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April 29, 2009

Mr. Lance Miller
Chief of Policy and Planning
New Jersey Board of Public Utilities
Two Gateway Center, 8th Floor
Newark, NJ 07102

Dear Mr. Miller:

I am contacting you on behalf of the approximately 50,000 members of the New Jersey Association of REALTORS® (NJAR®) to formally submit comments with regards to the Northeast Energy Efficiency Partnerships (NEEP) report *An Energy Efficiency Strategy for New Jersey: Achieving the Energy Master Plan Goals*. The report was presented to the New Jersey Board of Public Utilities (BPU) on April 16, 2009.

As the leading advocate for private property rights and the real estate industry in New Jersey, NJAR® monitors issues that affect the cost and ability to purchase property. Having said that, there are several areas in the NEEP report of great concern to REALTORS®, as well as those buying and selling property. These concerns were submitted to NEEP when the draft version of this report was published last year. (A copy of NJAR®'s comments to NEEP from December 5, 2008 is enclosed.)

When NEEP released its draft report in 2008, the major concern NJAR® had was the time-of-sale policies requiring energy rating disclosures and upgrades when commercial or residential property is sold in New Jersey. NJAR® finds this recommendation troubling because of the negative impact it would have on real estate transactions. According to the U.S. Census, New Jersey has one of the oldest housing stocks in the nation, with 63 percent of homes being constructed before 1970. Were a requirement to be put in place mandating time-of-sale energy rating disclosures and upgrades, it would be far more difficult to sell older homes because of the additional work required to make them more energy efficient or bring them up to today's energy code. NJAR® is pleased to hear that you and several other commissioners share this concern and we are hopeful you will work to address this matter.

NJAR® would like to point out that the Energy Master Plan, which the recommendations of the NEEP report were designed to implement, called for electrical energy savings of 14,000 GWh by 2020 and electrical capacity savings of 3,300 MW by 2020. The projected savings in the NEEP report show electrical energy savings of 17,800 GWh by 2020 and electrical capacity savings of 6,400 MW by 2020, both of which are well in excess of the Energy Master Plan goals. Of this projected savings, time-of-sale policies are only estimated to produce 6 percent (or 1,068 GWh) of the electrical energy savings

and 33 percent (or 2,112 MW) of the electrical capacity savings. If the time-of-sale policies were removed, New Jersey would still see electrical energy savings of 16,732 GWh and electrical capacity savings of 4,288 MW. In total, electrical energy savings would be 19 percent higher and electrical capacity savings would be 29 percent higher than was called for in the Energy Master Plan.

Thank you for taking the time to view our comments from December 2008, as well as these comments with our concerns and recommendations concerning NEEP's report and the implementation of the Energy Master Plan. As always, please feel free to contact me with any questions or concerns you may have at (732) 494-4720 or dtomson@njar.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Tomson', with a long horizontal flourish extending to the right.

Douglas M. Tomson
Director of Legislative Affairs

cc: President Jeanne M. Fox, New Jersey Board of Public Utilities
Commissioner Frederick F. Butler, New Jersey Board of Public Utilities
Commissioner Joseph L. Fiordaliso, New Jersey Board of Public Utilities
Commissioner Nicholas Asselta, New Jersey Board of Public Utilities
Commissioner Elizabeth Randall, New Jersey Board of Public Utilities