
Stephen E. Morgan
President

July 25, 2008

New Jersey Board of Public Utilities
Office of Policy and Planning
Attention: Draft EMP Comments
Two Gateway Center
Newark, NJ 07102

RE: JCP&L Comments on Draft New Jersey Energy Master Plan

JCP&L appreciates this opportunity to comment on the Draft New Jersey Energy Master Plan (EMP) released by Governor Corzine on April 17, 2008.

We applaud Governor Corzine again for confronting the energy challenges that face the citizens of New Jersey today and into the future. Much has changed with respect to both the economic realities facing New Jersey and the state's utilities since the last Energy Master Plan was created in 1995.

JCP&L is committed to being a member of the team that will be required to successfully meet the ambitious goals included in this EMP. We have participated in the EMP process since its inception and will continue to do so in the future. We agree that utility involvement is a must if the goals are to be met and look forward to working with the State, our customers and other stakeholders to provide a reasonably priced, safe and reliable energy future for our State.

Attached are JCP&L's specific comments on the EMP.

Sincerely,



Stephen E. Morgan
President – Jersey Central Power & Light

Attachment

JCP&L Energy Master Plan

I. Overview

- ☑ JCP&L supports the goals of the EMP.
- ☑ Utility participation is crucial to the achievement of those goals.
- ☑ Cost Recovery is critical. A fundamental prerequisite for utility participation is provision for appropriate cost recovery mechanisms, so as to assure the ongoing financial stability of the utilities.
 - It would be counterproductive to expect utility participation in these efforts if that participation would jeopardize its financial integrity.
 - Recognition of this overriding principle would strengthen the EMP and enhance the prospects for successful implementation with full utility support.
- ☑ Certain modifications will make the EMP stronger, more economically sound and more practical.

II. Energy Efficiency For Existing Buildings:

EMP Goal 1: Maximize the State's energy conservation and energy efficiency to achieve reductions in energy consumption of at least 20% by 2020

- ☑ JCP&L supports Governor Corzine's ambitious goal of reducing, by 2020, energy usage across New Jersey by 20%.
 - JCP&L is committed to working in partnership with the Board to achieve New Jersey's energy goals.
 - The EMP goals are very aggressive and will need comprehensive stakeholder involvement - - not only by the utilities, but also by the Clean Energy Programs and by non-utilities.
 - Because 2020 is not that far away, stakeholders must recognize that there is much to be accomplished in a relatively short time.
- ☑ The goals of the EMP will not only require dramatic behavioral changes among customers, but also will directly affect the manner in which utilities conduct business.
- ☑ Direct utility involvement leverages New Jersey's energy utility companies long record of successfully meeting the energy needs of New Jersey to address both the cultural and business challenges that must be overcome to attain the goals outlined for the State's energy future.

- New Jersey’s energy utilities can serve as a catalyst and vehicle for achieving the EMP goals;
 - New Jersey’s electric and natural gas transmission and distribution companies serve over 3.7 million electric customers and 2.7 million natural gas customers and enjoy an unrivaled, close and ongoing relationship with their customers that can be leveraged to facilitate achievement of the very ambitious EMP goals.
 - In enacting P.L. 2007, c. 340 (“RGGI Bill”), the Legislature determined “that public utility involvement and competition in the renewable energy, conservation and energy efficiency industries are essential to maximize efficiencies and the use of renewable energy.” The Legislature therefore sought in Section 13 to encourage utility involvement in undertaking such programs.
- Raising customer awareness about the importance of wise and efficient energy use is critical, requiring extensive and effective communication.
- Achieving the EMP goals will require significant changes on the part of end users; changes that are unlikely to occur without a strong partnership and cooperative effort among all affected players - - utilities, their labor force, their customers (including customers who struggle most with energy costs) and the State.
- EMP will effect long term shifts in energy policy, which must be recognized as likely to impact the financial health of the utilities.
- Mandatory goals and programs which result in reduced sales can affect companies’ ability to attract capital on reasonable terms.
 - Excessive risk associated with requirements placed on utilities in order to achieve the goals can affect not only shareholder value, but can, in turn, affect utilities’ ability to meet their principal mission of providing safe, adequate and cost-effective energy to customers.
 - It is critically important that policies and processes to implement the EMP goals reflect a reasonable balance between risk and reward for all involved so as to avoid unintended adverse impacts on customers and shareholders.
- Cost Recovery – It is critical for the State from the outset to set fundamental and long term principles toward the cost and rate treatment associated with energy efficiency and other EMP goals to ensure that appropriate signals are sent to investors -- that a dollar investment in energy efficiency should be as attractive as a dollar investment in utility infrastructure.
- Utility cost recovery is consistent with the RGGI law (P.L. 2008, c. 340).
- This is recognized by the EMP Implementation Strategy with respect to the “Energy Efficiency Program for Existing Buildings,” Action Item, which states that one source of funding available to utilities would be “utility rate recovery authorized by the Regional Greenhouse Gas legislation enacted in P.L. 2007, Chapter 340”.

