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VIA ELECTRONIC AND REGULAR MAIL

The Energy Master Plan Committee
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Emp.comments@bpu.nj.gov

Re: New Jersey 2019 Energy Master Plan

Dear Secretary Camacho:

On behalf of our client, the Retail Energy Supply Association ("RESA"),[1] please accept these comments in response to the Board of Public Utilities' ("Board's") solicitation of comments for the development of the 2019 Energy Master Plan ("EMP"). As an active participant in both New Jersey's competitive energy marketplace and prior EMP proceedings, RESA's membership is excited about the future of the EMP and is appreciative of the opportunity to present public testimony and comments to help shape the next generation of EMP in New Jersey. RESA notes that many of the initiatives it publicly supported in previous iterations of the EMP were included as points of discussion in the various stakeholder meeting notices circulated, including advanced

[1] The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

metering infrastructure. RESA hopes that the Board will ensure that the concerns of the retail supply industry and its New Jersey customers are considered in the 2019 EMP.

As the Board created discussion questions and topics, RESA is including those questions to which it has comments in this document, for ease of review.

Clean and Renewable Power

General

3. What is the most significant obstacle to getting to 100% clean energy by 2050? How can the state address it?

RESPONSE: New Jersey is part of PJM, the regional grid that covers New Jersey, Pennsylvania, Maryland, Virginia, Delaware, and parts of Illinois, Indiana, Ohio, Kentucky, Tennessee, and North Carolina. Within each of these states are a variety of generating resources, ranging from coal to gas-fired to nuclear plants. All of these resources flow through the PJM region – including New Jersey. Realistically, New Jersey cannot ensure 100% clean energy unless the member states in PJM are also working towards the same goal.

State Policy

7. Evaluate existing clean energy policies and programs: where are they most/least effective, and are they aligned with the 100% clean energy by 2050 goal? If not, what modifications can be made, if any?

RESPONSE: Since the passage of the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 *et seq.*, retail suppliers have offered innovative products and services incorporating green and clean energy offerings, above and beyond the default, "plain vanilla" supply, as well as energy efficiency products. Utilities and their default service offerings

are not the sole providers of energy efficiency products and services, and do not (and should not) have a monopoly hold on the provision of these services. RESA submits that the Board should allow for some of its clean energy funds to be utilized by TPSs to offer better energy efficiency options to New Jersey customers. Competitive suppliers can bid on the funds, ensuring dollars are spent in the most economic manner.

RESA believes that the State's clean energy goals cannot be achieved if there continues to be a disparity in the treatment of default electric supply and retail electric. As an example, the 2018 Clean Energy Act once again exempts default Basic Generation Service ("BGS") providers from the immediate increase in solar renewable portfolio standard ("RPS") requirements while requiring third party suppliers ("TPSs") and their customers to immediately foot the bill. The State's clean energy goals should not be achieved at the expense of shopping customers, and any future changes to the State's clean energy targets should be implemented on a three-year forward basis so that TPSs and BGS providers have adequate time to price their products.

In addition, the current requirement for TPSs and BGS providers to issue an Environmental Information Disclosure ("EID") label should be revisited. The current EID is confusing to customers and is based on the PJM system mix. As discussed above, the PJM system mix is not reflective of in-state clean energy policies and the default label does not currently allow suppliers to showcase their clean product offerings. RESA supports the develop of a commonsense label that accurately reflects the product that the customer is paying for, and hopes that the Division of Clean Energy will entertain further stakeholder sessions to ensure robust participation and the development of an EID label that consumers understand.

RESA understands that the State's utilities now have a statutory requirement to decrease consumption of electricity and natural gas in their respective service territories. RESA members and other TPSs can help the State achieve these now statutory goals by providing more clean and green energy offerings, and more energy efficient products. The Board should encourage TPS

participation in clean energy programs and offerings to achieve the State's energy efficiency targets.

9. How should the state address the baseload needs v. intermittent elements of clean energy generation? What is the role of energy storage in the conversion to 100% clean energy?

Response: Energy storage is an important component of a resilient grid and New Jersey should continue to strive to achieve its new energy storage targets. However, energy storage should not be a utility asset and the competitive market could be instrumental in achieving the State's energy storage goals at the lowest cost to ratepayers.

Reducing Energy Consumption

General

1. What energy efficiency, peak demand reduction, and demand response programs and systems will assist in helping keep energy affordable for all customer classes, especially as technology advances in areas such as electric vehicles or heating and cooling, which will potentially increase electric energy usage?

RESPONSE: First and foremost, advanced metering infrastructure ("AMI") must be installed throughout New Jersey. RESA believes New Jersey cannot meet its ambitious clean energy goals without AMI deployment. The advantages of requiring the electric distribution companies ("EDCs") to install interval meters for all customers flow to both individual customers, themselves, as well as all New Jersey ratepayers. Customers armed with information about their near real-time usage and associated costs are able to take actions to control their usage and reduce their monthly bill.[2] They can more easily shop for a TPS and choose electricity plans and products that help

[2] In jurisdictions where AMI has been deployed, suppliers have timely and efficient access to their customers' interval usage data, and their customers' load is settled at the RTO based on that data. As a result, suppliers – including many RESA members – provide customers with a variety of home energy management tools including: account management tools that allow customers to personally monitor their electricity use, set cost and usage alerts, and compare their

them meet their consumption and budgetary needs. Moreover, the full deployment of AMI benefits all ratepayers because as more customers curtail their usage during periods of peak demand, electricity prices are reduced for all New Jersey customers. The Board provides a host of energy efficiency incentives and programs to customers, but without AMI, the timely and efficient access to the data interval meters provide, and without a requirement that all load be settled at PJM based on this interval meter data, there is no incentive, nor means, for customers to take control of their electricity usage.

