



February 8, 2022

Aida Camacho-Welch
Secretary of the Board
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RE: Docket No. GO20010033

Secretary Camacho-Welch,

On behalf of [Consumer Energy Alliance](#) (CEA) our membership across the country and New Jersey, I write today to share our comments on the New Jersey Board of Public Utilities' (NJBPU) review of the LEI Report on natural gas commodity, deliveries and market demand.

Founded in 2006, CEA is a nonpartisan, nonprofit organization with more than 350 member companies and more than 550,000 individuals in our nationwide network. Our mission is to help ensure American families and businesses have access to reliable, affordable, and environmentally sound resources.

We believe in an environmentally sustainable energy future that includes both traditional and renewable resources that create the best energy mix to meet the needs of our nation's families and businesses while also preserving our environment and the economy. CEA supports U.S. energy in all forms so we can continue to meet the demands of our communities, our climate expectations, continue progress toward net-zero goals, and maintain our energy security all while keeping the cost and reliability needs of families and businesses in mind.

Before offering general comments on the study in the docket, it is important to understand the incredible importance natural gas has for consumers, families, manufacturers, hospitals, restaurants and businesses both large and small across New Jersey. Roughly three out of every four homes in New Jersey depend on natural gas for heating in what has already been an especially harsh winter in the Mid-Atlantic and Northeast. In the fall of 2019, CEA released a [report](#) which found that households and consumers had saved over \$21 billion from previous highs in natural gas prices.

Furthermore, according to the U.S Environmental Protection Agency, while natural gas use increased substantially, New Jersey also experienced a dramatic improvement in air quality. From 1990 to 2020, New Jersey's emissions of key air pollutants decreased across the board, with a:

- 78.8% reduction in nitrogen oxides (NO_x),
- 98.9% reduction in sulfur dioxide (SO₂), and;
- 79.4% percent reduction in volatile organic compounds (VOCs)

This impressive drop in air pollution occurred while the use of natural gas tripled in the electricity sector between 1990 and 2017. Additionally, from 2000 to 2018, New Jersey's [energy-related carbon dioxide \(CO₂\) emissions declined by 14.4%](#).

Specifically, the NJBPU is seeking comments on non-pipeline alternatives like building electrification, hydrogen and renewable natural gas. CEA has partnered with numerous stakeholder organizations throughout the public engagement process on the Energy Master Plan who face significant and potentially debilitating cost expenses based on some policy recommendations, like forced electrification of buildings and homes, to convert them from natural gas to electric service. Homebuilders and contractors have testified before NJ policymakers that the blunt instrument of forced conversion could like cost tens of thousands of dollars for homeowners. CEA recently issued reports in neighboring [Maryland](#) and [New York](#) which aligned with those estimates and found that forced electrification could cost households over \$26,000 and nearly \$35,000 respectively. Those impacts can vary depending on the amount of remodeling and duct work that might be needed, but the according to the consumer [website HomeAdvisor](#), the average price nationwide for a new heat pump is over \$5,600, and total expenses “(a)fter labor, fees and permits, costs can hit \$20,000 or more, not including ducts.” This is just to replace a furnace and does not include other appliance replacement costs nor the re-wiring needed for conversion. The NJBPU must weigh the serious cost implications and service disruptions to consumers if such policies were to be contemplated in the future.

In addition, the report appears to give somewhat overly negative treatment of promising non-pipeline alternatives like RNG and hydrogen blending. The criteria chosen for “scoring” these goals or technology gave RNG a “somewhat” rating for being technically feasible and that green hydrogen was not at all “feasible.” This seems to fly in the face of the fact that there are literally [dozens of companies](#) involved in RNG production, transportation and use today. Further, hydrogen blending can occur in our existing natural gas pipeline infrastructure and advances in hydrogen blending are actively promoted by the [US Department of Energy](#). The bipartisan and Congressionally-approved Infrastructure bill also dedicated billions towards demonstration projects and the creation of regional hydrogen hubs. The only limitations for consideration or potential use of these emerging technologies has been from those working against sensible alternatives for decarbonization because it still involves pipeline and natural gas infrastructure – regardless of the environmental benefit.

We appreciate the opportunity to comment and NJBPU’s work regarding natural gas capacity in the State. Maintaining affordable and reliable gas service for consumers, seniors, businesses, and those living paycheck to paycheck should remain at the center of policymakers’ decisions as they chart a future with few emissions.

Sincerely,



Mike Butler

Executive Director

Consumer Energy Alliance Mid-Atlantic