



Engineers Labor-Employer Cooperative
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Subject: New Jersey Energy Master Plan Comments

All New Jersey residents deserve access to clean, reliable and affordable energy and a safe environment for this generation and all that come after. The New Jersey Energy Master Plan must feature energy policy that promotes investments in our infrastructure and creates a diverse energy portfolio that expands capacity, reduces emissions, increases reliability and lowers costs for residents and businesses – these are the principles for which our organization respectfully requests consideration when drafting the Energy Master Plan.

The Engineers Labor-Employer Cooperative is a labor-management trust that represents the combined interests of the nearly 7,100 members of International Union of Operating Engineers Local 825, and the signatory union contractors who employ them. As a multi-state organization, ELEC focuses on promoting economic development and advocating for investments in infrastructure – not only to provide work opportunities, but to ensure that our members, contractors and their families have the quality of life they deserve as residents of New Jersey.

IUOE and contractors invest millions annually, hosts and operates two state-of-the-art training campuses and are making significant advancements and investments in STEM higher education for our members to keep up with equipment technology, software and hardware, internal computers, GPS and other advanced features, which will be required to build the energy of the future. As we plan the energy mix of the future, it is critical to keep in mind that organizations like ours have already begun putting the pieces in place to ensure our membership is up-to-date and ready to work.

Investments in infrastructure, energy or otherwise, are critically important to quality of life. Not only do investments in infrastructure create well-paying jobs and spur the local economy during

construction, but add resiliency and redundancy to our energy systems, protecting our residents and businesses from costly and inconvenient outages during extreme weather events such as Hurricane Sandy. Modernizing and maintaining our systems proactively rather than after failure is more cost-effective and helps keep energy affordable for rate-payers in the long run.

In order to address both reliability and affordability, New Jersey requires a diverse energy portfolio. Currently, the majority of all energy consumed in New Jersey is produced domestically. However, the amount being generated is clearly out of line with what is available in capacity.

NJ Generation Mix	NJ Capacity Mix
50% Natural Gas	60% Natural Gas
44% Nuclear	23% Nuclear
2% Coal	10% Coal
3% Renewable	6% Renewable

We support all sources of clean energy including, but not limited to, wind, solar and natural gas. However energy planning must be done strategically with smart investments that provide value for the taxpayers and ratepayers, while incentivizing utilities to innovate and invest private sector capital into infrastructure that benefits the public.

Additionally, we must prioritize environmental outcomes over ideological rhetoric. Natural gas will not only provide a more affordable option to NJ residents, but is proven to reduce carbon emissions. Clean Natural Gas has led to emissions decreasing by 10% over the same time that capacity has grown by 10%. What is evidently clear is that there is energy capacity available in clean natural gas that will help meet consumer demand today, increase affordability and act as a bridge to greater renewable generation in the future.

Our state leaders have made it a priority to grow a stronger and fairer economy in New Jersey, but in order to do so the larger energy consumers like hospitals and other medical facilities, educational institutions, government facilities and manufacturers need capacity to locate or grow in NJ and afford to do business. If these needs are not met, these job creators and critical service providers will not remain in our state.

The vision for the future innovation economy as outlined by Governor Murphy's economic plan will depend on developing and growing high-energy consuming market sectors like research and development and advanced manufacturing - this will require additional capacity that is affordable so that dollars can be invested in people and capital projects that will bring about a stronger and fairer economy for all New Jerseyans.

For New Jersey to become an innovation leader in technology and renewable energy, our state must invest in energy storage, transmission systems, and other measures that will improve and modernize energy grids for the challenges we are facing today and in the future.

Super Storm Sandy and Hurricane Irene made the flaws in our systems perfectly clear in back to back years. As these types of weather conditions become the norm as opposed to the outlier, we must invest to harden infrastructure in order to increase reliability. Residents' lives can be put in danger, ruined or potentially lost during these failures and interruptions in service.

Notwithstanding the potential loss of life, our economy as whole can see significant effects. Businesses lose money during outages, period. This hurts the largest and smallest business, as well as halts tax revenue for government.

Lastly, with increasing reports that the wealthiest members of society are fleeing New Jersey, we should not provide more reasons for people and businesses to leave. Infrastructure inefficacy is often cited as a leading reason that business and human capital attraction and retention is a challenge for our state. With the already high cost of doing business, it is imperative that we can compete on utility costs as well as to ensure reliability.

The energy mix must also take into account those in the direst of situations as well. Most recent stats have shown that nearly 37% of NJ residents cannot afford basic needs like housing, childcare, food or healthcare. How can we conscientiously as a society not take into account the exponentially rising energy costs? As an example, at one a recent presentation given by a Commissioner on the Federal Energy Regulatory Commission – New Jersey's cost per BTU is a complete outlier from the rest of the United States.



More disturbing is this out of line cost is completely self-inflicted due to the choke off of clean natural gas pipelines. ELEC 825 recommends streamlining permitting processes, cutting red-tape and approving longer capital programs. Lower administrative and legal costs, incurred during frequent and arduous regulatory review processes and lengthy permitting, that are often duplicative, will mean more capital is available for direct infrastructure investment.

This will incentivize innovation and efficiency and provide much needed cost savings to rate payers.

Conclusion

In order to build a stronger and fairer economy that works for everyone, New Jersey must invest in a diverse energy mix that pulls from all available natural and renewable resources. While we are striving to reach a 100% renewable goal by 2050, we must remember that it is 2018. Incremental progress is what will prove to be the most successful and not taking any options off the table.

Thank you for the opportunity to submit these comments.