- The traditional model for utilities' delivery of energy must shift in order for EMP goals to be achieved.
- ☑ The ratemaking framework for utility implementation of programs to achieve the EMP goals must change to reflect the new paradigm, which will require utility support and Board action for decades to come.
 - Board Staff must be adequately trained to use new tools for the evaluation of program spending in the new EMP environment. Staff thinking must realign with the new paradigm.
 - The new paradigm demands a differentiation between the kind of information that would be relevant to and useful in evaluating a large scale program with significant, ongoing economic ramifications, as opposed to one that is of small scale.
 - Traditional and time-intensive regulatory review requirements cannot be superimposed on non-traditional, innovative programs that will need to be rapidly deployed.
- ☑ It is critical to put the scale of the actions that are needed in perspective. *To meet the goals of the Energy Master Plan, New Jersey will need to deliver energy efficiency at significantly higher levels than under the current Clean Energy Program, a program which itself is regarded by many as one of the strongest in the country.*
- ☑ *JCP&L believes that it is critically important that regulatory policies and processes must not have the unintended consequence of impeding utility involvement in energy efficiency and renewable energy programs.*
- ☑ While JCP&L concurs with the EMP's energy efficiency goals, the EMP should be clear that the utilities cannot be held responsible for achievement of these goals, which is beyond their control.
 - While JCP&L believes that the utilities must be part of the process, the utilities cannot be held responsible for the behavior of their customers, nor can the utilities adopt or enforce energy efficiency standards, which are the province of federal and/or state government.
 - The utilities can, of course, participate in customer outreach and education efforts, subject to the implementation of appropriate cost recovery mechanisms.
 - EMP references to decoupling should be placed in a context that recognizes decoupling as a possibly helpful tool to remove barriers to conservation and energy efficiency goals, but as only one of many tools. Other approaches, such as lost revenue recovery, or other incentives, should be given at least equal weight.
 - JCP&L commends the provisions of the EMP that put peak reduction goals on a par with energy efficiency and overall load reduction as an effective energy policy.

III. Education and Outreach:

Action Item 4: Increase education and outreach in the public and private sectors.

- ☑ JCP&L agrees with and supports the fundamental and underlying tenets of education and outreach outlined in Action Item 4.
- ☑ Utility Involvement Critical. Utilities need to be involved in education and outreach efforts as they are uniquely positioned to convey both the technical and practical aspects of how energy efficiency affects customer costs, as well as, the need for future infrastructure and generation investments in New Jersey.
- ☑ Build on Established Relationships. The New Jersey utilities have established strong relationships with customers across all of the various customer class segments that include access to those within the business community responsible for making informed energy decisions.
- ☑ Energy Education Joint Venture Partnership. The Company agrees with the EMP proposal to create the Energy Education Joint Venture Partnership (EEJVP) to review existing private and public sector education efforts and to make recommendations for education and outreach going forward.
 - Requiring New Jersey utilities' participation will provide significant expertise and contributions to the EEJVP. Assuming that the utilities will be tasked with communicating EMP initiatives to their customer base, it is important that each utility has representation on the EEJVP.
 - Differences among utilities must receive due recognition as future outreach initiatives are developed.
 - All current communication efforts should be evaluated to ensure that initiatives are meeting or exceeding stated objectives.
 - New messages must be strategically crafted to effectively communicate New Jersey's energy paradigm.
 - To be sure that messages are consistent throughout the state, the Board should have all final approvals on the education and outreach implementation process.
- ☑ Budget Requirements for EEJVP activity must be realistically assessed.
 - While \$10,000 in administrative costs may be an adequate budget to create an EEJVP group to accomplish the tasks outlined in the plan's implementation strategies, much more will need to be done to raise and maintain awareness at the levels necessary to achieve EMP goals.
 - New Jersey's utilities will need to pursue a range of strategies – including mass-media advertising, direct mail, collateral, special events marketing and other efforts – to ensure widespread customer adoption of energy efficiency initiatives.

