



September 11, 2019

The Honorable Joseph Fiordaliso
President
New Jersey Board of Public Utilities
44 S. Clinton Ave.
Trenton, NJ 08625

Dear President Fiordaliso:

We are leaders of major business organizations who collectively provide millions of jobs in the State and represent workers and ratepayers who will be impacted by the policies of the draft Energy Master Plan (EMP).

We recognize the energy policy concerns the draft EMP tries to address and the importance of environmental stewardship for our state's future. New Jersey's businesses and commercial and residential property owners have made significant investments in energy efficiency over the last decades. As a result of these efforts, New Jersey has made considerable reductions in greenhouse gas emissions from 1990 to 2012.

As one of the highest cost states to do business and live in, we also recognize that for the residents and businesses in New Jersey it is vitally important that our governmental policies ensure that energy be affordable and reliable, and that policy choices be based on what is achievable. While longer term aspirational goals are important, short-term, implementable strategies are also necessary. These policies are vital to both businesses, workers, and residents.

We are concerned the draft Energy Master Plan, if adopted without changes to include all concerns, may have negative implications for New Jersey's future. There are both procedural and substantive issues that must be addressed before the EMP becomes final if we are to protect the future of our State.

From a process perspective, we note that the Integrated Energy Plan (IEP) process is running along a parallel path with the EMP. The IEP is a modeling exercise to look at alternative strategies to accomplish the EMP's goals in a least cost scenario. The results of the IEP will heavily inform the outcome of the EMP process and the final plan. However, the IEP process is not scheduled to be finalized until after the public comment period of the EMP has closed. The timing of these two processes deny the public the ability to intelligently comment on the EMP because it will not have the benefit of the IEP results and will not have the full benefit of the modeling and cost

analysis. We respectfully request that you delay the close of the EMP comment period until the final results of the IEP have been made known to the public. Additionally, we believe more organizations should be invited to the IEP process as well as the Energy Efficiency Advisory Board.

Substantively, we are concerned about the EMP's implementation cost and the long term impact to the State's economy, particularly as it effects families and small businesses, neither of which are adequately addressed in the draft EMP. Before any new commitments are adopted, an economic analysis by an independent outside organization should be performed to fully understand what the costs and impacts will be. Energy costs effect our competitiveness and are a key factor in business location and profitability. Given the importance of energy costs to our economy, we are extremely concerned that the draft EMP does not address costs or economic impacts beyond minor references to "least cost" solutions.

Our energy policies cannot include ones that drive out businesses and eliminate jobs while having a disproportionate negative impact on low income and fixed income family budgets. According to the Statistics of Income report produced by the federal Internal Revenue Service found, the outmigration of New Jersey residents from 2004-2016, (the most current federal data available) has resulted in the net loss of \$24.9 billion in adjusted gross income. Keeping this outmigration data in mind, it is important that the financial impact on ratepayers be fully analyzed, considered, and addressed in the EMP.

The reliability of the energy sector is also of vital importance. For over 100 years, maintaining a reliable electrical grid and gas supply has been the hallmark of our system and has a symbiotic relationship to the economy. There is no analysis in the draft EMP as to how to maintain reliability in a system that is seeking to be 100% clean energy and one that aspires to rely almost entirely on distributed energy resources. In light of the impacts of Superstorm Sandy, and especially given the potential impacts of climate change, it is also essential that resiliency be addressed. This needs to be drawn out more in the plan.

The draft EMP does acknowledge that certain policies cannot be implemented immediately given the current state of technology. Technological breakthroughs will be needed in areas such as battery storage, electrification of buildings, zero-emission heavy duty vehicles, and transmission and distribution systems. We also note that because many businesses are commercial tenants, it may be impractical for these businesses to implement many of the stated strategies.

In light of these facts, it is essential that the EMP not commit the State to policies that we do not know can be effectuated. Given the changing nature of technology and the energy industry, it would be prudent that the EMP contain both longer-term aspirational goals, and short-term, implementable strategies. The EMP is required by statute to be updated every three years and therefore should be flexible. At its next update, the State can review the existing status of technological advances and make further updates as new technologies become available or affordable. This will ensure that progress is continually made and poor decisions are avoided.

We understand the goals behind the policies of the draft EMP, but the final version must contain an analysis of costs and its recommendations must ensure that energy is both affordable and

reliable. We also believe that no policies should be implemented in the short-term unless they meet the objectives of safe, reliable service at just and reasonable rates. We request that the EMP public comment period be extended until the IEP process is completed and its results made known to the public. We understand this extended process may result in the EMP's adoption being delayed, but given the 30-year window contained in the plan, we believe it is far better to get the policies correct than it is to put out a plan quickly without adequate opportunity for stakeholder input once all the relevant data is made public.

Thank you for your consideration.

Michele N. Siekerka, Esq., New Jersey
Business & Industry Association

Thomas Bracken, New Jersey Chamber
of Commerce

Linda Doherty, New Jersey Food Council

Michael McGuinness, NAIOP NJ

Eric DeGesero, Fuel Merchants Association
of New Jersey

Carol Ann Short, New Jersey Builders
Association

Debra DiLorenzo, Chamber of Commerce
Southern New Jersey

Anthony Russo, Commerce & Industry
Association of New Jersey

Robert Briant, Utility & Transportation
Contractors Association of New Jersey

Dennis Hart, New Jersey Chemistry Council

Sal Risalvato, New Jersey Gasoline
C-Store Automotive Association

David Brogan, New Jersey Apartment
Association

Michael Butler, Consumer Energy Alliance

Jarrod Grasso, New Jersey Realtors

James Benton, New Jersey Petroleum
Council

Marilou Halvorsen, New Jersey Restaurant
& Hospitality Association

Melissa Danko, Marine Trade Association
of New Jersey

CC:

Catherine McCabe, Commissioner, New Jersey Department of Environmental Protection

Carole Johnson, Commissioner, NJ Department of Human Services

Dr. Shereef Elnahal, Commissioner, Department of Health and Senior Services

Douglas Fisher, Secretary of Agriculture

Elizabeth Maher Muoio, State Treasurer

Diane Gutierrez-Scaccetti, Commissioner NJ Department of Transportation

Lieutenant Governor Sheila Oliver, Commissioner, Department of Community Affairs

Christine Norbut Beyer, Commissioner, New Jersey Department of Children and Families

Mary-Anna Holden, Commissioner, New Jersey Board of Public Utilities

Dianne Solomon, Commissioner, New Jersey Board of Public Utilities

Upendra Chivukula, Commissioner, New Jersey Board of Public Utilities

Bob Gordon, Commissioner, New Jersey Board of Public Utilities

Kathleen Frangione, Chief Policy Advisor, Office of the Governor