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To: Chairman Sarlo, Vice-Chairwoman Cunningham and Members of the Senate Budget & Appropriations Committee

From: Raymond Cantor, Vice President of Government Affairs

Date: November 8, 2021

Re: NJBIA's Testimony on Assembly Bill No. 5160 and Senate Bill No. 3324 – Energy Efficiency Standards

Mr. Chairman, members of the Committee, my name is Ray Cantor, and I am Vice President of Government Affairs with the New Jersey Business & Industry Association. NJBIA is the nation's largest statewide business association whose members employ over one million people in the Garden State.

I am here today to speak in opposition to Assembly Bill No. 5160 and Senate Bill No. 3324. At the least, we are asking that they be amended so that manufacturers and consumers can avoid some of the more problematic aspects of this proposed legislation.

The intent of these bills is laudable. We agree previous, well thought out, energy efficiency standards in appliances have proven to reduce energy usage and thus pollution. We support those national standards which were adopted by collaborative means involving many stakeholders with technical expertise.

This legislation, unfortunately, is not that. It is flawed. It seeks to set as minimum standards, Energy Star standards and other proscriptive standards without the benefit of technical experts discussing feasibility and implications. Only Nevada and the District of Columbia have adopted this legislation, which is being shopped across the nation. New Jersey does not need to be an early adopter of a national experiment to push even more regulations on consumers. At a time of rising consumer prices and limited supplies, let's not make it harder for consumers to buy products.

Energy Star was never intended to be minimum standards, but rather a higher bar. The cost to consumers for these standards can be appreciably higher placing an undue burden on those who can least afford it. This may result in persons holding on to old appliances longer, defeating the purpose of this legislation.

The State does offer rebates for certain high efficiency appliances through its Clean Energy Program. How would these new standards work with that rebate program? Would they now all qualify for a rebate? Is there enough money for everyone?

The Legislature also recently enacted energy efficiency requirements for public utilities. That program is just now getting off the ground and requires utilities to reduce electric consumption by 2% per year and gas consumption by 1.5%. Given the existing programs of the BPU and utilities, why do we need another regulatory program with unproven benefits but clear costs to the consumer? We don't have to enact every idea

that is proposed. Let's allow for the existing programs to work before we pass additional mandates.

I also want to mention two provisions that are particularly problematic. The Association of Home Appliance Manufacturers has expressed concerns on the bill's impact on home air purifiers. They have detailed technical issues, but it boils down to the fact that the efficiency standards required in these bills will result in approximately 60% of air purifiers being removed from shelves, limiting consumer choice, and driving up costs. Most units cannot meet the necessary air purification requirements at the wattages required. Those that can, may be less efficient and more costly. While we are still in the middle of a pandemic with an airborne virus, is not the time to limit a proven method to reduce the transmission of the COVID pathogen. We recommend that air purification devices be removed from these bills.

The National Electrical Manufacturers Association has also expressed opposition to this bill as it relates to its lighting requirements. While general service lamps are regulated under the federal Energy Policy and Conservation Act, and thus state regulations are preempted, this bill seeks to regulate a small subset of these lamps not covered under the federal law. The result is that there will be limited benefit under this bill, but a burden placed on consumers who will not be able to replace blubs for existing fixtures and will likely end up needing to replace entire fixtures and may even need to hire an electrician to do so. Some of these lamps are "shoplite" fixtures operated with low power ballasts. Despite claims to the contrary, there are no readily available alternative replacement fixtures.

We request that these lighting provisions be removed from the bill or, at the least, a longer timeframe for compliance be put into the bill.

In conclusion, we believe this bill is unnecessary given the existing programs such as Energy Star, the Clean Energy program, and the utility energy efficiency standards. It is particularly problematic as it relates to air purifiers and lighting. We ask that the bill be held or at least amended to remove some of its more problematic provisions.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Ray. Cantor", with a long horizontal stroke extending to the right.

Raymond Cantor
Vice President of Government Affairs
New Jersey Business & Industry Association