Michael McCarthy, Senior Manager, Nexant, Inc., White Plains, NY, 914-609-0349, mmccarthy@nexant.com

This document of written comments is being formally submitted by e-mail in response to the Notice on Energy Master Plan Stakeholder Meetings to be conducted via public hearings to gather key information.

- Event: New Jersey Energy Master Plan Stakeholder Meetings
- Work Group: **Reducing Energy Use**
- Date: September 14, 2019

Based on the Executive Order No. 28 dated May 23, 2018, the State of New Jersey is preparing the 2019 Energy Master Plan (EMP). Reducing Energy Use is a key pillar of achieving Governor Phil Murphy's goal of 100 percent clean energy by 2050 because less energy use in the built environment reduces emissions from existing sources and reduces the need to build new power generation. Of the energy use in NJ, 62 percent is used by the built environment (https://www.eia.gov/state/?sid=NJ#tabs-2); therefore, reducing the electricity and natural gas used in the residential, commercial, and industrial sector is critical.

Reducing electrical energy use in the built environment is less expensive than building new generation sources, and it positively impacts the other four pillars of the Energy Master Plan (https://aceee.org/topics/energy-efficiency-resource). For example, if electricity use from existing infrastructure decreases, the grid will have additional capacity to handle Clean and Reliable Transportation in the form of electric vehicles charging without costly grid capacity upgrades.

Bill A3723 directs NJ utilities to reduce electric usage by 2 percent and natural gas by 0.75 percent within five (5) years. In response, PSE&G NJ filed its Clean Energy Future program (CEF) with the Board of New Jersey Public Utilities on 9/26/18 to achieve these targets. Specifically, PSE&G NJ proposed that it administer a portfolio of energy efficiency programs to meet the 2 percent goal.

Evidence suggests that utilities are well-positioned for achieving significant energy savings through administering their own programs. Of the eight states that achieved greater than 1.5 percent annual incremental energy efficiency (EE) program savings in 2016, five of them were in states with utility-administered programs (Arizona, New Hampshire, Massachusetts, Rhode Island, and Connecticut), and of the remaining three, one is a hybrid model (https://www.eia.gov/todayinenergy/detail.php?id=36512).

Utilities have the ability to deliver best in class energy efficiency programs for four main reasons:

1. They have an existing customer relationship. Customers know and trust a utility brand, and large energy consumers are assigned an account representative and have already developed a trusted relationship.
2. Utilities, including PSE&G NJ, have experience delivering successful EE programs.
3. Utilities have the ability to seamlessly offer "on-bill" financing to their customers as a feature of their EE programs.
4. Utilities have customer energy usage data to facilitate and optimize EE programs.

Nexant is pleased to provide our support of the Clean Energy Future program as filed by PSE&G.