



New Jersey Chamber of Commerce
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**Draft Energy Master Plan (EMP)
Stakeholder Meeting # 7
Friday, September 12, 2019
At
Black Box Theater - The Kroc Center
1865 Harrison Ave, Camden, NJ 08105**

**By
Michael Egenton
Executive Vice President
New Jersey State Chamber of Commerce**

Thank you for allowing us the opportunity to provide input on the Draft Energy Master Plan (“EMP”).

Since 1911, the New Jersey State Chamber of Commerce (State Chamber) has been recognized as the independent voice of business in New Jersey. With a broad-based membership ranging from the Fortune 500 companies to small proprietorships, representing every corner of the state and every industry, our members provide jobs for over a million people in New Jersey. We continue to work toward streamlining the regulatory process while striving to maintain the economic vitality of our members and the quality of life that makes New Jersey unique.

Energy is the lifeblood of the economy. Reliable, safe, reasonably-priced and environmentally sound energy supply is essential for New Jersey’s economic progress. The State Chamber supports a balanced approach toward achieving the EMP goals that doesn’t depend or rely on one method, one technology, one fuel source, or overburden one segment of the economy or group of energy consumers.

The reliability and resilience of our energy, along with our transportation systems, are key to our businesses and their operations in the State. We support continued efforts in strengthening, modernizing and updating our aging power grid. We recognize the need for such investments and like any other long-term solution, the management and financing of such investments require thoughtful but structured, more predictable deliberation.

The New Jersey business community – both our industrial and commercial members – have worked diligently over the past several decades to make the necessary investments in both state-of-the-art equipment, technology and energy efficiency. Control technologies such as selective catalytic reduction, scrubbers, carbon injection and baghouses have been installed on power plants and other industries resulting in a reduction in energy consumption and greenhouse gas emissions.



I want to take the opportunity to highlight some of the specific energy sectors our organization believes must be “on the table” as the State of New Jersey prepares for the energy needs of the business community and residents in the outlying years:

IN-STATE GENERATION

The State Chamber recognizes that electric transmission resources are essential to maintain the reliability, efficiency, and safety of the electric system. Transmission additions and upgrades are also elements of a balanced approach to meeting the needs of energy consumers.

The ability to move power throughout the State and the region and to resolve congestion on the system that affects reliability and increases costs remains an important goal. New transmission construction also is an economic driver in its own right that will create jobs directly and through associated economic activity.

The EMP calls for a substantial increase in the deployment of distributed energy resources throughout New Jersey. New Jersey’s utilities, especially their electric distribution companies (EDCs), will need to make substantial investments in modernizing their grids to support this increased deployment and ensure the continued safe and reliable operation of their systems.

The State Chamber encourages the Board to consider allowing the State’s utilities to introduce pilot programs to explore best practices and opportunities for a transition to non-traditional distribution grid planning strategies. We also encourage the BPU to work closely with the State’s utilities and other stakeholders to fully utilize the accelerated recovery mechanism for infrastructure investments that are in place, and identify alternative regulatory mechanisms, to incentivize the substantial investment in the utilities’ systems that will be necessary to meet the State’s clean energy goals.

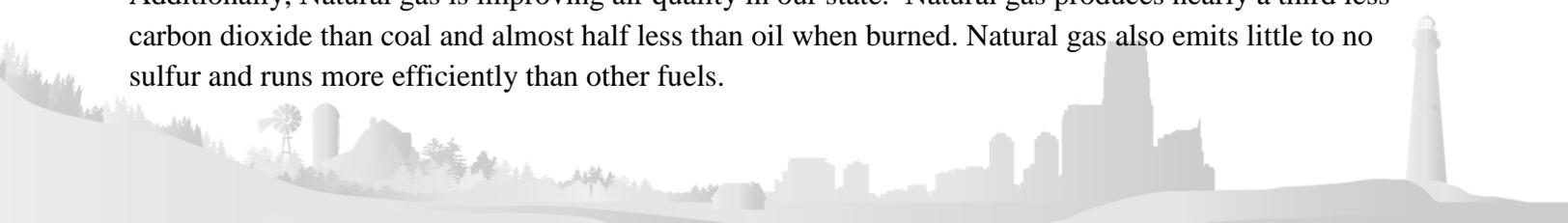
Additionally, we recognize the importance of modernizing the overall utility infrastructure, including upgrading and replacing leaking gas pipelines.

NATURAL GAS AND NUCLEAR

New Jersey must continue to cultivate a natural-gas friendly environment. Natural gas is economically efficient and is a clean, safe, and reliable source of energy. Our natural gas infrastructure is vital for a strong economy and the reliability of the state’s power grid. Our utilities are anxious to invest capital to enhance the infrastructure and reliability. That needs to be supported as a vital step towards achieving the goals of the EMP.

When it comes to affordability, natural gas is a proven reliable fuel source that can actually lower costs for families and businesses -- it is a proven cost-effective resource that provides fuel diversity. Recognizing the availability of low-cost natural gas and the primacy of gas use in home heating, it would be imprudent to neglect the state’s gas delivery infrastructure.

