



## Comments on Docket No. GO23020099 – In the Matter of the Implementation of Executive Order 317 Requiring the Development of Natural Gas Utility Plans

5 September, 2023

### About UU Faith Action NJ

As a faith-based group, Unitarian Universalist Faith Action addresses issues of equality and social justice, in line with our first and second principles, “The inherent worth and dignity of every person” and “Justice, equity, and compassion in human relations.” In addition, our seventh principle, “Respect for the interdependent web of all existence of which we are a part,” motivates us to work to care for our environment. In line with these principles, we are concerned with protecting New Jerseyans from climate change and promoting access to renewable energy and to equal access for low and minority income households.

### Comments

We signed on to and strongly support the comments from EmpowerNJ on this docket.

In addition to their comments, we would like to make the following points:

- 1) Market mechanisms are an appealing approach to achieving any goal because they don't require regulation and the attendant bureaucracy. However, they often have unintended side-effects, and most often, they add to the disadvantages of Low and Moderate Income (LMI) households. This is because market mechanisms only work if they change the behavior of consumers, but in general LMI consumers have few options for changing their behavior. Thus only those consumers who can afford to change their behavior benefit, while LMI households may be stuck in an old, increasingly expensive marketplace.

We have seen this in the state's clean energy program, where renters were initially unable to take advantage of developments in solar power because they didn't own roofs to hold solar panels. The state has done a great job to address some of that problem by developing the New Jersey Community Solar Program

Because of the basic unfairness of most competitive market mechanisms, UU FaithAction is skeptical of them. Careful design of incentive programs is crucial to ensure that the incentives are relevant in lower-income households (e.g., incentives for electric vehicles should apply not just to cars but to low-cost electric vehicles such as bicycles and scooters).

- 2) Avoiding additional stranded assets is a no-brainer (when you're in a hole, stop digging), but the state should also incentivize reuse of stranded assets as renewable assets and encourage research into ways to reuse them. For example, can pipelines be used for compressed air battery

storage?<sup>1</sup> Or can the pipes be used for geothermal heat?<sup>2</sup>

The BPU should incentivize investigation of new approaches to reusing existing infrastructure, by the utilities themselves and by research institutions. To the extent that we can reuse existing infrastructure, we can also avoid the Greenhouse Gas (GHG) emissions from removing installed infrastructure and manufacturing new infrastructure.

- 3) We applaud the BPU for working to reduce the obstacles to new interconnections with the grid.<sup>3,4</sup> Also, supporting efforts by the electric utilities to upgrade their infrastructure is essential.
- 4) The state needs to encourage its utilities to join the renewable energy marketplace, which will be far more lucrative for them than holding onto their places in the fossil fuel industry. The EmpowerNJ report documents how this marketplace is already declining, and will soon begin to decline far more rapidly. Reusing stranded assets, as described in a previous point, will help. Also, providing transparency on investments in energy, such as France did in its Energy Transition Law of 2015 by “requiring corporations to disclose climate-related vulnerability and counter-measures adopted and mandating institutional investors to disclose the carbon exposure of their assets.”<sup>5</sup> New Jersey should require similar disclosures from utilities.
- 5) In almost all cases we oppose the use of Renewable Natural Gas (RNG). RNG only makes sense for use locally or for applications having no low-carbon alternatives. As the EmpowerNJ comments point out, it is not an economically viable replacement for natural gas. The use of RNG is limited because, to reduce GHG emissions, its production and use must reduce methane emissions. To this end, it must be produced from wet-waste feedstocks such as food waste, livestock manure, etc., and not from dry waste. Also, methane leakage during production, distribution, or use can negate any benefits. As a result, only niche markets such as on-site electricity generation or fuel for local vehicle fleets, allow reduction of emissions by RNG. A potential use is in fueling Medium and Heavy Duty Vehicles, which are significant contributors to GHG from transportation. However, since electricity has far greater potential for reducing emissions than RNG, the state should focus on electrification of MHDV rather than conversion to RNG.<sup>6,7</sup>

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<sup>1</sup> Valdivia, Patricio, Rodrigo Barraza, David Saldivia, Leonardo Gacitúa, Aldo Barrueto, and Danilo Estay. "Assessment of a Compressed Air Energy Storage System using gas pipelines as storage devices in Chile." *Renewable Energy* 147 (2020): 1251-1265.

<sup>2</sup> “Utilities may use their pipes for geothermal heat instead of gas,” Canary Media, February 13, 2023. <https://www.canarymedia.com/articles/geothermal/utilities-may-use-their-pipes-for-geothermal-heat-instead-of-gas>

<sup>3</sup> BPU Clean Energy Program, “Grid Modernization,” <https://njcleanenergy.com/gridmod>.

<sup>4</sup> Tom Johnson, “Can aging grid handle new green power?”, NJ Spotlight News, June 9, 2023. <https://www.njspotlightnews.org/2023/06/can-aging-grid-handle-new-green-power/>

<sup>5</sup> Richard Baron and David Fisher, “Divestment and Stranded Assets in the Low-carbon Transition,” OECD, 28 October 2015.

<sup>6</sup> Tom Cyrs, John Feldman, and Rebecca Gasper, “Renewable Natural Gas as a Climate Strategy: Guidance for State Policymakers”, World Resources Institute, December 17, 2020, <https://www.wri.org/research/renewable-natural-gas-climate-strategy-guidance-state-policymakers>

<sup>7</sup> ICF International, “Comparison of Medium- and Heavy- Duty Technologies in California: Executive Summary,” December 2019. [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjT\\_lqc24mBAxVVm4kEHVlzB\\_oQFnoECDkQAQ&url=https://efiling.energy.ca.gov/GetDocument.aspx?tn=236878&usg=AOvVaw0fOpulNhHHhHFntdnE46xg&opi=89978449](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjT_lqc24mBAxVVm4kEHVlzB_oQFnoECDkQAQ&url=https://efiling.energy.ca.gov/GetDocument.aspx?tn=236878&usg=AOvVaw0fOpulNhHHhHFntdnE46xg&opi=89978449)