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## Calendar of Events

### April

**3: CCNJ Health & Safety Committee Meeting | Enterprise Center at Burlington County College**

**22: DC Reception | The Social Reform Club, Washington, D.C.\***

**28-29: 30th Annual CCNJ Spring Conference | Seaview Resort, Galloway Twp., NJ \***

**29: CCNJ Spring Conference Golf Tournament | Seaview Resort, Galloway Twp., NJ \***

### May

**12-13: TRANSCAER® Training | South Kearny, NJ**

\*Require you to RSVP/Register to attend.

## Inside the Chemunique

NJPDES Fees Reduced . 2

CCNJ Rail Taskforce meets ..... 2

Conference Keynote Speakers..... 3

CCNJ Member Spotlight: GES..... 4

## BPU TO DECIDE FATE OF PSE&G'S ENERGY STRONG PROPOSAL IN JUNE

From February 25 through March 7, the commissioners of the Board of Public Utilities presided over the hearing of the Energy Strong petition that was filed by Public Service Electric and Gas Company in February 2013. The Energy Strong petition proposed an initial 5 year, \$2.6 billion program of electric and gas infrastructure investments ostensibly designed to "harden" PSE&G's distribution network to reduce the frequency and duration of power outages during major storm events like Superstorm Sandy. Despite agreement that measures should be implemented to mitigate the effects of future storms, Energy Strong has been opposed by a broad coalition of interests that include the Chemistry Council of New Jersey, the New Jersey Large Energy Users Coalition, AARP, New Jersey Citizen Action, NJPIRG and the Sierra Club.

*"Expert witnesses in the case estimate that Energy Strong could increase electric distribution rates by between 20 and 36 percent and gas distribution rates by about 17 percent."*

These organizations support the development of responsible programs that will improve the power grid with necessary and cost-effective improvements while properly taking into account the interests of the ratepayers who will pay for them. However, Energy Strong represents a capital investment program that is unprecedented in size and orders of magnitude larger than the storm mitigation programs advanced by all of the State's other utilities combined. Energy Strong is replete with expansive, gold-plated measures whose necessity and cost-effectiveness have not been demonstrated by PSE&G. To provide political support for its proposal, PSE&G secured the support of about a third of the municipalities in its service territory that were provided with a form resolution to approve based on representations by PSE&G that Energy Strong could be implemented without rate impact. Expert witnesses in the case estimate that Energy Strong could increase electric distribution rates by between 20 and 36 percent and gas

distribution rates by about 17 percent.

PSE&G proposed to recover the very significant costs associated with Energy Strong through a mechanism that would eviscerate existing ratepayer protections and assure the company guaranteed, contemporaneous recovery of its multi-billion dollar investments, even before the projects have been placed into service. The mechanism would also assure an above-market return on equity and an assortment of regulatory goodies that would effectively transfer all risk from

the company to ratepayers. PSE&G has not proposed to adopt any performance standards or metrics, or to impose any penalties for non-performance, to assure ratepayers they would receive any meaningful or measurable benefit in return for investments that would be paid off over their 40-60 year useful lives.

Concerted efforts to settle the case proved to be unsuccessful, the company having rejected what were considered by most intervenors to be generous offers given the evident weaknesses of PSE&G's case. It was evident to most observers that PSE&G failed to prove its case at the two week hearing, which was tried directly to all four BPU commissioners. The hearing was interrupted at its mid-point at PSE&G's request to again discuss settlement. PSE&G's latest proposal was rejected and the proceeding was then tried to a conclusion.

No further settlement talks are scheduled or currently anticipated. The case is now being briefed by the parties and a BPU decision is anticipated in June.

*Written by Steven Goldenberg a partner at Fox Rothschild LLP and counsel to the NJ Large Energy Users Coalition.*

## CCNJ OPPOSES ANTI-NATURAL GAS DEVELOPMENT LEGISLATION

The New Jersey Senate Environment and Energy Committee recently held hearings on two anti-natural gas development initiatives. Chemistry Council of New Jersey (CCNJ) staff testified in opposition to both initiatives. The bills drew a large number of folks who testified both in favor and in opposition.

It is the longstanding position of CCNJ to oppose any and all initiatives that drive a negative message on natural gas development. CCNJ's members use a large amount of natural gas as a feedstock to produce the products they manufacture. CCNJ members also benefit from lower energy costs, which are being driven by the robust supply of natural gas, located in shale deposits across the United States. It is our hope that New Jersey policy leaders come to understand the many benefits of shale gas and promote policies which embrace shale gas, as opposed to promoting negative messages, which can be counterproductive.

Senate Bill 1041 (Gordon / Bateman) - prohibits treatment, discharge, disposal, or storage of wastewater, wastewater solids, sludge, drill cuttings or other byproducts from natural gas exploration or production using hydraulic fracturing. The bill does not take into account current laws and regulations on wastewater disposal, which were put in place to protect public health. If wastewater from the natural gas drilling process does not comply with the permits which are issued under the NJPDES program, then the treatment facilities are not allowed to accept

that wastewater. The NJDEP is also working with facilities that accept drilling waste, to ensure that the disposal is done properly and that the public's health is protected. CCNJ also agrees with NJ Governor Chris Christie, who vetoed a similar measure last session, that S-1041 will not pass muster and violates the Interstate Commerce Clause of the U. S. Constitution. The bill was released from Committee by a 4-1 vote, with Republican Senator Sam Thompson casting the lone no vote.