In addition to these benefits, full-scale deployment of AMI would support the Board's goal of improving energy resiliency, and emergency preparedness and response following major storms and weather events. Indeed, the Board has recognized that a smart electric grid—inclusive of interval meters—aids the EDCs with outage management. The need for interval meters has become increasingly apparent since Superstorm Sandy struck New Jersey, and recent and continuing severe weather highlights the need for AMI. Not only does AMI help customers manage energy, it can also help the utilities respond to widespread outages in severe weather situations.

Despite the obvious need for full-scale deployment of AMI, New Jersey has fallen behind the entire country in AMI deployment – as of 2016, New Jersey is ranked 48th in the country.[3]

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energy use to that of their neighbors; cost and usage alerts – provided via email or text messages – that notify customers when they are approaching any cost or usage thresholds they have selected; home energy monitors that allow customers to track their usage in real time; and weekly summary emails that highlight the customer's electricity usage — and approximately what it costs — for the most recent week as compared to the week before it. This information is then used to generate an estimate of the next bill to help the customer better manage his/her electricity budget.

[3] *See* https://blog.aee.net/the-state-of-advanced-metering-infrastructure-and-time-varying-rates-in-three-maps-and-one-graph.-the-leaders-and-laggards-may-surprise-you, citing data from the Energy Information Administration ("EIA") available at https://www.eia.gov/electricity/data/eia861/.

Technology

6. What advances in technology should be considered as part of a strategy to reduce energy consumption? What technologies could complement and advance existing energy efficiency efforts?

RESPONSE: As discussed in detail above, the first step in increasing energy efficiency is deployment of AMI and Smart Meters throughout New Jersey, ensuring near real-time access to the interval meter data by TPSs, and requiring that all load be settled at PJM based on that interval meter data.

Building a Modern Grid

General

2. What is the most critical step to modernize the grid? What barriers exist to prevent state implementation of a modern grid?

RESPONSE: A true, modern grid cannot be achieved with century-old technology. The State needs to fast track AMI deployment so that other efficiency and green measures can be fully maximized.

Technology

17. What is the role of advanced meter infrastructure, IoT, and data analytics in the modern grid? How can technology assist in two-way communication, trouble shooting and overall grid management? What changes in operating protocols and grid designs will be needed to handle the two-way flow of power?

RESPONSE: As explained above, AMI deployment will not only help each and every New Jersey customer better manage their energy usage, it will also help the utilities better target power

restoration after storm events. In the past decade, New Jersey has been subject to increasingly severe weather due to climate impacts and changing global weather trends. Many New Jerseyans who experienced Superstorm Sandy and other severe weather events watched while their neighbors got power back, but they did not – many times because the utility simply did not know about individual power connection issues. Deployment of AMI would reduce that frustration because the utility could communicate with the customer's meter directly and determine whether or not power was restored to that location.

AMI deployment would also help those New Jerseyans whose power is erroneously disconnected. Rather than having to wait a day or two for a utility truck to come to a location and restore power, the utility can direct power restoration almost immediately. This technology could avert a tragedy where the utility disconnects power to a customer utilizing life-saving equipment.

AMI deployment also facilitates customers being able to exercise their right to shop and more quickly realize the benefits of the choices they make – including services that enable them to take control of their energy usage. With Smart Meters, customers can switch suppliers in as little as a day, allowing them to get the product or service they selected right away, and also to get away from a product they no longer want much sooner.

18. Who should manage and oversee access to advance meter infrastructure data? Who should own the data?

RESPONSE: While the meter may be owned by the utility, the data collected from an advanced meter belongs to the customer and must be available, with the customer's consent, to retail suppliers or other third parties who can leverage that data to offer innovative products and services. Retail suppliers have used AMI data to offer numerous innovative and user-friendly energy efficiency services that can only be offered if retail suppliers can obtain and use AMI services. In addition, government energy aggregation can be more successful when retail suppliers submit bids based on AMI data.

Sustainable and Resilient Infrastructure

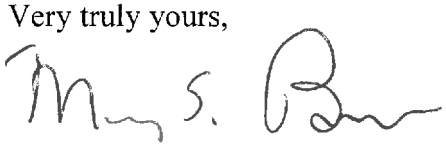
State Policy

8. What is the role of the following in achieving 2030/2050 goals: decoupling; advanced metering infrastructure (AMI); distributed energy resources (DER); and micro grids? If previously answered in another stakeholder group, please cite which one.

RESPONSE: RESA refers to its previous responses herein regarding AMI. RESA notes that TPSs are indifferent to reductions in energy consumption and therefore decoupling is not necessary for TPS support of energy efficiency measures. RESA has concerns that without AMI deployment, access to the useful data it provides, and proper settlement at PJM, New Jersey will not be able to make the best decisions possible regarding DER and microgrids.

RESA supports the Board's development of the new 2019 EMP and encourages the Board to include TPSs in their planning process. Please do not hesitate to contact me with any questions. Thank you.

Very truly yours,



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