Additionally, Natural gas is improving air quality in our state. Natural gas produces nearly a third less carbon dioxide than coal and almost half less than oil when burned. Natural gas also emits little to no sulfur and runs more efficiently than other fuels.



Nuclear energy has been powering source for the United States for the last 60 years and generates 40 percent of New Jersey's electricity while emitting no greenhouse gases. The recent approval for the Zero Emission Certificate (ZEC) program by the BPU will help ensure the viability of emission-free electric generation. Continuing generation of nuclear power is critical to the Clean Energy Goals set by the EMP. The ZEC program also preserved the Hope Creek and Salem 1 and 2 plants, which will preserve jobs and continue to help the economy in the Salem County region.

SOLAR AND WIND

While there are no assurances that the State can solely rely on solar and wind, the State needs to enhance our base-load capacity as a guaranteed backup, particularly in the event of another super storm.

The State Chamber supports solar development at sites such as landfills, brownfields, warehouses, and government facilities that provide potential for larger installations, improve economies of scale, and that would return unproductive or underutilized sites to societal use.

The State Chamber recognizes that New Jersey has great offshore wind potential. We look forward to the development of Ørsted's Ocean Wind project which will have minimal visual impacts, an important issue to our shore local and regional chambers of commerce and our important tourism industry. This project is expected to create more than 15,000 direct jobs over its roughly 25-year life and generate \$1.17 billion in economic benefits. We also commend Ørsted for investing \$15 million in a Pro-NJ Trust to offer support to small, women-owned and minority-owned businesses entering the new wind industry and for partnering with Rowan University to support additional education and research opportunities.

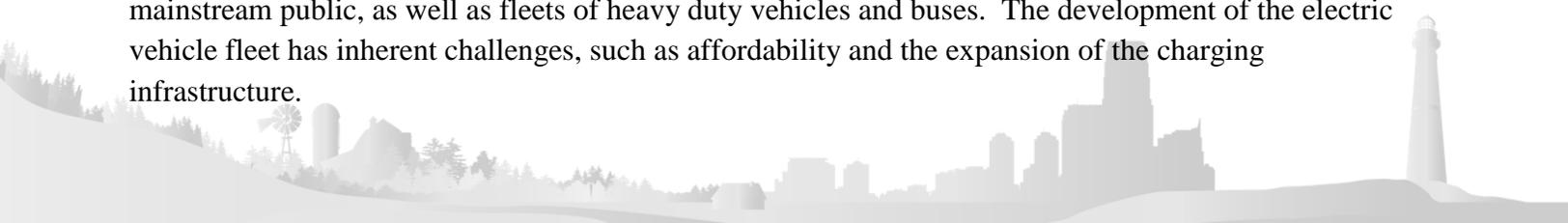
ENERGY EFFICIENCY

The State Chamber recognizes the importance of energy efficiency to achieving business and environmental goals. For businesses, using energy more efficiently saves money, reduces operating costs, increases competitiveness, and promotes job retention and creation. The State Chamber would welcome development of additional efficiency programs aimed at commercial and industrial customers that could help deliver the benefits we mentioned.

We also encourage State and local government to lead by example and pursue efforts to reduce energy demand in government buildings.

ELECTRIC VEHICLES

As we have cleaned New Jersey's air, one of the largest contributors to air pollution continues to be the transportation sector. While the emissions from the automobile fleet continue to improve, the fact remains that motor vehicles continue to be a significant source of New Jersey's air pollution. Electric vehicles (EVs) are expected to be a contributing part of the solution to improved air quality in New Jersey and the region. In recent years, an increasing number of electric automobiles have been sold in New Jersey. However, much more must be done to increase the sale and use of these vehicles, particularly to more of the mainstream public, as well as fleets of heavy duty vehicles and buses. The development of the electric vehicle fleet has inherent challenges, such as affordability and the expansion of the charging infrastructure.



We recommend that the Board of Public Utilities (BPU) be part of an interagency task force of relevant state agencies, authorities and stakeholders that will inform the development and implementation of a strategic plan for ZEV infrastructure and address the critical issues such as infrastructure interoperability, signage, building codes, permitting, rate design, grid integration, and electrification of the state fleet.

FUEL CELL TECHNOLOGY

Fuel cells eliminate pollution -- the only byproduct is water. Because fuel cells have no moving parts and do not involve combustion, this technology has the potential to achieve great efficiency. The State Chamber encourages the State to continue their work with and support the research of New Jersey's academic institutions to pursue making fuel cell technology another viable option to our energy demands.

FISCAL IMPACT

With all of these proposals, the State Chamber strongly encourages the BPU to analyze and review the cost to implement these projects and the impact – pro or con – to the State's economy. The BPU needs to continue their due diligence process to safeguard the interests of ratepayers, making sure that we avoid any undue economic burdens.

The State Chamber appreciates the opportunity to provide input and respectfully requests that our views be given proper consideration.

