



**Comments of
Karen D. Alexander, President
New Jersey Utility Shareholders Association
On PSE&G’s Development of a “Smart” Electric Grid under its “CEF-Cloud” Proposal
BPU Docket No.: EO18101115
Presented via Electronic Public Hearing before the NJ Board of Public Utilities
October 8, 2020, 4:30 p.m.**

Good Afternoon Commissioner Holden, Board staff and other commenters. I am Karen Alexander, President of the New Jersey Utility Shareholders Association, NJUSA. NJUSA is a voluntary, not-for-profit membership organization for New Jersey residents who own shares in one or more publicly-traded companies with subsidiaries providing essential utility services in New Jersey. NJUSA membership is available only to individual, not institutional, investors.

Most NJUSA members are senior citizens who care not only about their investments—a potential source of supplemental income in retirement—but also about their quality of life. Like all New Jerseyans, NJUSA members depend on the State’s utilities to provide safe and reliable service each and every day. As seniors, many of whom have limited physical mobility or transportation challenges, they can be even more vulnerable than others when electric service is interrupted by severe storms.

NJUSA members come from all regions of the State and from many walks of life. As New Jersey residents, NJUSA members are ratepayers—they pay for utility service just like everyone else. As shareholders, they are among those who contribute capital upfront to enable investment in the assets necessary to provide service. They are incentivized to contribute capital by the ability granted by the Board to earn a return on and of their investments. Without shareholder infusions of capital, utilities like PSE&G would simply not be able to provide the essential services on which we all rely.

The need to attract investment capital is no less important as New Jersey implements its clean energy strategies to combat climate change, better manage energy costs and create good-paying jobs. The State’s ability to achieve the goals of the Energy Master Plan, including energy efficiency, renewable energy, electric vehicles and a smart grid will all be enhanced by the availability and infusions of investment capital from shareholders like those who belong to NJUSA.

PSE&G’s comprehensive Clean Energy Future proposal includes a plan to move its electric distribution network into the digital age via the use of automated metering infrastructure, or “smart meters.” This infrastructure advancement is critical to achieving energy efficiency, more efficient service restoration, demand response, and greater customer control of electricity usage and costs.

Some have suggested that the implementation of smart meters should be treated no differently than a routine replacement of old meters for new ones, more like a routine maintenance expense in a base rate case. This suggestion fails to recognize the difference between replacing old analog meters with new analog meters and the significant infrastructure upgrade that occurs when old analog meters are replaced with digital ones. Existing analog meters can do nothing more than tally electricity usage. But smart meters are not just new boxes. The technology within the box enables direct two-way communication between the customer's premises and the distribution network. The technology is truly advanced—it's like upgrading from a first-generation telephone that could only connect callers through an operator, and a smartphone that not only directly connects people through talk and text but also can access the Internet to check the weather, shop, map driving directions and do all the advanced functions made possible through digital technology. Perhaps a more current analogy might be replacing a "ding-dong" doorbell that does nothing more than notify you that someone is at the door with a "smart" doorbell where you can see, record and talk to whoever is at your front door, send them away or be able to make the decision to not respond at all. Smart doorbells are a tool to provide enhanced home security. Similarly, smart meters are a tool to enhance quality of life.

The most compelling reason to move forward with PSE&G's smart meters proposal in the minds of customers very well may be the widespread disbelief that in the midst of all the technological advances now available, electric utilities cannot know whether a customer's service is out unless the customer notifies them. Their disbelief is understandable. A smart refrigerator can tell someone when they are out of milk, but their utility can't know that the electricity powering that refrigerator is off. For many customers that is a stunning reality.

It is an inescapable truth that New Jersey has faced extreme weather events with downed trees, power lines and poles resulting in extended electric outages more times in the past decade than anyone cares to recall or wants to see repeated. Smart meters cannot prevent the storms. They can, however, prevent PSE&G from having to take the time to physically deploy reconnaissance teams after a storm has ended to assess where service has been disrupted. PSE&G will still need to identify the cause of the outage where the smart meters indicate service is out, they will still need to work with local governments to clear roadways before repairs can be made, but knowing which customers are out can enable the clearing and restoration process to begin more quickly, and obviate the need for customers to call in.

Smart meters are not a silver bullet against outages caused by severe storms, but they are a 21st century tool that can enable more rapid prioritization and execution of storm restoration work. Smart meters go hand-in-hand with the storm hardening infrastructure upgrades already approved and underway to enable a more resilient electric grid. They are needed to enable the communication everyone believes is vital to a more resilient grid. For all these reasons, NJUSA urges the Board to approve PSE&G's proposal.

Thank you for the opportunity to share our views.