June 12, 2024

Secretary of the Board of Public Utilities
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Submitted via email to: board.secretary@bpu.nj.gov

In the Matter of Docket No. QO24020126 – 2024 Energy Master Plan

To Whom it May Concern:

New Jersey LCV is the statewide political voice for the environment. We elect environmentally responsible candidates to state and local offices, advocate for strong environmental policies, and hold our elected officials accountable to safeguard the health of our communities, the beauty of our state, and the strength of our economy. Thank you to the staff of the Board of Public Utilities ("the Board") for their work on the 2024 Energy Master Plan (EMP) and for the opportunity to comment.

For ease, our written comments will be broken down into EMP strategies as listed on the docket.

Strategy 1: Reducing Energy Consumption and Emissions from the Transportation Sector

Transportation is the largest source of carbon emissions in the state – representing 38% of emissions in 2021 according to the NJDEP. Decarbonizing this sector is essential to meeting our climate goals, reducing air pollution, and protecting the health of all New Jerseyans, especially members of environmental justice communities that are adjacent to and most impacted by highways and vehicular pollution.

The 2019 EMP overarchingly supports efforts to decarbonize through rapid electrification, reduction of vehicle miles travelled, reduction of reliance on single passenger vehicles, and exploration of alternatives for hard-to-electrify transportation like aviation. We agree that these are the right tactics; however, funding and educational campaigns are needed in order to make these transitions, such as the adoption of electric vehicles and a cultural shift toward utilizing public transit when possible. The recent passing of the punitive $250 per year registration fee for electric vehicles, which is scheduled to increase to $290 per year over the next few years, moves us in the wrong direction and discourages the transition to electric vehicles in the near term.

New Jersey needs significant and consistent funding to electrify fleets and medium- and heavy-duty vehicles, establish sufficient charging infrastructure, and enhance public transit in a timely manner. Through annual budget allocations, the Regional Greenhouse Gas Initiative allocations and other funds, we are making slow progress towards this goal, indicating a need for more robust funding and strategic

use of existing dollars. While the approval of the new gas tax, which includes a penalizing upfront registration fee of over $1,000 for new and used electric vehicles, supports infrastructure like roads and bridges, we need additional funding to support transportation decarbonization through electrification, charging and public transit.

Strategy 2: Accelerating Deployment of Renewable Energy and Distributed Energy Resources

The previous EMP noted that most of our clean energy would be met with offshore wind and solar. Offshore wind is a burgeoning industry, and with the Governor's latest stated goal of 11,000 MW by 2040, and the latest offshore wind solicitation that just opened, we feel encouraged that we can meet the 100% goals creating good-paying in-state jobs, solidifying New Jersey as the east coast leader in offshore wind, and producing local, clean energy to reduce air pollution and address climate change.

Solar is a well-accepted and continually growing clean energy industry. A combination between grid-connected, residential and community solar will provide New Jerseyans with energy independence, clean energy opportunities, and cost savings to their wallet. Community solar allows renters and low-income residents to access clean energy while reducing their energy burdens. With energy year 2025 promising at least 500 MW of community solar energy, nearly four times the capacity as previous years, residents will have more access than ever to this vital program. We encourage the Board to continue to expand access and outreach on the community solar program.

Strategy 3: Maximizing Energy Efficiency and Conservation, and Reducing Peak Demand

The cheapest energy is the energy you don't use. New Jersey LCV was proud to help pass an appliance standard bill in 2021, improving the efficiency of an array of household products on the market. With the historic passing of the Inflation Reduction Act (IRA) comes a significant amount of federal funding available for households – particularly LMI households – to install energy efficiency measures and electric appliances at much lower costs. We encourage the state to consider updating building code standards, further promote programs that provide energy efficiency retrofits such as the Comfort Partners program, and work with utilities to bring more energy efficient offerings at low costs to their customers.

New Jersey has a lot of older housing stock, which tends to be more likely to suffer from "leakage" – meaning that it loses heating and cooling more easily than an energy efficient building. Low- and moderate-income residents are more likely to live in older housing stock because rent prices tend to be lower, which increases their energy burdens due to excessive heating or cooling.

By targeting draftier homes for weatherization, energy efficiency, and clean energy upgrades, New Jerseyans can save up to 69% per year on their energy bill. We continue to advocate alongside our partners for highly-efficient technologies such as heat pumps, which can save New Jerseyans anywhere from 4% to 41% on their annual energy bills.

With the historic passing of the Inflation Reduction Act comes a significant amount of federal funding available for households – particularly low and moderate income households – to install energy efficiency measures and electric appliances at much lower costs.

We encourage the Board to invest in education and outreach, particularly to LMI households, to make them aware of these benefits and to consider ways to increase efficiencies amongst eligible customers. For instance, if applying for a state level program, the Board should consider automatically sharing information about stackable federal benefits through the Inflation Reduction Act, to connect program benefits with their intended audiences.

Strategy 4: Reducing Energy Consumption and Emissions from the Building Sector

Buildings are the state's second largest greenhouse gas emitter, but exposure to fossil fuels comes with many other health implications. New Jersey has among the highest health burdens of any state from outdoor air pollution directly related to combustion of fossil fuels in buildings – with over hundreds of premature deaths and $2.8 billion in monetized health impacts experienced annually, as per the Harvard T.H. Chan School of Public Health. This is particularly concerning, as the impacts of indoor (and outdoor) air pollution are disproportionately borne by low income communities of color.

