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## Comments on the Energy Master Plan Docket # QO2402

The New Jersey Laborers' Employers' Cooperation and Education Trust (NJ LECET) is a labor-management organization representing the 25,000 members of the Laborers' International Union of North America (LIUNA) who live and work in New Jersey and our signatory contractors. During the process for the 2019 Energy Master Plan (EMP), New Jersey participated in multiple stakeholder meetings. Since that time, NJ LECET on behalf of our members and contractors has remained engaged in legislative, regulatory and administrative processes around the implementation and further policy development of the 2019 EMP including serving on the New Jersey Clean Buildings Working Group.

Just like we did in 2019, NJ LECET supports New Jersey's desire to achieve a clean energy future, combat climate change and reduce emissions, including from buildings. These are not merely aspirational goals, but necessary ones if New Jersey is going to continue to thrive economically and socially well into the 21st century.

However, it has become clear after many and lengthy discussions around EMP implementation that many tend to lose sight of the practical realities necessary to achieve success. For instance, decarbonization and emissions reduction are not synonymous with electrification, yet are often tossed around in debate as if they are. Additionally, 75% of all residential homes are currently heated with natural gas, relying on a network of thousands of miles of underground pipelines. Those pipes might be one of New Jersey's most valuable assets. New Jersey should be looking for creative ways to leverage them to help be part of the solution – to utilize cleaner fuels like renewable natural gas, hydrogen, or being repurposed for thermal energy networks. Those pipes represent billions of dollars in cumulative value and we should seek to continue to derive value from them while reducing our emissions footprint rather than viewing them as stranded assets to be abandoned. Worse, if New Jersey stops allowing utilities to invest and maintain their pipelines, they are an asset that can never be recovered. And therefore, foreclose the possibility of their use in a future clean energy technology, such as wind-powered green hydrogen.

Further, as some advocates drive the electrification message, they conveniently neglect the practical reality of reliability and rising costs. Again, returning to 75% of all residences being heated by natural gas, the transition off of that network will be both long and costly. The grid as

it is currently designed and operates can not handle the demand of heating all those homes, let alone powering their electric cars. Yet, allowing for mixed hybrid systems that leverages the existing natural gas network will allow New Jersey to immediately begin to see a reduction in emissions, while also ensuring on the coldest days there is an adequate redundant fuel supply that can be accessed when demand from consumers is at its highest. It will also reduce consumer cost in the short-run as they can modify their existing natural gas appliances as opposed to requiring millions of homes to replace existing appliances. And those same hybrid systems can be leveraged across all buildings, representing significant emissions reductions.

Currently, New Jersey relies on a mix of energy generation. While some energy is, and will always be imported from out-of-state, much of it is generated inside of New Jersey. That in-state generation combined with the maintenance of both the underground and above ground transmission and distribution systems creates thousands upon thousands of good-paying careers for New Jerseyans. Many of the members of LIUNA and many of our contractors are employed by and derive some or all of their income from these facilities and the utilities who own them. New Jersey's EMP must take into account ways to protect and encourage in-state generation to ensure that New Jerseyans continue to participate in the greening of New Jersey. Considering that New Jersey already imports almost 20% of its electricity, and the aging nuclear plants and natural gas facilities account for over 90% of all in-state electricity generation, the transition away from natural gas without adequate in-state replacement options will significantly harm New Jersey's workforce. The further development of offshore wind will offset some of the generation needs, but it does not provide the same level of employment as the nuclear or natural gas generating facilities.

In terms of addressing the reduction of energy consumption and emissions from the transportation sector, grid readiness stands out as the primary problem. We acknowledge that certain policies, such as the phasing out of the sale of gas-powered cars, are going to drive demand for more electric vehicles over the next decade. Yet with that demand comes an increased load demand on an already taxed grid. Without real intentional investment to modernize and expand the electric grid, New Jersey will not be able to reliably support the increased demand for electricity. This lack of reliability will undermine consumer confidence in these vehicles and force consumers to make other choices.

As the EMP attempts to drive more demand for electric vehicles, it must also take into account a fair approach to funding transportation infrastructure which, since 1984, has primarily relied upon revenues from New Jersey's gas tax as the primary income source. New Jersey gas tax

revenues have been a consistent and reliable source of revenue, but they have also been a declining source of revenue for many years as vehicles became more fuel efficient. This is a trend that is expected to continue into the future. Just as concerning that while current electric vehicles may drive fewer miles, on average, than a gas-powered vehicle, as their adoption rates climb, we believe that we will see the vehicles miles traveled increase to equal those of gas-powered cars. However, the fees they pay dedicated to transportation infrastructure will be completely inadequate to meet New Jersey's investment needs. If the EMP does not consider this imbalance in funding, it will set New Jersey up to fail its residents who rely upon its transportation network to get to work, school and resort areas.

In conclusion, NJ LECET supports a responsible energy transition that encourages carbon reduction that does not rely solely on electrification to achieve the transition. All options that reduce and eliminate emissions should be considered putting a special emphasis on ensuring we are able to produce the energy in-state and continue to create good paying jobs for New Jerseyans.