

LOWENSTEIN SANDLER PC CLIENT ALERT

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NEW JERSEY ADOPTS GLOBAL WARMING RESPONSE ACT WHAT IT MEANS TO YOU

July 2007

On July 6, 2007, New Jersey Governor Corzine fulfilled a campaign promise and signed the New Jersey Global Warming Response Act into law. By all accounts, the Act is one of the strongest greenhouse gas reduction statutes in the Country.

The Act contains several major deadlines for NJDEP action of which NJ companies should be aware:

- June 30, 2008 for NJDEP and other state agencies, as appropriate, to report on recommended measures needed to reduce greenhouse gas emissions to meet the 2020 level. The report must contain specific recommendations on legislative and regulatory action necessary to achieve the 2020 level.
- July 6, 2008 for the New Jersey Department of Environmental Protection (NJDEP) to establish inventories of current, 2006 and 1990 levels of greenhouse gas emissions;

- January 1, 2009 for NJDEP to adopt regulations to establish a greenhouse gas monitoring and reporting program. The sources subject to the program will include emissions from sources associated with fossil fuels used in the State, including entities that manufacture and distribute fossil fuels, from sources generating electricity in the State or outside the State to be used inside the State, from sources that are gas public utilities, and other significant sources that the Department identifies.

- January 1, 2009 NJDEP must file the first of a series of biennial reports evaluating the status of the greenhouse gas emission monitoring and reporting program, the current level of greenhouse gas emissions in the state and progress toward meeting the 2020 and 2050 levels.

- June 30, 2010 NJDEP must report on measures necessary to meet the 2050 limit. This report must include specific recommendations for statutory or regulatory measures that will be necessary to meet the 2050 limit.

For New Jersey companies, GHG reductions from operations and monitoring and reporting of GHG emissions will be required by the regulations eventually promulgated under the Act. The details of these impacts will depend upon the source and volume of GHGs emitted, and a company's ability to manage these emissions in the future.

For now, New Jersey companies can benefit from advance planning. This planning should include preparing a GHG inventory, or calculating your "carbon footprint," and identifying ways to manage, control and reduce these emissions when the regulations finally come on line.

Mere regulatory compliance may not be in your best interest. Swift, forward thinking action can place NJ companies ahead of a national and global curve that will offer significant competitive advantages. Again, advance planning is the key.

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Lowenstein is currently going through this process, having commissioned a carbon footprint analysis to be completed in the next 60-days. We expect that our first hand experience with GHG evaluation and reduction will be invaluable in guiding our clients in the future. If you have questions about the new Act or other issues related to global warming regulations, please contact us and we will gladly share our experiences with you.

For more information about Lowenstein Sandler's climate change initiative, please contact:

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