



**New Jersey Chamber of Commerce**  
216 West State Street, Trenton, NJ 08608  
njchamber.com | (609) 989-7888  
#NJChamberNow

September 5, 2023

**VIA ELECTRONIC MAIL**

**board.secretary@bpu.nj.gov**

Sherry Golden  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: Comments re: Future of the Gas Utility Technical Conference (Aug. 2 & 3, 2023)**

***The Implementation of Executive Order 317 Requiring the Development of Natural Gas Utility Emission Reduction Plans, BPU Dkt. No. GO23020099***

Dear Secretary Golden:

The New Jersey State Chamber of Commerce (the “State Chamber”) is pleased to submit these comments regarding the Technical Conference held by the New Jersey Board of Public Utilities (“BPU”) on August 2 and August 3, 2023 regarding the “Future of the Gas Utility”. As the BPU is aware, the State Chamber has been in operation since 1911, advocating for initiatives that will improve New Jersey’s business climate and enhance job creation. With a broad-based membership ranging from Fortune 500 companies to the small mom-and-pop establishments, we represent every corner of the state and every industry sector.

The State Chamber has been a long-time supporter of the State’s efforts to improve our environmental and to combat climate change. The State Chamber is a statutory member of the New Jersey Clean Air Council, and over the years, we have actively participated in numerous legislative and agency proceedings where we have lent our support to a wide variety of policies intended to reduce emissions and to achieve our collective clean energy goals. The State Chamber has been a proud supporter of the State’s efforts to modernize and electrify the State’s transportation fleet as well as investments in renewable energy like solar and offshore wind. The State Chamber’s members take climate change seriously, and they have been leaders in their own right to support the State in this regard.

While supportive of cleaning New Jersey’s air and minimizing the impacts of climate change, those efforts always come with a cost. While the State Chamber and its members realize that they must take responsibility to address climate change, the costs related to those actions of those are borne by those business and, indirectly, New Jersey customers and consumers who must bear the resulting increases in cost of products and services. The State Chamber realizes that environmental costs in many cases are outweighed by the benefits obtained by New Jersey residents, both in terms of improved health in our communities, such as environmental justice communities, as well as our New Jersey community at large.

With that background, the State Chamber has serious concerns about a number of comments made during the Future of the Gas Utility conference, and urges the BPU to approach these matters with caution. While we count the gas utilities among the State Chamber's membership, we are more broadly concerned about the impacts widespread electrification will have on the business climate within the State, including the costs that would be imposed on residents and businesses, the impact on jobs and the State's overall competitiveness.

Our concerns harken back to comments we submitted to the New Jersey Department of Environmental Protection ("NJDEP") in 2022 in connection with the department's proposed "boiler rule". NJDEP's proposal would have required owners of facilities to replace fossil-powered boilers of a certain size with electric alternatives beginning in 2025, subject to limited exceptions. We questioned the environmental benefits of the proposal, pointing to the State's more impactful measures to grow renewable electric generation, the carbon reductions achieved through the conversion of other fossil electric generation to natural gas, and the State's ongoing efforts to reduce emissions in the transportation sector, which is the largest source of emissions in our State. We juxtaposed the limited environmental benefits of the boiler rule proposal against the extreme costs of operating electric alternatives to fossil-fuel boilers, which NJDEP stated would be 4.2 to 4.9 times that of traditional boilers, on top of equipment costs. Thankfully, NJDEP withdrew their boiler proposal.

Many of the speakers during the two-day Technical Conference contemplated the widespread electrification of homes and businesses throughout the State. Some contemplated mandates to accomplish this, in direct contradiction of the message put forth by Governor Murphy and BPU. We thank the Governor and BPU for insisting that no mandates will be forthcoming, but we believe it imperative that the State continue to reinforce that message, as too much is at stake to do otherwise.

NJDEP's boiler rule proposal, which would have indeed mandated electrification for certain customers, is instructive as to the major costs the State Chamber's members can expect through widespread electrification. Indeed, despite the extreme costs that the boiler rule would have imposed on certain customers, the scope of the proposal was limited to boilers only. The discussions at the Technical Conference contemplated widespread electrification, such that it is reasonable to assume that the costs that the boiler rule would have imposed would be similar, except magnified well beyond boilers. As such, these discussions are more troubling than those held in the context of the since-withdrawn boiler rule.

During the conference, some speakers envisioned entire sections of the gas system being retired, with those who would otherwise be connected to it having to source their energy from elsewhere. What if industrial customers, whose operations are particularly hard-to-electrify, are within the geographic region where gas service is to be retired? What if restaurants and other commercial kitchens, who rely on natural gas for cooking, are within that region? And perhaps most concerning, what will be the true cost of electrification considering the need for new electric transmission, distribution, and generation infrastructure that will be required in a world more reliant on electricity?

In addition to cost, we question the environmental benefits of electrification, as we did within the context of NJDEP's boiler rule proposal. Because our electric generation mix relies on fossil, including coal from nearby states, electrification can and will produce carbon emissions. While building electrification could be environmentally beneficial in certain scenarios, we do not believe that the benefits justify the costs when electric generation continues to put carbon emissions into the atmosphere.



While we were pleased to see that the BPU held a panel regarding jobs as part of the Technical Conference, our State already suffers from high costs imposed on our residents and businesses alike. Many businesses have left the State seeking more favorable business climates, taking jobs with them. Imposing further costs on businesses through widespread electrification may aggravate this problem further. Moreover, thousands of New Jersey residents are employed directly or indirectly by the natural gas utilities, and we cannot assume that these residents will seamlessly find employment elsewhere in the economy.

We are of course mindful of the Governor's goal of electrifying 400,000 homes and 20,000 commercial properties by 2030, per EO 316. We are also appreciative of the fact that within EO 317, the Governor called for proceedings on the Future of the Natural Gas Utility, and its attendant potential impacts on all New Jersey residents and businesses. While these discussions are welcome, the State Chamber presently has far more questions than answers about the future of energy in our State.

In closing, we view the Technical Conference as tackling subjects beyond the Future of the Gas Utility. Indeed, the discussions more accurately addressed the future of every New Jersey resident and business. Therefore, the State Chamber urges the BPU to proceed carefully, and keep in mind both the economic and environmental impacts that any policy decisions stemming from these proceedings will have. We look forward participating in additional stakeholdering contemplated by the BPU, and we thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Egerton". The signature is fluid and cursive, with the first name being the most prominent.

Michael A. Egerton  
Executive Vice President  
Government Relations

