



July 29, 2022

VIA ELECTRONIC MAIL

Carmen D. Diaz
Acting Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625

**Re: Request for Comments – Proposed Updates to New Jersey’s Clean Energy Program:
New Construction Program**

board.secretary@bpu.nj.gov

Dear Acting Secretary Diaz:

Please accept these comments on behalf of New Jersey Natural Gas Company (“NJNG”) in response to the July 12, 2022 request from the Staff of the Board of Public Utilities (“Board”) to provide comments on the Proposed Updates to New Jersey’s Clean Energy Program: New Construction Program and the presentation made at the related July 22, 2022 Stakeholder Meeting. NJNG appreciates the opportunity to offer these comments. In addition to the comments shared through this submission, NJNG supports the comments filed by the New Jersey Utilities Association (“NJUA”) in this matter.

CUSTOMER CHOICE OF DECARBONIZATION STRATEGIES

NJNG is very supportive of the proposed shift in approach that allows customers a range of pathways to participate in the new construction program. This flexibility should entice more customers to participate since it allows them to select the level of incremental investment for enhanced energy saving features they wish to pursue for their project. However, it will be important to ensure that program design still encourages and provides more robust incentives for comprehensive projects.

Further, customer choice should extend beyond just which pathway to pursue. Customers, working in consultation with their architects, builders, and engineers should be able to consider a broad range of eligible measures in all of the pathways. If the program properly maintains a focus on achieving significant energy savings in comparison to traditional projects and code/appliance standards, it should allow customers to pursue high-efficiency natural gas equipment, including gas heat pumps. Commercial, Industrial, and Multi-family properties should be encouraged to explore Combined Heat and Power (“CHP”) technology through this program since that strategy can dramatically increase facility of that property. CHP should definitely be promoted through

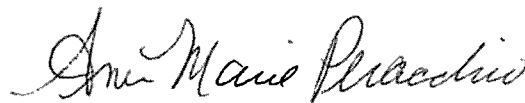
the Bundled Pathway for Horticulture for the cannabis industry considering the incredibly energy intensive nature of that business.

The proposal also references the potential to consider bonuses for EV Ready properties; however, some commercial fleet owners recognize that natural gas vehicles are a better solution for their needs and offer a significant environmental benefit. Accordingly, the program's proposed Advanced Measure Bonus system should also consider the potential to include compressed natural gas related investments if the alternative would be for that facility to maintain a gasoline powered fleet.

Finally, through their Hydrogen Shot initiative, the Federal Government has provided clear signals that they see a significant role for hydrogen as part of the strategy for a Clean Energy Future. There is significant federal funding available and pending to support investments. As progressive companies are considering how hydrogen may fit into their climate strategies, New Jersey should be ready to be a partner in innovative projects. With that in mind, this program should provide some level of support for hydrogen related projects for ambitious commercial and industrial customers. This alignment could offer an opportunity to secure federal funding and also serve as projects that fit within New Jersey's commitment to be part of a Regional Clean Hydrogen Hub.

In closing, NJNG remains committed to partnering with the State to help achieve its energy-efficiency goals. Thank you, again, for the opportunity to provide these comments and allow us to be a part of the State's energy future.

Respectfully submitted,



Anne-Marie Peracchio

Managing Director Marketing and Energy Efficiency