Environmental Justice Task Force

Comments on Sustainable and Resilient Infrastructure

About UU Faith Action NJ

As a faith-based group, Unitarian Universalist Faith Action addresses issues of equality and social justice, in line with our first and second principles, “The inherent worth and dignity of every person” and “Justice, equity, and compassion in human relations.” In addition, our seventh principle, “Respect for the interdependent web of all existence of which we are a part,” motivates us to work to care for our environment. In line with these principles, we are concerned with promoting access to renewable energy and to equal access for low and minority income households.

Executive Summary

The recent IPCC report makes it clear that New Jersey needs an immediate moratorium on building more fossil fuel infrastructure.

A crucial issue for low- and moderate-income (LMI) communities is jobs. Infrastructure projects should include jobs and job training for LMI individuals. When building clean energy projects, it may be useful to put them in LMI communities to support access to jobs. However, potential harmful side-effects to those communities should be addressed.

A second issue is cost of energy. The transition to renewable energy may increase costs in the short term, making it more difficult for LMI communities to take part. Also, there may be subtle side-effects to mechanisms for funding the transition that further disadvantage already disadvantaged communities. For example, everyone pays the Societal Benefits Charge but rebates and tax incentives are only accessible to the wealthy. Furthermore, there may be limited access to the information required to evaluate the benefits of transitioning personally. The state should give considerable thought to education of consumers and marketing of clean energy products.

A third issue is public health. Power plants and diesel vehicles have polluted surrounding neighborhoods, which are disproportionately LMI communities. The incidence of pulmonary and cardiovascular problems related to particulate matter in the air is especially high in these communities. This adds to the urgency of transitioning to clean energy.

Questions

We only answer some of the questions. The question numbers correspond to those in the discussion points document; we omitted the questions we didn't answer.

General

1. What infrastructure is necessary to meet the EMP's goals of, among other things, affordable, resilient, clean energy? Do these inter-related EMP goals require the construction of new infrastructure or the upgrade of existing infrastructure in the state, or both?

> In addition to the obvious — solar farms, wind farms, storage, etc, — New Jersey should be looking at municipality-based microgrids (the BPU is considering 13 town-center microgrids), community solar (the BPU has just published draft rules for a pilot project), and promote small scale renewable projects in order to provide jobs in the communities where the systems are built.
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> An immediate moratorium on fossil fuel infrastructure is needed, to avoid stranded resources and to encourage building clean energy infrastructure.

6. What steps are needed for to preserve the integrity of our energy systems in the face of future acts of nature (storms, hurricanes, wind, etc.)?

> Push forward on the 13 proposed town center microgrids.

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?

Decoupling is a mechanism for setting rates by setting the level of revenue required to meet expenses plus a "reasonable" shareholder profit, then predicting usage based on past trends and setting rates to meet the revenue requirement. The argument is that this provides an incentive to the utility to support clean energy measures. We disagree. It actually does at least two undesirable things. First, it eliminates the financial incentive for the utility to do anything in particular (in other words, it encourages business as usual and stagnation in the electrical utilities). Second, it creates competition among subscribers to lower rates by installing energy efficiency measures — one subscriber's gain is another's loss, because utility revenues must remain the same. This might be good, except that the subscribers most likely to "win" in this situation are those that currently waste the most energy and have the most funds to invest in energy efficiency measures.

We oppose decoupling, and we especially oppose decoupling if it applies only when revenues are falling. If the utility is going to get the benefits of decoupling when revenues fall, it should suffer the consequences of decoupling when revenues rise.

However, because clean and reliable energy is best achieved by converting as much energy use as possible to electric, the electrical utilities are well-positioned to profit from a rapid transition. Incentives should be devised to encourage innovation rather than stagnation. Decoupling will interfere with progress toward our 2030/2050 goals.

Workforce Development

19. What other industries and jobs may be associated with infrastructure changes necessary to achieve the EMP's goal?

> New Jersey should pursue research in energy storage technologies and processing of waste in order to take advantage of our excellent engineering schools and the opportunities in these fields of establishing industries here in New Jersey.

Environmental Justice

Comments on related questions:

How can we reduce energy burdens on low-income customers?

> The percentage of income that low-income customers spend on energy is more than other customers, in some cases over 14%. A consequence is that in order to pay energy bills, they go without food and medical care and skip rent or mortgage payments.
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> In the long run, using renewable energy will lower energy costs, but for now, the required up-front investment may instead increase them, making the energy burden of low income customers even worse. Approaches to this include discounts for low income customers and differential rates.

How can we avoid shifting the cost of transitioning to affordable, resilient, clean energy to lower income customers?

> For example, solar customers use less energy from the grid and receive payments from net metering when they put energy into the grid. As a consequence, they shift the payment of lost utility revenues to customers who do not have solar. This impact will become even more pronounced if decoupling is adopted. Furthermore, since wealthy customers are more likely to have solar panels than lower-income customers, this shifts the costs onto those least able to pay. One solution to this source of inequity is Community Solar, for which the BPU has recently released proposed rules for a pilot project. Community Solar would permit renters, homeowners whose roofs don't receive enough sunlight, and households that can't afford the investment to participate in the benefits of solar.
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> However, for each kind of change to the grid, we need to consider carefully how it will impact low-income customers.

How can we provide benefits equitably to all customers?

> The Societal Benefits Charge supports energy efficiency improvements and conversions to clean energy with rebates. However, these rebates are in fact rarely available to low-income customers because they can't afford the kinds of improvements that qualify for the rebates.
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> Another example would involves the use of "Advanced Metering Infrastructure." The benefits will go primarily to heavy electricity users who have flexibility in how and when they use electricity — most likely wealthier subscribers.

A related issue is the difficulty of evaluating the benefits of shifting to a new energy generator or of investing in solar panels or a Community Solar facility. The BPU has provided excellent programs advertising the benefits of their energy efficiency programs. We need to ensure that these programs are available in low-income communities. We also need to ensure that it is easy for consumers to evaluate offers, sign up, and understand their bills.

Along with this point is that overburdened communities should be given the opportunity to participate in the decision-making. This would require meetings in more locations, sometimes far from Trenton, and a more extensive publicity effort.