- ☑ Cost recovery must be assured for the costs associated with these and other utility programs, which will likely be significant.
 - Timely and complete cost recovery will guarantee that utility efforts are sufficient to raise awareness and knowledge to the levels needed to effectuate major change.

IV. Decrease Size of Customers in Real-Time Pricing:

EMP Goal 2. Reduce peak demand for electricity by 5,700 MW by 2020.

ACTION ITEM 1: Expand real-time pricing for commercial and industrial customers to customers with a peak demand of at most 600 kW or greater by 2010 and at most 500 kW or greater by 2012.

- ☑ This Action Item would expand real-time pricing to commercial and industrial customers (“CIEP tariff”) with a peak load demand of 600 kW or greater by 2010 and 500 kW or greater by 2012.
 - This Action Item should be revised to read as follows: “Expand real-time pricing for C and I customers to customers with a peak demand of 600 kW or greater by 2010 and 500 kW or greater by 2012.”
- ☑ This Action Item assumes that instituting real time pricing for the larger C&I customers provides a tremendous opportunity to reduce peak usage.
 - This would entail moving more large customers from the BGS fixed-pricing tariff (“FP tariff”) and into the CIEP tariff. The current CIEP tariff requires that C&I customers with peak load demand of 1,000 kW or greater must either be on real-time pricing, or they must shop.
 - The Board’s proposed 2009 proceeding to evaluate this proposed expansion of CIEP participation should examine the patterns of CIEP eligible customers’ usage, both before and after they shop, their preparedness to shop, and other specific measurements that support lowering the threshold for mandatory participation in order to better understand the drivers of customer behavior related to reducing peak usage.
 - If it is to occur, the shift to greater customer participation in CIEP should adopt a staged approach, which takes into account customer readiness, with the next progression to implement this initiative to the 750 kW or greater by 2009, since these customers have been paying the retail margin and are familiar with the “peak load demand” concept. These customers should already be equipped with interval meters. IT customer billing is already in place for CIEP billing.
- ☑ Cost recovery will be necessary. Reducing the customer participation threshold below 750 kW will entail costs for JCP&L related to costs for additional metering and likely IT costs.

- The estimated annual costs (revenue requirements) associated with the 500 kW to 750 kW group of customers is about \$387,000, based on revenue requirements in base rates associated with the 750 and above group.
- Customer education and outreach would be essential to avoid confusion and potential complaints.
- Rate recovery for these costs must be provided by the BPU when deciding on threshold reduction.

Implementation Strategy requiring EDCs “to provide the affected customers with real-time usage and pricing information free of charge.”

- ☑ Currently, JCP&L charges C&I customers \$450 for an annual subscription to “Meter Profile” for web-based profile information, or \$40 for monthly data on paper.
- ☑ This Implementation Strategy would increase the current CIEP IT and billing requirements.
 - One option is to create a web-site for the affected customers to use. Since this requirement would only be provided to non-shopping CIEP customers with the incremental costs being recoverable from the same non-shopping CIEP customers.
 - For example, currently, about 234 customers would be affected if the CIEP threshold was reduced to 500 kW. These customers would be charged for \$450 per year (total ~\$105,000 annual recovery) to offset the incremental costs associated with this requirement.
 - Shopping customers should not be penalized by being required to pay for this requirement.
 - Alternatively, the BPU should allow the EDCs to continue to offer the above-described profile service as an option to customers who want it and are willing to pay for it.

V. DEMAND RESPONSE & Load Management Program for Large Commercial and Industrial Customers:

ACTION ITEM 2: Expand incentives for participation in regional demand response programs.

- ☑ JCP&L Supports Goals but notes need for clarifications to facilitate implementation. The demand response goal of 2,200MW represents a very high proportion, roughly 10% of system peak load. While JCP&L is supportive of aggressive goals relative to peak load management, the Company believes that clarification of the goals and definitions will support their implementation.
- ☑ Demand Response must be more clearly defined. It is important to be clear about “qualifies” as demand response (“DR”).