Senate Bill 1376 (Beck) - establishes moratorium on hydraulic fracturing for purpose of natural gas exploration or production until certain federal laws are changed. Since there is currently no natural gas development occurring in New Jersey, there is no need for New Jersey to promote greater federal oversight of the gas exploration industry. Oversight has been successful at the state level (in other states) where state regulations, which take state specific issues and challenges into account, have been enacted. Putting in place a moratorium will send the wrong message to those looking to invest in New Jersey, by telling manufacturers that New Jersey does not see the important role low natural gas costs plays in their business strategy. The bill was released from committee by a 4-0-1 vote, with Republican Senator Sam Thompson casting the lone abstention.

For more information please contact Hal Bozarth or Ed Waters at (609) 392-4214.

## CCNJ NJPDES FEE ADVOCACY RESULTS IN SIGNIFICANT SAVINGS FOR REGULATED MEMBER COMPANIES



CCNJ's advocacy efforts at the NJDEP to reduce industrial NJPDES fees have resulted in a significant reduction of more than \$1.5M on the Industrial NJPDES fees for 2014, compared to 2013, and a significant savings for many CCNJ member companies.

After analyzing the 2014 NJPDES Fee Report, CCNJ found that the overall budget for the industrial surface water permitting budget dropped from \$5.3M to \$3.8M between 2013 and 2014. The department also reduced its headcount allocation by 9.38 to 20.04 in 2014 in the industrial NJPDES permitting category. This changed the environmental loading factor from 9.07 in 2013 to 6.65 in 2014. This means that CCNJ members with a NJPDES Industrial Permit will receive a fee reduction in 2014 of approximately 30%,

or \$750K according to CCNJ's analysis. Of the \$750k in savings, 4 CCNJ members saved in excess of \$75k each, 13 member facilities saved greater than \$7.5k, and more than 22 other member facilities obtained some savings for 2014.

CCNJ is grateful to its members for their input and help on the CCNJ NJPDES industrial fees advocacy efforts over the past year. Despite our efforts that resulted in the reported savings, NJDEP actually increased headcount for NJPDES water permitting and increased the overall budget by 10% to about \$24.2M. Therefore, CCNJ will continue to benchmark vs. other states and advocate for a simplified fee rule proposal based on actual workload by NJDEP permitting staff. With CCNJ members' input and feedback on the NJPDES 2014 fee report, the CCNJ goal will be for continued downward pressure on all NJPDES fees, as well as building a predictable and a simplified fee structure for the future.

CCNJ is planning to host a working meeting in early April to review the published NJPDES Fee Report for 2014 to prepare CCNJ's comments and continued advocacy work in this area. The 2014 NJPDES Fee Report can be found at [http://www.nj.gov/dep/dwg/pdf/fee\\_rpt\\_2014.pdf](http://www.nj.gov/dep/dwg/pdf/fee_rpt_2014.pdf). Contact Steve Chranowski, if you are interested in attending the working group meeting in early April. Also, members should submit their comments on the 2014 NJPDES fees report to Steve Chranowski prior to April 7th.

Moving forward CCNJ will be advocating similar changes in the NJDEP's air and site remediation programs. Contact Steve Chranowski if you are interested in becoming part of a future working group on these topics later in the 2<sup>nd</sup> Quarter.

## CCNJ RAIL SAFETY TASKFORCE MEETS TO SHARE LESSONS LEARNED & REGULATORY FOCUS ON CRUDE

### RAIL SHIPMENTS

In late March, the Chemistry Council's Rail Safety Taskforce held its first meeting of 2014 and continued its mission to work to improve New Jersey's system of emergency response, and expand the knowledge, relationships, and communication between emergency responders, local government officials, rail partners, and the chemical industry. The meeting focused on initial lessons learned from a recent joint table top rail incident exercise between Salem and Gloucester Counties and a discussion of the continued regulatory focus on crude oil rail shipments.

The bulk of the meeting dealt with a review and discussion of the table top exercise held at the Salem County Office of Emergency Management (OEM) complex on March 8. Members from CCNJ's Rail Taskforce attended the exercise, including Linton Henderson (DuPont), Steve Chranowski (CCNJ), Tony Dias (Kuehne), Janet Ferris (Axeon), Chuck McCann (Lubrizol), and Mike Morrison (Oxy Vinyl). The scenario used for the exercise was an accident caused by a vehicle that crashed into a railcar transporting chlorine, resulting in a significant chlorine leak and response effort with cross county communication from Salem and Gloucester Counties. The exercise tested preparedness for evacuations, shelter in place orders, as well as emergency response due to inhalation toxicity of chlorine.

