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June 12, 2024

The Honorable Christine Guhl-Sadovy President New Jersey Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625

Dear President Guhl-Sadovy:

(Re: Docket No. QO24020126)

The New Jersey Food Council (NJFC) is a trade association representing food retailers, including supermarkets, independent grocers and convenience stores, and their supplier partners. We appreciate the opportunity to provide comments on the planned update to the State's Energy Master Plan, which provides a blueprint to achieve 100% clean energy by 2050, including electrification of the building and transportation sectors.

Many of the Plan's initiatives impact NJFC members, as the energy load of supermarkets and major convenience stores is substantial. Food retailers typically consume large amounts of energy due to refrigerator and freezer operations which are necessary to keep perishable food safe for consumption. Many stores are open 24 hours a day, 7 days a week, and the energy required to keep operations running both inside and outside of these stores is significant. Consumers rely on food retail stores to be accessible and convenient. NJFC member retail locations typically stay open during emergencies and are heavily relied upon by their respective communities. A mandate for 100% building electrification could raise energy costs so significantly that food retailers, who typically operate on 1% profit margins, may have to close some underperforming stores or scale back their reinvestments in their communities.

NJFC understands the importance of reliable and diverse energy sources. We support the State's efforts to improve grid resiliency as power outages are a top concern for our members. But we believe that such improvements should go hand in hand with mitigating the costs to ratepayers. Energy costs and the impact on ratepayers need to be considered as a significant factor in developing new policies. According to the Consumer Energy Alliance, the cost of transitioning to completely renewable energy sources in New Jersey would be about \$115 billion.

It is equally important for decarbonization initiatives to result in a reliable and predictable energy supply. Operating a 100% renewable grid does not seem feasible currently due to the unpredictable nature of wind and solar energy and inadequate battery storage. Many of the electrification initiatives we have seen these past few years do not adequately consider the transmission capacity which is needed. We are extremely concerned about the unintended consequences of fast-tracking net zero energy policies, including blackouts and brownouts.

The mandated electrification deadlines appear to be arbitrary and do not realistically reflect the work being undertaken to transition to clean energy sources in an attainable and balanced manner. It is important that the Plan allows for flexibility as technological advances will provide additional clean energy options and solutions in the future. Low carbon options, a gradual reduction in emissions, and continued exploration of emerging technologies should be considered as part of the transition to clean energy.

Additionally, the development and implementation of policies pertaining to electrification of vehicles, including commercial vehicles, should be market driven and informed by technological feasibility. Some heavier duty trucks will need their own power supply and extensive charging networks. The operational challenges, costs, and technological limitations should be considered as the Board determines policies governing vehicle electrification.

Thank you for considering the views of the New Jersey Food Council. Please contact Mary Ellen Peppard at 609-203-0168 or via email at mpeppard@njfoodcouncil.com for additional information about our position.

Via Electronic Submission