

New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Board of Public Utilities Highlights Efforts to Strengthen State's Utility Infrastructure in Marking Third Anniversary of Superstorm Sandy

Brick Township, N.J. – Today, New Jersey Board of Public Utilities (BPU) President Richard S. Mroz joined Laurence M. Downes, chairman and CEO of New Jersey Natural Gas (NJNG), along with public officials and company representatives, at the base of the Mantoloking Bridge to mark the third anniversary of Superstorm Sandy and highlight efforts underway to strengthen the state's utility infrastructure.

"Superstorm Sandy was the most devastating storm in the history of our state," said President Mroz. "In the three years that have passed, significant progress has been made to harden New Jersey's utility infrastructure. And while more work remains including the inclusion of a new section within the State's Energy Master Plan on infrastructure resiliency, and emergency preparedness and response, with the leadership of Governor Christie and the system enhancement being undertaken by New Jersey's utility companies, we are making New Jersey stronger and more resilient now and for the future."

The Christie Administration has made it a priority to improve energy resiliency, and emergency preparedness and response. Therefore, the State's Energy Master Plan (EMP), which is currently being updated, will include a new section *Infrastructure Resiliency & Emergency Preparedness and Response* addressing policy recommendations based on New Jersey's Plan for Action in the aftermath of Superstorm Sandy. This new EMP section will cover areas of protecting critical energy infrastructure, improving the Electric Distribution Companies (EDCs) emergency preparedness and response, increasing the use of microgrid technologies and applications for distributed energy resources (DER), and creation of long-term financing for resiliency measures.

Since Sandy struck, the Board has taken a series of actions to storm-harden utility infrastructure and improve regulated utility companies' storm preparedness and response.

On January 23, 2013, the Board issued an Order requiring the EDCs to take specific action to improve their preparedness and responses to major storms. The Board approved 103 industry-wide and EDC-specific measures in the categories of: preparedness efforts; communications; restoration and response;

post event; and underlying infrastructure issues. The EDCs have implemented all of the requirements including measures to improve communications prior to, during and after major storms with the goal of providing customers and public officials with more reliable and useful information. The most visible improvement to customers may be the creation of Storm Center websites and apps to provide updated information to customers during major outages.

On March 20, 2013, the Board issued a subsequent Order, which initiated a Storm Mitigation Proceeding to investigate possible avenues to harden New Jersey's utility infrastructure so that it may be better able to withstand the effects of future major storm. The March 2013 Order focused on a portion of the January Order – Underlying Infrastructure Issues – and sought proposals from the state's utility companies for storm-hardening and mitigation projects to help its infrastructure better withstand and recover from the effects of extreme weather events. With BPU approvals to date, \$1.5 billion worth of storm-hardening projects are currently underway at the regulated utilities in New Jersey.

As a result of the March 20, 2013 Order, PSE&G, Elizabethtown Gas, New Jersey Natural Gas, and South Jersey Gas have all had storm mitigation plans approved by the Board in order to support and strengthen New Jersey's utility infrastructure to withstand the effects of future major storms.

"Superstorm Sandy was unlike anything we ever experienced," said Downes. "Yet, no matter the circumstance, our team responded. With the leadership of the administration and the BPU, we continue to respond and make our system stronger through programs like NJ RISE."

NJNG, whose service territory includes Monmouth and Ocean counties, which were among the most severely impacted by Sandy, is investing more than \$100 million over five years to improve the reliability and resiliency of its distribution system through the New Jersey Reinvestment in System Enhancement (NJ RISE) program. Comprised of six storm-hardening and mitigation projects, NJNG will install secondary feeds into Sea Bright, Long Beach Island (LBI) and the South Seaside Peninsula, as well as a new high-pressure feed to Mantoloking. The company will also rebuild a regulator station on LBI and relocate a supplemental regulator station off the barrier island in Mantoloking. Additionally, NJNG will install approximately 35,000 excess flow valves in flood prone areas.

Highlights of the other Board approved storm mitigation plans

PSE&G's Energy Strong Storm Mitigation Plan is comprised of:

- \$1 billion of infrastructure hardening measures,
- Flood mitigation work at 29 substations,
- Upgrading the company's gas distribution system including replacement of cast iron and bare steel pipe, and
- Installation of advanced technologies among other projects.

Elizabethtown Gas's ENDURE (Elizabethtown Natural Gas Distribution Utility Reinforcement Effort) Program is comprised of:

- \$14.9 million of infrastructure hardening measures,
- Replacement of 12 miles of low pressure cast iron main located within a designate FEMA flood zone,
- Elevation and hardening of the building that houses instrumentation tied to the Company's operation of its liquefied natural gas plant, and

• Elevation of three gate station facilities to protect SCADA equipment.

South Jersey Gas's SHARP (Storm Hardening And Reliability Program) is comprised of:

- \$103 million of infrastructure hardening measures,
- Replacement of 179 miles of low pressure mains and associated services with high pressure mains and associates services, and
- Elimination of 52 regulator stations and the installation of excess flow valves (EFVs) in Atlantic City, Ventnor City, Margate, Longport, Ocean City, Wildwood, North Wildwood, Wildwood Crest and West Cape May.

About the New Jersey Board of Public Utilities (NJBPU)

The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.nj.gov/bpu. https://www.bpu.state.nj.us/

About the New Jersey Clean Energy Program (NJCEP):

NJCEP, established on January 22, 2003 in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBPU), and its website is www.NJCleanEnergy.com. https://www.NJCleanEnergy.com