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Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350 Trenton
New Jersey 08625-0350
VIA: Board.Secretary@bpu.nj.gov

February 27, 2021

RE: The New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic

Dear Secretary Camacho-Welch:

The Energy Efficiency Alliance of New Jersey submits these comments to urge the Board of Public Utilities to prevent the utility shut-offs that threaten to resume on March 15, 2021. We further ask that the Board develop a plan to address customer debts accrued during the pandemic in an equitable manner, and recommend leveraging energy efficiency programs to help save customers money in the short- and long-term.

We are grateful to the BPU for holding this proceeding and inviting dialogue. As an organization representing more than 70 member businesses in New Jersey's energy efficiency industry, we are deeply aware that access to utility service is vital to human wellbeing, particularly during the COVID-19 public health crisis.

The technologies and services provided by our industry help people and businesses save money, use less energy, and maintain healthier indoor environments. We strongly support preserving utility access for vulnerable customers.

Extend and Expand Customer Protections

We applaud the Board and Governor Murphy for acting to protect consumers by instituting a utility service termination moratorium in response to the pandemic.¹

¹<https://nj.gov/governor/news/news/562020/approved/20201015c.shtml#:~:text=TRENTON%20%E2%80%93%20Governor%20Phil%20Murphy%20today,utilities%2C%20both%20public%20and%20private.>

However, recommencing shut offs at this time would be unconscionable. As long as the health and economic crises remain, we recommend the BPU continue to uphold the utility shut-off moratorium while this crisis persists and use official guidance from healthcare authorities to inform the termination of the moratorium.

Access to energy is essential for maintaining healthy indoor environments. The World Health Organization considers energy to be “essential to meeting our basic needs” and “a prerequisite for good health.”² Access to energy influences nearly every facet of modern life, including “individuals’ abilities to get an education, to communicate and to prepare food.” When basic heating, cooling, and other energy services are unavailable, dwellings are rendered essentially unusable, threatening inhabitants’ access to housing itself. Human health likewise depends on adequate access to energy. Inadequate access to energy — and the secondary problems arising from unapproved alternative heat sources and other coping strategies — has been shown to lead to a range of negative health outcomes, such as exacerbations of asthma.³

In these unprecedented times, homes are the frontline of defense against the world-wide health threat of COVID-19. Utility service enables people to shelter in their homes, comply with public health orders, and avoid transmitting and contracting the virus. Nationwide, access to uninterrupted utility service because of shut-off moratoria was estimated to reduce both infection rates (by 4.4%) and rates of mortality from the virus (by 7.4%).⁴

Address Pandemic-Accrued Debts Equitably

The pandemic’s economic impact has been unequal and widespread, and many residential and commercial customers face mounting debt through no fault of their own, with little certainty about their financial future and ability to pay down that debt. The number of commercial customers in arrearages on their gas bills has almost doubled over last year, and more than half of residential customers who pay for gas and electric are now in arrearages.⁵ Without appropriate action by the Board, that debt could be catastrophic for the same households and businesses who have already suffered the most financial hardship from the pandemic. Ratepayers in arrears, obligated to direct all their money toward debt repayment before basic needs, would be unable to participate in the greater economic recovery. We call upon the Board to develop a plan that equitably balances the needs of utilities and *all* consumers.

² <https://www.who.int/airpollution/publications/fuelforlife.pdf?ua=1>

³ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/#R38>

⁴ <https://www.nber.org/papers/w28394#:~:text=the%20COVID%2D19%E2%80%A6,Housing%20Precarity%20%26%20the%20COVID%2D19%20Pandemic%3A%20Impacts%20of%20Utility,and%20Deaths%20Across%20US%20Counties&text=Moratoria%20on%20utility%20disconnections%20reduce,and%20mortality%20rates%20by%207.4%25>

⁵ <https://www.njspotlight.com/2020/12/many-nj-customers-way-behind-on-utility-bills-pressure-to-suspend-rate-increases/>

This situation is not unique to New Jersey. The National Energy Assistance Directors Association estimates that 15-20 percent of utility customers are at least two months behind on their utility bills.⁶

We recommend the Board consider innovative approaches to managing this unprecedented situation. Options in the short term should include offering flexible payment options to consumers and debt forgiveness programming options. Simultaneously, the Board should ensure it is maximizing customer access to payment programs, making it easier for those in arrearages — or soon to be — to ask for help. Looking forward, the Board could consider novel approaches such as allowing Utilities to write off some debts and, in exchange, be given credit for comparable energy savings in low-income programs. Finally, we recommend the Board consider capping the amount of debt utilities can claim to avoid the possibility of unmanageably high costs being levied on consumers via future rate cases.⁷

For low-income customers in particular, saddling them with massive debts during or even after the close of this challenging time would risk putting them in a chronic state of energy insecurity, or the “inability to adequately meet basic household energy needs.” The looming threat of losing utility service is considered a health hazard in and of itself. The resulting stress has been shown to “[trigger] mental health disorders such as anxiety and depression” and can lead to housing insecurity and associated social and economic fallout.⁸

Mobilize Energy Efficiency to Reduce Cost Burdens and Protect Health

This moment of crisis calls for sensible solutions that offer multifaceted benefits. As with all actions of the Board and Utilities, it is prudent to place energy efficiency at the center of any solution to the COVID crisis and ensuing arrearage debt. Energy efficiency (EE) helps customers use less energy, save money, and maintain more comfortable and healthy indoor environments. EE can even be the driving force behind improved ventilation and other measures that in turn reduce the transmissibility of COVID,⁹ making EE utility programs more relevant now than ever.

High energy burdens and their disproportionate impact on low-income customers predate the pandemic, which has shifted even more customers into this income class. The high energy burdens faced by low-income customers are often a consequence of the dilapidated state of buildings. Weatherization programs are typically prohibited from addressing structural issues, barring these customers from participating in the very energy-saving measures that could reduce their energy cost and confer additional benefits like increased comfort and improved air quality. Energy efficiency has a key role to play in remediating the underlying causes of these inequities.

⁶ <https://www.njspotlight.com/2020/12/many-nj-customers-way-behind-on-utility-bills-pressure-to-suspend-rate-increases/>

⁷ <https://iejusa.org/wp-content/uploads/2020/12/Moratorium-Brief-V3.6-FINAL.pdf>

⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/>

⁹ <https://www.aceee.org/blog-post/2020/10/reducing-covid-19-risks-commercial-buildings-without-wasting-energy>

EE programming is an effective way to lower costs for consumers in all classes, easing the burden of distributed debt or other arrearage management strategies. The spectrum of EE programs can provide immediate and long-term customer savings through a combination of behavioral interventions and structural solutions. Together, these measures can offer a rapid rate of return in reduced energy use that helps people save money immediately, along with sustainable reductions over time. These programs should be leveraged to the greatest extent possible to help reduce cost burdens.

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We commend the Board for preventing utility service terminations that would have endangered more lives during the pandemic. We urge the Board to act from its authority to extend existing protections for vulnerable customers. We ask that the Board act to further protect those customers from the crushing debt that has accrued during the COVID crisis through thoughtful and innovative measures including increased energy efficiency.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matt Elliott". The signature is written in a cursive, flowing style.

Matt Elliott
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