

Energy Master Plan Stakeholder Meeting Summary

<u>Date & Time Of Meeting:</u>		<u>Meeting Location:</u>
October 24, 2006, 6 P.M.		War Memorial Building Trenton, New Jersey
Attendees		
<p><u>BPU</u></p> <p>Christine V. Bator, Commissioner Lance Miller, Chief of Staff Bharat Patel, Director, Planning Unit Joe Costa, Administrative Analyst, Planning Unit Marco Valdivia, Research Scientist, Chemistry, Planning Unit Peg Gallos, Communications Manager Joseph Sullivan, Business Ombudsperson Ronald H. Reisman, Manager of Business Outreach Scott Hunter, Renewable Energy Program Coordinate Mike Winka, Director, Office of Clean Energy Laurie Williams, business analyst</p>	<p><u>Governor's Office & EMP Agencies</u></p> <p>Lisa Jackson, Commissioner, Department of Environmental Protection Rodney Richards, manager, Energy Office, Department of Treasury Debbie Mans, Energy Policy Advisor, Governor's Office Henry Ogden, Assistant Deputy Ratepayer Advocate, Division of Rate Counsel Mark Stout, Assistant Commissioner for Planning and Development, Department of Transportation Jeff Beach, Dept. of Agriculture Joseph Carpenter, Research Scientist, Department of Environmental Protection Larry Lewis, Governor's Office Liaison to BPU Anthony Innes, Director of Facilities & Emergency Management, Department of Human Services</p>	<p><u>Stakeholders</u></p> <p>Scott Tew, Trane Systems, a division of American Standard, Piscataway Mike Harison, CM3 Matthew Held, LS Power Susan Covino, PJM Interconnection, regional transmission organization Robert Revelle, ACE Sky Sims, ECO Systems Daniel Cifarelli, ECO Systems Damien Nichols, ECO Systems Al Eversen, Day One Solar Jim Heyes Joe Dean, The Clear Canopy John Stanziola, South Jersey Gas, Folsom, NJ. Lisa Ginther, MBI-Gluckshaw, Trenton, NJ. Paul Maticera, MBI-Gluckshaw, Trenton, NJ. Bill Walsh, PSE&G, Newark, NJ. John Rhodes George Spais, New Jersey Builders Association Mike Mangin, New Jersey Commerce Nancy Mahado, Center for Energy, Economic & Environmental Policy (CEEPP) Nora Lovrien, CEEPP Josie Drienzo, PSE&G Anthony Nini</p>

Speakers:

(*As listed above)

Lance Miller*

Lisa Jackson*

Mark Stout*

Anthony Innes*

Rodney Richards*

Jeff Beach*

Henry Ogden*

Commissioner Bator*

John McMahon, President & CEO, Rockland Electric

Frank Lacey, Direct Energy

Steve Gabel, Gabel Associates

Tom Leyden, Power Light

Roger Schwarz, Retail Energy Supply

Andy Stevenson, Trane Systems

Jay Cooper, Hess Corporation

John White, New Jersey Department of Corrections

Jim Torpe, PV Now

Suzanne Leta-Liou, Environment New Jersey

Adam Garber, Public Interest Research Group

Sara Bluhm, NJ Business and Industry Association

Tim Dillingham, Executive Director, American Littoral Society

Opening Remarks

Lance Miller

Lance Miller introduces Lisa Jackson, Commissioner of DEP.

Commissioner Jackson

Commissioner Jackson introduces representatives from the Governor's office and EMP agencies. Remarks on EMP interagency collaboration. We need stakeholder input to make a stronger energy efficient NEW JERSEY a reality.

Laurie Williams

Remarks on behalf of the Governor's Office. We see Energy as a fundamental part of economic growth. We are looking forward to hearing your ideas on what the goals are for New Jersey's future. The EMP is a real inter-agency effort. We're seeing an amazing commitment and coordination from other various agencies and we are looking forward to seeing the same kind of thing from the public meetings.

Mark Stout

Remarks on behalf of Commissioner Kolluri, Dept. of Transportation. The Dept. of Transportation is committed to being a full partner in this effort. We understand that the transportation sphere is an important part of the overall energy mix. Some of the things we are looking at for the future include increasing rider ship in public transit. Land use patterns in relation to transportation. Looking at Transportation land management (park and ride lots, van pooling, etc.). Intelligent transportation systems to take advantage of modern technology to improve traffic flows. We also need to look to the future at having more fuel efficient vehicles and alternative fuels as well. To help us in this effort we have contracted with the Voorhees Transportation Institute which is part of Rutgers University which will help provide us with the academic research support to try to quantify some of these areas. We look forward to hearing from you on these issues.