- JCP&L recommends that DR include:
 - MW of registered curtailable load as reflected within the PJM markets;
 - An appropriate percentage of the MW of load (i.e. peak load share) associated with customers on real-time pricing tariffs that reflects their response to pricing “incentives”; and
 - MW curtailable load as reflected in TPS or utility bi-lateral contracts or tariffs, such as interruptible rate contracts or critical peak pricing tariffs.
- JCP&L notes that some efforts by PJM to quantify demand response load through surveys, particularly resulting from bi-lateral contracts, have been challenging, raising concerns that the process for tracking progress may result in low estimates of demand response.
- JCP&L also recommends that the DR Action Item include a goal for all State facilities with loads over 250 MW to participate in DR initiatives by 2010.
- ☑ Monitoring is a critical component of DR. Action Item 2 would be enhanced if it recognized the importance of DR monitoring towards achieving desired outcomes.
- ☑ The utilities’ ability to participate in and help customers benefit from regional demand response programs would be significantly enhanced if the EMP were clear that utilities are allowed to become curtailment service providers under PJM’s demand response programs.
- ☑ JCP&L believes that load management programs may, in fact, have a positive impact on the metrics for wholesale electricity prices, RPM capacity process and BGS procurement. However, it will be essentially impossible for a utility to quantify these impacts. Moreover, while assessments of these impacts may well be relevant to decisions about implementation of future or expanded programs, a utility cannot be held responsible for attainment of any set goal in these areas as a condition to cost or incentive recovery.

VI. Block Tariff Pricing:

ACTION ITEM 3: Evaluate a strong “inverted tariff” pricing system for residential customers.

- ☑ The Board proposes to examine an expansion of “inverted tariff” pricing for residential customers with a demand to be determined by the Board. Inverted tariff pricing would charge customers a higher rate for exceeding a designated usage amount or for using electricity during a specified period. The Board will also examine using the Societal Benefits Charge (“SBC”) to achieve the same result.
- ☑ Customer impacts must be clearly recognized. This Action Item has the potential to impact thousands of residential customers during the summer months when electricity prices are already higher than other months.

- Objectives must be clearly defined. The objectives of a “strong inverted tariff” should be clearly defined with measurable and achievable outcomes and parameters.
 - For example, the Board should use a stakeholders process to determine, among other things, how best to define the “higher” usage block that is to become subject to inverted tariff pricing, and the “energy efficiency and demand response programs” to be used to exempt customers. Such a process should also address when these “programs” would be available to customers.
 - If the rate design change is in BGS, consideration should be given as to whether this could impact the state-wide auction and how to quantify and measure such impact.
 - There should be a cost-benefit analysis done on customer behavior associated with any “strong inverted tariff”. The outcome and method of measurement would need to be determined.
 - If the rate design change is in SBC, the Board could use the additional revenues to fund projects that reduce peak demand and overall energy consumption. Some questions that would need to be answered include:
 - What would these projects be?
 - Would these projects benefit only residential customers or all customers?
 - Would there be any cross-subsidy concerns?
 - The objective should be to provide customers with additional economic incentives and signals to manage (or reduce) summer peak usage and/or improve load factor and efficiency.
 - This objective can be achieved, at least in part, through the creation of summer peak pricing signals – consistent with cost-incurrence concepts. For instance, JCP&L supports summer high usage block for residential customers, but could consider extending the summer rate design change concept to other general service customers (such as by adding a demand charge in BGS for the summer) to encourage load factor improvement.
- Costs Must be recognized and Cost Recovery provided. Implementation costs will likely include IT program changes for billing, contact center changes for customer inquiries and complaints, as well as customer outreach and education. These incremental costs must be fully and timely recoverable.

VII. “Smart Grid Pilot”:

ACTION ITEM 4: Move the State’s electricity grid toward the development of a ‘smart grid’ infrastructure.

- JCP&L supports the development of the “smart grid”. JCP&L understands and believes it is critical for regulators and other policy makers to appreciate that a key component of the

evolving Smart Grid paradigm is the involvement of controllable loads and distributed resources to participate proactively in improving operational reliability metrics for the utility. Smart Grid evolution is driving the convergence of guidelines for operational efficiency and the need for integration of DER - DR, renewables, distributed generation and energy storage devices. Of equal importance, changes to distribution loading orders are rapidly evolving to emphasize efficiency, load management and renewables.

- ☑ FirstEnergy vision aligns well with the “smart grid” Action Item. FirstEnergy has already launched its own Integrated Grid Communications and Automation (IGCA) Initiative, which aligns well with the requirements and intended outcomes of the EMP by:
 - Effectively addressing supply and peak load imbalance cost;
 - Improving reliability cost-effectively (e.g., by alleviating transmission congestion, and thereby reducing demand for electricity imports);
 - Addressing assertive 2020 goals related to Demand Management adoption, including the deployment of Direct Load Control technology and CHP/Distributed Generation integration; and
 - Enhancing and integrating the delivery of renewable energy.