We encourage the Board to remember renters, a large proportion of the population in New Jersey, when designing and implementing any building decarbonization (as well as energy efficiency) programs. Programs to benefit renters need to encourage landlords in not only multi-family buildings but also single family rental homes to install cost-saving energy efficient appliances.

As gas rates continue to climb, New Jerseyans who make the switch from gas to highly efficient electric heat pumps can save anywhere from 4% to 41% on their annual energy bills, depending on utility territory. Replacing fossil fuel-burning equipment like gas furnaces, propane boilers, and more with highly efficient electric heat pumps will cut climate pollution from buildings.

We must continue to find ways to address energy efficiency, electrification, and building decarbonization holistically. This is the promise of the whole home pilot program, which expands upon some existing programs. Other programs fail when they cannot address other problems in the home, such as a damaged roof. Through the whole home pilot program, a home can be retrofitted and address for building decarbonization, energy efficiency, and other concerns. There has been limited utilization of this program, and we encourage the Board to continue to ensure residents can opt-in to make affordable, efficient upgrades and home improvements as they decarbonize.

The EMP must include a plan to implement the goals of Executive Order 317 on natural gas planning. This will allow for long-term planning in the building sector, ensuring we are not funding stranded assets in unneeded natural gas infrastructure – which is why it is critical that we plan now for new construction, not only for climate and public health reasons, but for the protection of the ratepayer.

Strategy 5: Decarbonizing and Modernizing New Jersey's Energy System

The administration's goal of 100% clean electricity by 2035 as outlined by Executive Order 315 is ambitious and attainable, and the EMP will create the framework for our state to meet that goal providing a certainty for utilities, energy suppliers, and businesses.

A strong energy master plan that gets us to 100% clean energy will not only combat climate change, but will result in additional benefits, including cleaner air and improved public health, family-sustaining local jobs, and energy independence. When the 2024 EMP refers to 100% clean electricity by 2035, that should mean genuinely clean energy – which does not include trash incinerators.

Because renewable energies like offshore wind and solar are not demand-response energy types, battery storage for clean, renewable energy will allow New Jerseyans to continue drawing clean energy even when the sun is not out and the wind is not blowing, a common misconception of renewable energy resources. With the current goals of 2,000 MW by 2030, we encourage the Board to accelerate developing strong incentive structures for energy storage in the state, and consider marrying that with small-scale, residential incentives so that households that may lose power can also take advantage of energy storage.

In all strategies, but particularly in decarbonizing and modernizing our energy system and accelerating deployment of renewable energy, it is critical New Jersey leverage all available federal dollars and incentives from the bipartisan infrastructure law and from the Inflation Reduction Act, the single largest investment in climate in world history.

Strategy 6: Supporting Community Energy Planning and Action in Underserved Communities

We appreciate that the Board has a strategy to focus action in underserved communities, but we urge the Board to incorporate the considerations of low- and moderate-income families (LMI) in each of these strategies, as these New Jerseyans are already shouldering, on average, a higher energy burden.

The Energy Master Plan is an essential guiding document that affects all New Jerseyans. To expand on the next EMP, we hope to see the 2024 EMP continue to integrate clean energy, energy efficiency, and decarbonization tactics geared towards LMI residents. The 2019 EMP provided ideas for solutions for how to decarbonize transportation, the electrical grid, buildings, and other sectors while supporting LMI residents. We hope the 2024 EMP can draw some of the lessons learned on what tactics were effective, and invest in those strategies. After all, nearly one third of New Jerseyans live in poverty according to the Poverty Research Institute at the Legal Services of New Jersey, and we can't miss the opportunity to support such a significant amount of New Jerseyans.

Effective integration of Executive Order 316 will be critical to meeting our building decarbonization goals while intentionally prioritizing low- and moderate-income households to receive these benefits. Building electrification is a huge opportunity to improve public health, and we must ensure that we can improve public opinion and adoption of resources that will support individual health.

New Jersey has among the highest health burdens of any state from outdoor air pollution directly related to combustion of fossil fuels in buildings — and the impacts of indoor and outdoor air pollution are disproportionately borne by low-income households and communities of color and air pollution is a driver of health disparities in asthma.

Federal and state incentives, particularly federal incentives for low- and moderate-income New Jerseyans through the Inflation Reduction Act, help significantly offset costs for electrical upgrades and heat pumps.

Though the EMP does not address this directly, we encourage the Board to continue to consider how to improve public perception of critical programs such building electrification, as has been done with offshore wind, community solar, and so many other key programs of the administration.

As outlined above, we reiterate that programs to benefit renters need to encourage landlords in not only multi-family buildings but also single family rental homes to install cost-saving energy efficient appliances.

We support lowering emissions and energy burdens by subsidizing residential multi-family units' transition to electric appliances, such as heat pumps, stoves, and other materials. We encourage the Board to explore programs to encourage landlords to make changes for their tenants.

As we talk about residential programs, we must think of creative solutions to addressing building decarbonization, energy efficiency, and clean energy improvements for rental units in particular. Renting household represents nearly 40% of all households in New Jersey.

Conclusion

The 2024 Energy Master Plan represents a vital opportunity to move into the clean energy future, one that addresses the worst impacts of climate change while improving air quality and public health, creating family-sustaining jobs, and keeping energy both independent and affordable for New Jersey consumers.

Thank you for the opportunity to comment on the 2024 Energy Master Plan. Should you wish to discuss any of these comments further, please contact Allison McLeod, our Senior Director of Public Policy, at Allison.mcleod@njlcv.org.