



February 15, 2019

VIA ELECTRONIC MAIL

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Alice A. Previte, Esq.

Attention: DEP Docket Nos. 04-18-10 & 05-18-11

Office of Legal Affairs

New Jersey Department of Environmental Protection

401 East State Street, 7th Floor

Mail Code 401-04L, P.O. Box 402

Trenton, NJ 08625-0402

RE: COMMENTS ON NJDEP PROPOSED AMENDMENTS TO AIR QUALITY RULES, GLOBAL WARMING SOLUTIONS FUND & CO₂ BUDGET TRADING PROGRAM (DEP DOCKET NOS. 04-18-10 & 05-18-11, PROPOSAL NOS. PRN 2018-112 & PRN 2018-113)

Dear Ms. Previte:

On behalf of our members, the Chemistry Council of New Jersey (CCNJ) appreciates the opportunity to provide the following comments to the New Jersey Department of Environmental Protection (NJDEP, the Department) on the proposed amendments to the Air Quality rules included in two separate rule proposals published in the New Jersey Register on December 17, 2018.

CCNJ strongly opposes New Jersey reentering the Regional Greenhouse Gas Initiative (RGGI) and, therefore, opposes NJDEP's Air Quality proposals regarding the Global Warming Solutions Fund and CO₂ Budget Trading Program. New Jersey has various laws that provide significant market incentives for wind, solar, and in-state natural gas generation, all of which help to accomplish the goals of promoting clean energy without the need to participate in RGGI. RGGI does nothing more than tax electricity, tax our citizens, and tax our businesses, with no discernable or measurable impact on human health or the environment. The New Jersey Board of Public Utilities once estimated that the RGGI program would eventually cost ratepayers more than \$1 billion. For large energy users like some members of the CCNJ, RGGI could amount to hundreds of thousands of dollars or more annually in additional surcharges. Currently, New Jersey's industrial energy consumers already pay the 8th highest rates in the nation, about 46% above the national average. Without a doubt, RGGI will hold back New Jersey's economic growth.

Before regulating carbon emissions or imposing caps, the state should focus on policies that will not put

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the state in an economic disadvantage, and foster the development and implementation of any new technologies that will assist in further reducing emissions. Our industry has been, and continues to be, committed to decreasing its greenhouse gas footprint and we are glad to be a part of the on-going debate on this very important issue. However, we need to be clear that, while we are an energy intensive industry, we are an industry that manufactures the very products that will allow other industries and the general public to become more energy efficient and, therefore, reduce their greenhouse gas footprint. For every ton of carbon dioxide emitted in manufacturing the products of chemistry, two tons of CO₂ emissions are saved.

For years, our members have been reducing their greenhouse gas emissions on a voluntary basis by investing in energy efficiency and renewable energy. Members already contribute a significant amount to the energy efficiency fund under the Office of Clean Energy each year. Those who have been working hard to make these significant strides should be credited for their accomplishments thus far, not penalized by being forced to pay more into another fund, especially when it remains a struggle and administrative challenge to currently recover funds from the state for projects. Our members are environmentally responsible and take environmental compliance very seriously; adding another layer to the initiative is counterproductive to the progress needed for industry. RGGI will inevitably increase the cost of doing business in New Jersey, which continues to increase every year, with no significant human health or environmental benefit.

While we acknowledge that carbon dioxide represents the largest proportion of greenhouse gas emissions, most of New Jersey's air pollution comes from mobile sources. RGGI would be ineffective in CO₂ attainment due to the trans-border characteristics of CO₂ emissions and impacts. When you evaluate the data, which shows that emissions from major facilities are decreasing because of better controls/pollution prevention and process improvements, it is clear that point sources are not the problem; since 1988, our industry has reduced Toxic Release Inventory (TRI) emissions by 96%.

Respectfully, CCNJ strongly urges NJDEP to withdraw the two current proposals and reevaluate the impacts of reentering RGGI from both a regulatory and economic perspective with input from all affected parties.

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

Thank you for your consideration of our comments on this very important issue. 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 'Dennis Hart', with a long horizontal flourish extending to the right.

Dennis Hart
Executive Director