And while I agree with my colleague, Assemblyman Rooney, that this bill may not have a great impact -- particularly in the concept of 500 coal-fired plants coming online in China and India -- I do think we need to send the message. And when the Federal Government isn't acting, the states have to act. We have to be those laboratories of democracy that Jefferson referred to.

A few decades ago, California decided that there was something wrong with the quality of their air, and they thought that automobiles had something to do with it. And they started passing legislation affecting auto emissions. And the rest of the country has followed suit. And I think we have to take a leadership position here, send a signal to Washington. Hopefully, at some point soon, there will be a national energy policy that addresses this, and, perhaps, America participating in an international compact on this.

But this is an important start, and I think we should take it.

And I vote aye.

Thank you.

MS. CALVO-HAHN: Thank you.

Chairman McKeon.

ASSEMBLYMAN McKEON: Thank you very much.

And thanks to everyone; it goes without saying, to the prime sponsor and all the sponsors, and Senator Buono on the other side of the Legislature, for their leadership in moving this matter forward.

I'll just take a minute or two, just to share with you a couple of thoughts. The other day, when we were teasing at the hearing in West Orange -- and they showed us the Newark Airport and the Turnpike filled over with water should we continue on the course that we're traveling, I said, "We better sell the Turnpike real quick."

And, Lou, I think you said something to the extent: "Yes, to Sea World," right?

ASSEMBLYMAN MANZO: Yes.

ASSEMBLYMAN McKEON: And if it wasn't so funny, it's incredibly sad. We are on a suicidal path to destroying our world -- not just the state, the country -- but literally the world. And if any of the credible scientific evidence -- or half of it -- is to be believed, this is something we're going to see in the lifetime of our children. And for some of those who are younger out in the audience -- not like at least several of us up here -- for some of us.

ASSEMBLYMAN EPPS: Speak for yourself. (laughter)

ASSEMBLYMAN McKEON: It's mind boggling that that's what we're literally speaking about.

But that having been said-- We can all trash the Federal government as much as we should. And frankly, in my view, we can't do that enough in light of the lack of leadership, on something this important and this eminent, out of Washington. And in the long run, whether it's this administration, or ones before that, the politics do not matter. The long-

term legacy of those administrations -- of any administration on a going-forward basis -- for not doing this in the most emergent way will be a legacy that they'll never escape, and shameful.

But that having been said, I don't know how feel-good I am today about this legislation because of the fact, in this state, that industrial and commercial energy -- the things that Mr. Egerton had brought up -- is, we're in the top 10 percent of cost in the nation. Demand in New Jersey alone last year went up by 350 megawatts, and only 45 new megawatts in nonrenewables was brought to bear. I mean, talk about going and reversing back to 1990 levels -- where are we going to go just to meet our continued demand as it increases? New Jersey imports 30 percent of its power. How will that work with our standards, that are not applicable to the PJM where we sit in, as far as the cost of that particular energy?

So the long and the short of it is, clearly the devil is in the detail. And easier said than done. And Assemblywoman Stender and all of us have an incredible challenge going forward, listening to those who produce energy, knowing how we use it, and knowing how we have to have the wisdom to put together a program to reach these laudable goals.

And I guess, at the end of the day-- And Assemblywoman Greenstein, when I mentioned something at the Sierra Club event not too long ago, mentioned to me this was actually a Talmudic proverb of some sort. But understanding what could be happening in China, what could be happening in Tanzania as they develop -- and, gosh, what's happening in Pennsylvania-- There's that story about the person who sees a thousand clam shells on the beach, and picks one up, and throws it into the ocean. And his partner next to him says, "What's the use? There's just thousands

here. You'll never--" That's it. "It meant something to that clam that I threw it back in."

So, to that extent, today we've done something that means something to New Jersey, and is a very small part of the big picture of what this world needs to do to save us from doom.

So with that, I'll vote for this bill.

MS. CALVO-HAHN: Thank you.

The bill, as amended, is moved.

ASSEMBLYMAN McKEON: Okay.

We're adjourned. We'll see you all on March 12.

(MEETING CONCLUDED)