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**From:** Raymond Cantor, Deputy Chief Government Affairs Officer

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**Subject:** NJBIA Testimony on Senate Concurrent Resolution No. 11

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Thank you for the opportunity to testify before you today. My name is Raymond Cantor, and I am Deputy Chief Government Affairs Officer with the New Jersey Business & Industry Association. NJBIA is the largest, most impactful association representing New Jersey businesses. We also count among our members many fossil fuel and natural gas companies, as well as wind and solar companies. Our members are also consumers of energy. Given our diverse membership, we take energy policy seriously and try to come up with balanced policies that take into account cost, reliability, and feasibility.

While we respect the sponsor's intent to address the climate change issue, NJBIA opposes this resolution for two reasons. Everyone agrees, including members of the Murphy administration, that fossil fuels and, in particular natural gas, are needed over the next several decades as we move toward decarbonizing our energy system. It is also premature to abandon these sources of energy as the world is progressing on means to use gas infrastructure for fuels such as renewable natural gas and green hydrogen, and progress is being made toward large scale carbon capture and sequestration.

A moratorium is premature and can be destructive. A moratorium on these facilities can have devastating impacts on the state and cut off future technological advances. We saw what could happen when a state does not adequately have infrastructure in place during winter cold spells. Two winters ago in Texas, 200 people died, millions suffered in the cold, and billions of dollars were lost due to inadequate infrastructure and poor planning. It gets much colder here in New Jersey and for longer periods of time.

We know that our infrastructure is already inadequate, and more pipelines are needed to meet our capacity needs. A moratorium may very likely result in a Texas-like event here in the Garden State, and maybe even much worse.

The Murphy administration also has rejected a call for the ban on new fossil fuel electric generation facilities. Last year, the New Jersey Department of Environmental Protection adopted a regulation that set carbon emission standards for existing and new electric generating units. Absent from this regulatory proposal and adoption was a ban on new EGUs. In its response to a comment that called for a ban on new fossil fueled EGUs, the Department stated:

The EMP predicts the demand from the electrification of buildings and transportation will more than double the electricity demand in New Jersey. Until clean energy sources come online at the scale necessary to meet current and future anticipated demand, the State will need to maintain fossil fuel-fired generation. Otherwise, grid reliability will be compromised and regional emissions will increase. Thus, as explained in the notice of proposal Summary, the Department proposed emission limits in the rules that are expected to decrease overall emissions while maintaining reliability. ... [T]he rules

provide certainty to the regulated community that as the State transitions to meet its climate goals, fossil fuel-fired EGUs will be expected to reduce their emissions to an ever increasing degree. The Department anticipates that this regulatory certainty, in conjunction with other State policies supporting renewables, will foster future investment in renewable energy and storage options.

We agree with the Murphy administration and with the Department of Environmental Protection that we should not rush in bans on fossil fuel electric generation until such time as we have adequate, reliable, and affordable alternatives. That time is not now.

Let me also take a moment to defend fossil fuels. While the fossil fuel industry is an easy strawman villain in the climate change debate, let's take a step back and consider the historic benefits of fossil fuels. Energy, in all its various forms and uses, constitutes the fundamental building block of the modern economy. Having reliable, abundant, and affordable energy to run our factories, heat and cool our homes, and power our transportation sector has transformed our economy from an animal-powered agrarian economy to the most advanced economic system known to man. It has provided us with the power to create millions of jobs, elevate people out of poverty, and provide a standard of living never before accomplished in human history.

It provides tax revenues that support the services needed by our residents. We take our energy system for granted because we merely flip on a switch and the lights turn on, we turn the ignition and our cars are powered up, and we turn on the furnace and our homes and offices are heated. Our modern world relies on cheap, abundant sources of fossil fuels, be it oil or natural gas. Fossil fuels have been the energy source that has driven our economy. I would venture to say that more people have risen from poverty due to the use of fossil fuels than for any other reason. Extreme poverty around the world has also dropped to historic lows even as the population has increased from 1.2 billion to over 8 billion people over the last 100 years.

This was possible as economic growth reached more and more parts of the world, and that economic growth was fueled primarily from fossil fuels. I think it is also obvious to say that by taking people out of poverty, especially extreme poverty, we are saving many, many lives. We continue to need fossil fuels today and will for many years to come. If the answer was so obvious that the blame for climate change is the fossil fuel industry and the solution is to stop their use, then we should stop today. It isn't and we can't.

This Legislature has not banned fossil fuel use because the fact of the matter is there is no current realistic alternative. Having said that, climate change is real, it is largely driven by the combustion of fossil fuels, and we must find alternative energy sources. We are already along that path. Nuclear power, solar, wind, electric vehicles, hydrogen, and carbon capture, will all be part of our future. But so will natural gas and other hydrocarbon fuels until safe, affordable, and abundant replacements are available.

Climate change is a complicated worldwide issue with policy implications that will define how we live and prosper, or not, on this planet. Easy solutions, such as moratoriums, are not the answer to such a complex issue. We are on the right track in addressing our energy needs; we need to maintain that course. NJBIA is willing to work with the sponsor, this committee, and the Legislature to address the real issues of climate change and our energy-dependent economy. Thank you for allowing me to testify here today.