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Fuel Merchants Association of New Jersey

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TO: Transportation and Climate Initiative
FROM: Eric DeGesero, Executive Vice President

The Fuel Merchants Association of New Jersey (FMA) represents gasoline and diesel fuel distributors in New Jersey. FMA offers the following comments on the Transportation & Climate Initiative's (TCI) *Framework for a Draft Regional Policy Proposal (FDRPP).*

Comment #1

Under Program Design Elements the FDRPP states - "*TCI jurisdictions have committed to…develop and implement a regional policy that addresses the urgent need to reduce greenhouse gas emissions (GHG) and other harmful pollutants generated by the transportation system…"*

However, the rest of the document only refers to one GHG - carbon. Why is this?

Why isn't TCI also focused on other GHG emissions such as methane, a far more potent GHG?

While not defined, "harmful pollutants" likely refers to criteria air pollutants as defined under the Clean Air Act. The non-GHG emissions from natural gas are most certainly contributing to NOX and VOC emissions.

Simultaneous with the solicitation of comments to the FDRPP, many of the TCI states are working to ban natural gas for space and water heating. Why then does natural gas get a free pass in the FDRPP as the only "affected fuels and emissions" are finished motor gasoline and on-road diesel fuel?

Comment #2

The FDRPP does not explicitly state TCI's preference is for electric vehicles, but based on the preferences as outlined by many TCI states' "beneficial electrification" initiatives, it is clear that this is the preference of the TCI states.

For example, the draft New Jersey Energy Master Plan states:

"Detailed modeling for the final EMP will help identify specific electrification targets, but early analysis suggests that New Jersey must electrify close to 100% of its light-duty vehicles and a substantial number of medium- and heavy-duty vehicles and off-road mobile sources to meet our emissions targets." (p.28).

Therefore, why not explicitly state that the purpose of TCI is to eliminate fossil fuels in the transportation sector and mandate electric vehicles?

<u>Comment #3</u>

As with the draft New Jersey Energy Master Plan, the FDRPP, is asking for comments without the benefit of any realistic cost estimates.

A common number that has been bandied about as a starting point for a cap and "invest" scheme is a fee of $25/ton of carbon which increases in $5/ton increments. This equates to an *initial* fee of approximately 20c-25c *per gallon* for motor fuels.

Therefore, why not explicitly state that the favored mechanism of TCI to eliminate fossil fuels in the transportation sector is an opening ante of 25c-30c *per gallon* fee which will be given to the "respective jurisdiction" to decide how to "invest"?

<u>Comment #4</u>

Why would fuel distributors who are not position holders and not 782 Prime Suppliers be required to have any reporting or record keeping obligations, beyond importing fuel from a non-TCI jurisdiction? The fuel would already be accounted for and any reporting and record keeping would be redundant.