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NJUSA.US

September 16, 2019

Dear Energy Master Plan Committee,

Please accept the below comments submitted on behalf of the New Jersey Utility Shareholders Association (NJUSA). NJUSA is a not-for-profit membership organization consisting of **individual New Jersey residents** (not institutions) who own shares in one or more of the companies with operating subsidiaries providing essential utility service in the State. We are pleased to be able to offer the views of our members on this important public policy initiative and applaud the Committee and leadership of the Board of Public Utilities (BPU) for their efforts to tackle directly the challenges posed by climate change.

NJUSA members are among those whose investments, along with the capital markets, make it possible for utilities to be sufficiently strong financially to meet their obligation to provide safe and reliable utility service every day. Without utility investors, New Jersey utilities would not only fall short of their service obligations, but also, would not be able to contribute, as many have, to New Jersey's leadership position in energy efficiency and renewable energy. As you consider NJUSA's comments, I hope you will do so in the context of the important role utility shareholders have played and, with favorable policies, can continue to play in growing New Jersey's economy and achieving its clean energy goals.

As people who live and work (or now as retirees, worked) in New Jersey, our members are also ratepayers. Most importantly, they are citizens who are as invested as anyone in New Jersey and its quality of life--its affordability, livability and environmental quality, all of which are most achievable when New Jersey's economy is strong.

No one wants the State to again experience the ravages of extreme weather events such as Superstorm Sandy. To that extent, we believe the protocols outlined in the Paris Climate Accords establish an appropriate framework within which to establish goals and strategies for addressing climate change and its causes. Our members, many of whom are senior citizens, are especially vulnerable to the vagaries of extreme weather, from extreme heat, to irregular rain, wind and snow patterns to extreme cold experienced during events such as "Bomb Cyclones." Service interruptions, whether weather-related or due to well-intended policy shifts that result in electric and gas reliability challenges, can be particularly stressful for seniors.

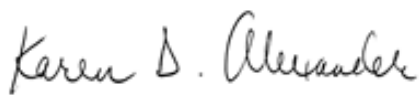
Given the above, we encourage the Committee to develop a final EMP with strategies that are: realistic; based on well-founded facts; balanced in recognizing that which is achievable today and what can be accomplished in the near- and-interim terms; and sufficiently innovative to incentivize those

desired but not yet sufficiently developed strategies to be implemented successfully and efficiently at full-scale in the longer-term. Specifically, we urge the final EMP to:

1. Provide an ongoing role for electric and gas distribution companies to participate fully in developing and implementing energy efficiency strategies to help customers use less electricity and natural gas and in turn save money;
2. Recognize that for energy utilities to be partners with the State in achieving its energy efficiency goals, a decoupling mechanism that compensates for lost revenues associated with lower consumption will be required;
3. Provide an incentive for utility shareholders to reward (hold and buy shares) rather than penalize (sell shares) electric and gas utilities for participating in energy efficiency by allowing a full return on and recovery of their investments;
4. Adopt a prudent approach to electrification that recognizes the limitations and costs of the technologies required to do so. A moratorium on the use of natural gas, as some suggest, ignores the technology and economic realities and risks serious unintended consequences, including potential price spikes and supply shortages. Forced electrification assumes that technological breakthroughs will only occur on the electricity side, when clear options such as renewable and synthetic natural gas along with carbon capture technologies have the potential to de-fossilize the gas delivery system and provide a more economic approach to the climate challenge. Continuing to make use of the existing natural gas system, with an increasingly clean- and renewable- fuel profile, also strengthens statewide energy resiliency goals, through fuel and grid diversity.
5. Recognize the role utility shareholders have played in providing the capital to enable the ongoing operation and upgrade of the gas distribution infrastructure that safely, reliably and affordably has enabled New Jersey to move successfully away from oil, propane and coal—if they are to continue to provide the capital needed now and in the future, they should be provided a transition from the status quo and encouraged to be investors in New Jersey’s clean energy future; and
6. Ensure that new strategies do not strain or sacrifice the safety and reliability of the existing electric distribution and transmission network and provide a role for electric distribution utilities, which have the greatest expertise in safe electricity distribution and use, to participate fully in the transition to electric vehicles.

Thank you for the opportunity to add the perspective of utility shareholders to this important stakeholder process.

Sincerely,



Karen D. Alexander

President