



New Jersey Society for Environmental,
Economic Development

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VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

Sherri Golden, Secretary, New Jersey Board of Public Utilities
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TO: The Honorable Joseph L. Fiordaliso, President
The Honorable Mary-Anna Holden, Commissioner
The Honorable Dr. Zenon Christodoulou, Commissioner
The Honorable Christine Guhl-Sadovy, Commissioner
The Honorable Marian Abdou, Commissioner

FROM: Ryan Berger, Assistant Executive Director

DATE: September 6, 2023

SUBJECT: **IN THE MATTER OF THE IMPLEMENTATION OF EXECUTIVE
ORDER 317 REQUIRING THE DEVELOPMENT OF NATURAL GAS
UTILITY EMISSION REDUCTION PLANS
Docket No. GO23020099 - FINAL**

On behalf of the Officers, Trustees and Executive Director of the New Jersey Society for Environmental, Economic Development (NJ SEED), please accept this communication regarding the New Jersey Board of Public Utilities' (BPU) implementation of Executive Order (EO) 317, requiring the development of natural gas utility plans.

Background

NJ SEED staff and members were in attendance during the BPU's Technical Conference on August 2-3, 2023, and we commend the BPU in its selection of PSEG, South Jersey Industries, and New Jersey Resources as key stakeholders and direct participants in these discussions.

As you may know, NJ SEED is a unique coalition of New Jersey's most prominent labor and business leaders. Our diverse membership includes labor and business groups, energy providers, environmental consultants, telecommunications firms, residential and commercial development interests, insurance firms, educators, police and firefighters, food manufacturers and retailers, water utilities, chemical industries, pharmaceutical companies and health care advocates. What we all have in common is our belief that economic growth and environmental protection are not mutually exclusive.

Our coalition recognizes the importance of environmental stewardship for our state's future. NJ SEED is focused on the future of the New Jersey's green economy, which will increase local manufacturing and utility work which will leverage the thousands of highly technical skilled workers who assure that projects are completed to the highest standard. These are New Jersey based jobs that provide spending power to the New Jersey economy.

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Points of Consideration

1. Competitive market mechanisms to drive the lowest cost methods for reducing total greenhouse gas emissions associated with the natural gas sector.

NJ SEED knows that a competitive market breeds innovation. As many of the panel speakers stated, New Jersey is already on a good track to reach its energy goals. There is still the question of how to ensure that there is no reduction in reliability or safety in our gas system as its use is reduced, and what the plan is to improve the state's electric grid to ensure it can handle increased use as electric appliances and systems replace those that utilize gas.

2. Ensuring reliable operation and long-term financial viability of natural gas public utilities and the business model needed to keep the gas system intact while accounting for a shrinking customer base.

Our natural gas public utilities are some of New Jersey's largest employers. NJ SEED considers the customer journey and asks that multiple paths be left open for decarbonization, including heat pumps, hybrid heat pumps, renewable natural gas and green hydrogen. Over \$17 billion has been invested in New Jersey's natural gas infrastructure for over 75 percent of customers. This investment has significantly improved system wide reliability, it has already been paid for by the ratepayers and it must continue to be utilized. Embracing renewable natural gas and green hydrogen would leverage the existing gas system, but make it less carbon intensive, while also preserving reliability and jobs within the natural gas industry.

3. Alternative programs and investments that could provide natural gas utilities with new revenue streams and promote good-paying jobs.

NJ SEED strongly believes that the new green economy must help to create a large highly technical skilled trade workforce and ensure that the current workforce involved in natural gas must continue to earn a fair wage. This can be handled through job training and retraining on both the entry and advanced levels.

4. Elimination of subsidies that encourage unnecessary investment in natural gas infrastructure that is likely to result in stranded costs to customers.

NJ SEED seeks to obtain a definition of what the BPU will consider an "unnecessary investment" as this process continues. While the priorities of infrastructure will always shift towards the future needs of consumers and adapt to new technology and resources, the top priority should always be to ensure a safe and reliable system provides the energy and heat to consumers at all times, especially under extreme weather conditions.

5. Long-term impacts on residential and industrial customers who fail to or are unable to switch away from natural gas.

As one of the highest cost states to do business and live in, NJ SEED also recognizes that, for the residents and businesses in New Jersey, it is vitally important that our governmental policies

ensure that energy and heat be affordable and reliable and that policy choices must be based on what is achievable. While longer term aspirational goals are important, short-term, implementable strategies are also necessary. These policies are vital to both businesses, workers and residents. We cannot leave anyone behind.

6. Electric grid readiness to handle electrification of building heating and cooling, as well as transportation.

NJ SEED believes that investment is necessary to update and upgrade New Jersey's electric grid in order to sustain the increased electrical demand. New energy sources can be utilized to increase electrical output, but any planning for greatly increasing the electrification of homes and buildings must account for the capacity of our state's electric grid during regular and peak demand periods.

Conclusion

NJ SEED believes that New Jersey needs a plan it can implement with the funds that are available now to move these projects in the right direction rather than to wait for a perfect plan. Funds and resources can be used to find more reasonable ways to get green energy to the electric grid, to utilize green hydrogen, to make our grid and natural gas system more efficient, and to train the next generation of labor to work in the expanding green energy manufacturing field.

Thank you for your consideration and we are available to discuss this matter at your convenience.

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Enclosure: NJ SEED Board of Trustees