- ☑ JCP&L is actively investigating with Board Staff and Rate Counsel the deployment of a pilot project. The proposed pilot if approved by the Board will integrate Distributed Energy Resource Management capability directly into the JCP&L electric distribution system.
 - The deployment will deliver value to JCP&L through operational demand response, energy efficiency and reliability enhancements by controlling system load and distributed storage in direct response to distribution system needs.
 - The initial pilot will be deployed on distribution circuits to demonstrate the advanced technology’s capability to provide targeted load management capability, including load shedding and shifting.
 - This targeted management will allow JCP&L to control peak load and address energy efficiency on the circuits as well as potentially extend the useful life of distribution assets and possibly defer or reduce major capital expenditures for the upgrade of distribution facilities.
 - The initial scope of the project will be a total of 8-10MW of Integrated Distributed Energy Resource (IDER) capacity, coordinated by a cross-functional software platform. JCP&L will utilize the rules-based capability of this platform to specify (configure) operational objectives related to peak loading, efficiency and reliability.
 - The software assesses distribution network conditions and then determines how best to use the available integrated DER components (whether load or capacity based) to meet those service needs, optimizing energy delivery, and creating an enhanced business case for the deployment of distributed energy resources. To create additional value, JCP&L

may consider deployment of this pilot in a service area footprint(s) that is affected by transmission congestion, allowing the utility to assess how this technology can be used to alleviate this issue.

VIII. Energy Storage:

- ☑ Energy Storage should be an additional Action Item in support of EMP Goal 2. JCP&L proposes that promoting energy storage should be an additional action item in support of EMP Goal 2, which is to “Reduce peak demand for electricity by 5,700 MW by 2020” as follows:

Action Item 6: Investigate and promote the use of energy storage as a resource in reducing peak demand for electricity.

- Energy storage was addressed only as an area of study under this Action Item where reference is made to plug-in hybrid energy storage to be evaluated by the Board.
- ☑ JCP&L believes that the Energy Storage is a current, not just a future, concern and consideration. Energy storage should have a larger part in the EMP than a future look at RPS requirements.
 - Energy storage should be included in the EMP as an important mechanism to support EMP goals relating to peak load.
 - Energy Storage capability is essential to the modernization of the grid. In fact, storage is not just an add-on capability but it is a key enabler to the future grid and needs to be viewed as such.
- ☑ The EMP should include a focus on development and deployment of energy storage technologies. JCP&L believes that energy storage technologies, especially direct electrical storage should receive the same focus as the development and deployment of alternative energy resources. Making energy storage an action item in support of EMP Goal 2 will help to provide this necessary focus.
- ☑ The Energy Storage Background and Story. The vision of the modern grid articulated by the National Energy Technology Laboratory and USDOE suggests Storage is important and significant part of the transition to the New Grid. The principle characteristics of that grid as envisioned are that it can:
 - Improve Asset Utilization and Efficiency
 - Improve T&D Reliability, Availability and Power Quality
 - Provide Cost-effective Peak Load Management
 - Enable System Self Diagnosis and Adaptability
 - Provide Better Choices and Communications with Customers
 - Interconnection and Interoperability of Renewables, Distributed Generation, and Storage

The ultimate design preference for storage is some form of electrical energy storage. While this is the ultimate preference it is the least deployable currently due to limitations in technology development and its costs. However, grid energy storage needs to be viewed in its most general form as kinetic and potential energy storage. Early forms of storage deployment include mechanical or thermal energy storage technologies but will ultimately develop into electrochemical or direct electric storage in the form of advanced battery, super and ultra-capacitor, plug-in hybrid, fuel cell, or other as yet unknown technology.

- Energy Storage in Energy Delivery Operations Widely dispersed storage maximizes the reliability of the entire system, helps in peak load management and minimizes system failures. The buffering provided from real time events improves as technology develops to allow for that storage to be placed between the grid and the electrical consumption in the home or facility. This buffering, in addition to the reliability improvements results in power conditioning capability at the end-use customer that currently does not exist and which has hitherto been too expensive to achieve customer by customer.
 - Energy Storage facilitates for energy efficiency, system availability, reliability and survivability. It also enables customers to be active in their energy choices and can separate them from disturbances on the system.
 - Thermal energy storage using ice storage technologies can provide permanent load shifting to provide demand reduction and load management and should be supported as part of the EMP for initial demonstration as a pilot and, if successful, for subsequent strategic deployment.
- Energy Storage to Firm Renewables Further, storage makes the deployment of renewable distributed generation resources like wind and PV more effective and overcomes the concerns regarding capacity factor and the adverse impact upon grid operations of non-dispatch able resources.
- Energy as a Commodity. However, the strongest argument to be made in favor of widely dispersed storage is that the vision of a truly market driven electrical system will never be realized until electricity behaves like a true commodity.
 - That can not occur, given physical laws and the need for electricity to be created at the instant of consumption, unless and until storage is ubiquitous throughout the grid. When that is accomplished all price volatility is taken out of the market as supply and demand balance inequalities are taken up by the storage (inertia) of the system.