Anthony Innis

Speaks briefly about the role of the Dept. of Human Services. We have 13 major facilities, hospitals, developmental centers spread throughout the State. Some these buildings are very old. The idea of taking a look at energy plans for New Jersey and including the Dept. of Human Services is something the acting commissioner is very interested in, and we are interested in hearing what you have to say.

Rodney Richards

Speaking on behalf of the Dept. of Treasury. The treasurer is very pleased to participate in the EMP and feels this is a great opportunity for NJ to move forward in the area of energy. The State is a large purchaser of energy. The State is a buyer of renewable energy and wants to be a leader in that area as well. The State has over 4,800 buildings and those buildings need energy efficient equipment. The Governor in Executive Order #11 named a director of energy savings who will report to the State Treasurer and is responsible for implementing a program to increase energy efficiency, reduce energy usage and improve the procurement of energy in State facilities. The use of Energy Star as a product standard will be implemented in the State.

Jeff Beach

Speaking on behalf of the Dept. of Agriculture. The agriculture community is primarily interested in the energy issues from the side of biofuels. We look at the amount of soy and corn we grow in this State as a source of possible feedstock for future energy. We are working with various agencies on what we call the "biofuels action group" trying to move those projects from the drawing board into actual production.

Henry Ogden

Speaking on behalf of the Division of Rate Counsel.

Commissioner Bator

Commissioner Bator gives brief statement. We, as a State, consume too much energy. Businesses are leaving NJ as a result of high energy costs. We need a plan that will stop that from happening.

Lance Miller

Lance Miller discusses the EMP goals and objectives in detail. Talks about the Governor's commitment to the EMP and the 1-year timeline for completion of the plan. Talks at length about the EMP committee and the member agencies involved in this process. Talks about the EMP website and outlines the timeline and schedule for submitting comments. Written comments will be accepted through November 3, 2006. Recommendations on the strategies are due

1.

John McMahon

President and CEO of Rockland Electric (RECO). The EMP will bring needed priorities to NEW JERSEY and focus on issues that are vital to the people and businesses of this State.

2.

Frank Lacy

Director of Government and Regulatory Affairs for Direct Energy. We are the largest supplier of competitive energy products for consumers around the world with over 30 million customers globally. Direct Energy believes in establishing robust competitive markets, particularly with regard to energy and gas. We believe the following items will significantly assist the state in meeting its EMP goals: first, develop the retail electricity and gas markets such that consumers see prices relevant to them and to their behavior; second, expand hourly pricing of BGS offering to more commercial and industrial customers and move the fixed price customers to a more contemporaneous price; third, empower the customer with the tools necessary to interpret pricing databases. These tools include investment in advanced metering such as time-based metering and communications equipment. Real-time pricing is the key to getting customers to take charge of their energy use. Energy use across all hours will decrease. More significantly, peak demand will decrease reducing prices and cost to all customers.

3.

Steve Gable

Gable Associates represents independent energy producers or IEPs. The IEPs operate large scale power generating units who sell electricity primarily to the wholesale power market. We believe a competitive energy market is the way to achieve the goals of the EMP. Since the last EMP in 1995 there has been a major shift in risk to the power plants and plant owners. Power plants can no longer cover losses in customer rates. Since 1998 wholesale power prices have come down because of competition and more efficient generation. We believe competition has worked in the power market. From a reliability standpoint, a competitive market will sort out reliability problems. Finally, with regard to environmental issues, we have a cap in place on emissions. With the cap in place, generators need to buy allowances to emit. If the caps work the right way, generators will make the right fuel choice (gas, coal, oil) for better efficiency and lower emissions. We cannot solve the emissions problem in New Jersey by pushing down on generation alone. It will just pop up in NY, PA or any of the 10 states that have not yet joined RGGI (Regional Greenhouse Gas Initiative).

4.

5.

Question from L. Miller to Steve Gable: any progress on the other 10 states joining RGGI?

Answer: not much.

Tom Leyden

Representing Power Light Corporation. Power Light is a manufacturer of large scale commercial solar power systems.

6.

Roger Schwarz

Representing the retail energy supply association. More customers need access to real time pricing in NJ. We believe real time hourly pricing is the key to reducing energy use 20% by 2020. Today only about 2,000 electricity customers in NJ see hourly pricing. Long-term fixed rates do not contribute to the objectives of the EMP. Instead they create false signals that electricity costs are fixed for along periods of time. I suggest 3 steps to better meet the EMP objectives: (1) the BPU should expand the hourly price in the generation service category that includes more commercial and industrial customers and accelerate the installation of hourly meters, (2) the BPU should make basic generation more reflective of market prices, and (3) provide additional incentives for large electricity customers to better manage their electricity use.

7.

8.

Closing Statement**Lance Miller**

Any questions from the audience? No reply. Written comment are due Nov. 3rd.

	Action Item/Open Issue	Assigned to	Target Date
1.	none		
2.			
3.			
4.			
5.			