This training exercise was part of an initiative organized to expand communication between federal, state, and local agencies, rail partners and industry to drill on incident command control, public protection, control and containment of products, and the dissemination of public information. The drill also was designed to stress the need for the initial emergency responders in operations to ask for assistance from Incident Command in setting up logistics and planning. The drill demonstrated the importance of utilizing available resources and communication. CCNJ utilized this opportunity to develop a relationship with Conrail, which has committed to setting up a similar exercise in Middlesex County or North Jersey in the third quarter.

The regulatory focus on crude rail shipments, which has increased by 400 percent since 2005, was also discussed at the latest meeting. The NTSB is making recommendations to ensure that tank head and shell are more puncture resistant on crude rail cars due to poor performance of the DOT-111 tank cars in past events in Casselton, ND and in Canada. No legislation or rules have been passed at this point. The NTSB is also asking the Federal Railroad Administration (FRA) and US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to develop an audit program to ensure rail carriers that carry petroleum products have adequate response capabilities to handle worst case discharges of the crude trains.

Finally, NTSB is pushing to audit shippers and rail carriers to ensure that they are properly classifying hazardous materials in transportation and have adequate safety and security plans.

In addition to expanding the knowledge base of our state's emergency responders, rail partners and the chemistry industry, the taskforce is working to develop a simple resource guide for the initial emergency response on rail issues in New Jersey.

At the meeting, the new TRANSCAER training dates were announced for New Jersey and Connecticut, which include two stops in North Jersey: South Kearny on May 12th and 13<sup>th</sup>, and Port Reading from May 21-23. The training topics will include: general awareness for non-responders; rail car anatomy; capping kits (Midland and C-Kit); responding to TIH/FG emergencies; leak mitigation; tank truck emergencies; and chlorine emergencies. You can access more information about the TRANSCAER events via CCNJ's website at <http://www.chemistrycouncilnj.org/Events/TRANSCAER-NJ-TOUR.aspx>.

Representatives from member companies interested in joining the Rail Safety Taskforce are encouraged to contact Steve Chranowski or Tom Leach.

### Supporting New Jersey Chemical Manufacturers on Environmental Issues

- > NSR, PSD, Title V and Minor Source Air Permitting
- > Emissions Quantification & GHG Reporting
- > EH&S Auditing, Information Systems & Customized Training
- > Air Dispersion Modeling & Software

Contact Michael Trupin at  
(609) 375-2665 for assistance  
or visit [trinityconsultants.com](http://trinityconsultants.com).

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2014 ANNUAL APRIL 28-29  
 Stockton Seaview Resort  
 Galloway Township, NJ **SPRING CONFERENCE**

**KEYNOTES**



**Peter Ricchiuti**, Founder & Director of Research, Burkenroad Reports



**Debra M. Phillips**, Vice President, Responsible Care® & Value Chain Outreach, ACC



**Judith A. Enck**, Administrator for EPA's Region 2 Office

**FEATURED SPEAKERS**



Reporters Roundtable with Michael Aron, NJTV



Christopher J. Molloy, PhD, RPh, Senior Vice President, Rutgers

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# Member Spotlight



**Our full name is Groundwater & Environmental Services, Inc., but we are more commonly known as GES.**

We provide environmental consulting, engineering, and technical field services related to assessment, remediation, and compliance for all environmental media. We also offer a host of value-added strategic and practical solutions to help our clients manage their environmental liabilities.

Founded in 1985, we have maintained our focus on environmental services for some of the world's largest companies, including many members of CCNJ. Stable leadership, consistent management, and an efficient organization are the strengths that have enabled us to uphold our values and the flexibility to adapt, diversify, and grow to serve our clients' evolving needs, across the US and abroad.



*#18 among ENR's "top 30 pure environmental companies."*



**Our clients rely on us for our regulatory expertise; technical know-how; quality service; and safe performance.**

Our New Jersey office is 100-strong, including 11 NJ licensed site remediation professionals (LSRPs) who use their regulatory knowledge and professional judgment to help our clients reduce the costs of managing their environmental liabilities – and to obtain closure on their toughest sites.

We have a long and successful history of advocating for our clients and an excellent record of achieving site objectives and regulatory closure. Our focus on site-specific strategies encourages innovation, creativity, and lasting results. We view client advocacy as a core responsibility, and we diligently work to secure regulatory approvals and enable asset acquisition, divestiture, and development to support our clients' business initiatives.

An efficient service delivery model integrates program leadership with operations and engineering to ensure quality, consistency, and safe performance across our client's environmental portfolios. This best-value approach pairs specialized industry expertise with the appropriate technical and regulatory knowledge to match the right resources to each project. GES-NJ staff also includes drilling, utility markout and clearance resources, as well as a diverse staff of equipment operators and environmental technicians, all aligned with client and project objectives.

Above all, GES is focused on achieving our clients' goals, safely – with a commitment to health, safety, security, and environment (HSSE) and the use of our licensed LPS (Loss Prevention System) behavioral management system. Once again, we achieved no lost-time injuries in 2013, and earned a remarkable 0.15 OSHA TRIR. Our safe performance is verified by independent auditors including ISNetworld, Pacific Industrial Contractor Screening (PICS), PEC Premier Safety Management, and National Compliance Management System (NCMS).



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*solving environmental challenges for NJ industry since 1985*