IX. Interconnection Costs:

Implementation Strategies providing interconnection options for offshore wind, onshore wind and CHP

- ☑ Increased EDC Costs. The EMP implementation strategies include a number of generation options that would present potential interconnection cost issues for JCP&L. These potential generation sources include: a) offshore wind, b) onshore wind, and c) CHP.

- ☑ Project Size determines the process. JCP&L believes that project size will be the determining factor with respect to interconnection issues. “Large” projects will be connected to the grid utilizing the “PJM process”. “Small” projects will be connected utilizing the interconnection standard(s) of the host EDC.
- ☑ Costs must be paid by Project Developers. All costs associated with any interconnection(s) to the utility electric grid should be paid by the project developer. Likewise, any interconnection cost related to an “onshore” wind project should, again, be the responsibility of the project developer.
 - JCP&L notes that the recent Board solicitation for a 350 MW pilot of offshore wind projects included the following language (which indicates new requirements but does not address cost allocation):
 - **“Electric Interconnection** – For each candidate area, applicants must document tasks required and discuss issues associated with electrical interconnection, including the distance between the project and a suitable point to interconnect with the electrical grid. Identify land acquisition requirements, new equipment to be installed, upgrades to existing equipment required, and any feasibility studies required and the timeframe for review. A detailed description of how the proposed project will address and mitigate load constraints in the ACE electric distribution and PJM transmission system should be included for each site. This section should include a description of each proposed point of interconnection.”
- ☑ Combined Heat and Power Interconnections are tariff-based. The EMP projects 1500 MW of combined heat and power projects. JCP&L believes that it is worth clarifying that all interconnections would be subject to current electric utility Tariffs in effect.

X. Other

EMP Goal 3: Meet 22.5% of the State’s electricity needs from renewable resources.

Action Item 1: Complete the transition of New Jersey’s solar program to a fiscally responsible market that will foster the continued growth of solar energy use in the State.

- ☑ In the discussion of the relationship of New Jersey’s evolving solar program to the 2% cap on solar-related costs, the EMP should be made clear that the consequence of reaching the 2% cap is that the goal is reduced, not that the utilities are somehow expected to absorb (or even defer) costs in excess of the cap. Any such threat to the utilities’ financial integrity would be counterproductive.

Action Item 2: Develop New Jersey’s wind energy resources, considering at least 1000 MW of offshore wind and up to 200 MW of onshore wind by 2020.

- ☑ The Company believes that support for the development of wind resources, as discussed in the body of the EMP, may well prove advantageous. However, to carve out a specific Renewable Portfolio Standards (“RPS”) requirement for wind, as seems to be contemplated

in the Implementation Strategies, may serve only to complicate RPS compliance and increase RPS costs, without any countervailing customer benefit.

Action Item 4: Increase the Renewable Portfolio Standard for the years 2021 to 2025.

- ☑ While JCP&L believes that it is appropriate to consider increasing the RPS for the years 2021 to 2025, it respectfully submits that 2008 is too soon for even a “preliminary evaluation”.

EMP Goal 4: Develop new low carbon emitting, efficient power plants and close the gap between the supply and demand of electricity.

Action Item 1: Use the State’s current authorities to influence the development of that infrastructure, and work with the Legislature to obtain additional authorities that may be needed.

- ☑ The EMP also makes reference to a state power authority or a State Energy Council. JCP&L believes that such an agency may well contribute to achievement of the EMP’s goals.
 - However, to the extent that the concept includes the possibility that such an agency might build and own generating assets or transmission lines, JCP&L believes that such an approach would be misguided.
 - Project development and ownership entail significant financial and other risks that should not be assumed by a state agency.
 - Instead, the state agency should remove barriers, such as those related to siting and permitting, and otherwise lessen risks for private developers.
 - In addition, a state agency might assist with low-interest financing, by facilitating the negotiation and execution of long-term power contracts or by supporting programs to maximize the capacity and output of *existing* generating facilities, thus avoiding some of the difficulties encountered in developing plants in new locations.