



June 12, 2024

VIA EMAIL & PUBLIC DOCUMENT SEARCH

Sherri L. Golden, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350
Board.secretary@bpu.nj.gov

**Re: In the Matter of the 2024 New Jersey Energy Master Plan
Response to Request for Information
Docket No. Q024020126**

Dear Secretary Golden:

Public Service Enterprise Group, Inc. (“PSEG”), on behalf of its subsidiaries including Public Service Electric and Gas Company (“PSE&G”) and PSEG Energy Resources and Trade LLC (“ER&T”), PSE&G’s supplier of natural gas pipeline and storage services, appreciates the opportunity to submit these written comments to the New Jersey Board of Public Utilities (“Board” or “BPU”) as it embarks on drafting the 2024 Energy Master Plan (“EMP”).

The 2019 EMP laid out a bold vision informed by climate science to achieve 100% clean energy by 2050; Executive Order 315 (2023) subsequently advanced this target to 2035.¹ PSEG strongly supports this objective and actively is playing a constructive, proactive role in helping identify and support the policy and technology changes needed for New Jersey to achieve its clean energy goals. As the Board embarks on the process of updating the EMP, PSEG recommends the Board’s consideration of the following themes:

- PSEG has and will continue to partner with the Board on decarbonization efforts to achieve the State’s clean energy objectives.
- Coordinated planning among PJM, the Board, utilities, and stakeholders, including Integrated Resource and Distribution Planning, paired with an updated regulatory structure possibly including multi-year rate planning, is essential to support infrastructure needed to achieve the State’s 100% clean energy future objectives while ensuring reliability.
- Public health and safety, as well as cost considerations, dictate maintenance of the existing gas delivery system.
- Elimination of leak prone pipes and improvements to existing gas infrastructure and incorporation of alternative fuels can help reduce emissions.

¹ <https://nj.gov/infobank/eo/056murphy/pdf/EO-315.pdf>

- It is important to continue to focus on inclusively and equitably developing and engaging a clean energy workforce.

PSEG's responses to the BPU's more specific questions for stakeholder consideration, as set forth in the Board's May 14, 2024 notice, follow written comments on these themes.

PSEG is committed to partner with the Board on decarbonization efforts to achieve the State's clean energy objectives.

PSEG has demonstrated a commitment to carbon reduction and partnering with the Board

Since its founding in 1903, PSEG has sought to make our communities better places to live and work. Our vision is to power a future where people use less energy, and the energy they use is cleaner, safer, and delivered more reliably than ever. PSEG has charted its own evolution as a clean energy infrastructure-focused company and advanced a path toward a future that continues the fight against climate change through decarbonization and resiliency.

PSEG has an aggressive carbon reduction approach for a large distribution utility and power generator. PSEG retired its last coal-fired generating plant in 2021. In 2022, PSEG closed on the sale of its fossil generating portfolio – becoming a primarily regulated utility with carbon-free nuclear generation. Our nuclear plants produce over 85% of New Jersey's carbon-free energy and will play an important role in attaining the State's goal of attaining 100% clean energy by 2035. Nuclear energy provides a highly reliable, non-intermittent and cost-effective alternative to other power sources.

Additionally, PSE&G is investing in its utility infrastructure and in customer incentives through multiple BPU-approved programs that enable continued safe and reliable operation, reduction of greenhouse gas emissions, reduction of energy usage via energy efficiency initiatives, and decarbonization of the transportation sector. For example:

- The Gas System Modernization Program ("GSMP") has already contributed to reducing methane emissions by approximately 330,000 tons² of CO₂e from PSE&G's system compared to 2011 (equal to removing approximately 72,000 passenger vehicles from the road) and cut methane emissions by 27% compared to 2018 levels.
- Clean Energy Future – Energy Efficiency program ("CEF-EE I") in place since 2020 has provided a robust portfolio of energy efficiency initiatives, including weatherization and rebates for appliances and HVAC equipment, which have yielded significant emissions reductions.
- Clean Energy Future-Electric Vehicles ("CEF-EV") program provides incentives to customers to reduce their costs for utility-side upgrades needed to install EV charging equipment.

² These reductions are based PSE&G's federally reported Subpart W filings and calculation methodologies prior to the most recent rule revision dated May 14, 2024. The revised rules will be in effect starting reporting year 2025 which will be reported and submitted to the USEPA, Q1 of 2026.

- Clean Energy Future-Electric Storage (“CEF-ES”) proposed program for targeted development of energy storage that can increase resiliency for critical facilities (program approval currently held in abeyance pending BPU energy storage policy discussions).

Looking to the future

PSEG believes a comprehensive approach, rather than a series of unconnected “quick fixes,” will be the most successful path to ensuring that the state achieves its decarbonization goals in a manner that is reliable, accessible, and affordable for to all customers and sustainable for the energy system. The Board should provide maximum flexibility to continue with current decarbonization programs and initiatives and encourage the utilities to deploy new solutions and technologies as they become available, such as utility developed geothermal, LED streetlights, and utility owned battery storage. PSEG encourages the Board to take a broad approach to considering options.

Considering the progress already made via the Company’s existing programs, continued partnership between PSE&G and the BPU is essential for continuing to advance the state’s goals via a new EMP. Utilities have unique experience in delivering programs to customers and doing so equitably and at reasonable cost. Utilities have established customer relationships and a trusted brand, expertise administering large and complex customer-facing programs like energy efficiency programs, ability to offer on-bill repayment, and access to customer usage data to identify energy savings opportunities and monitor the impact of energy efficiency projects. Utilities also have established relationships with lower-income and communities more at risk from climate change impacts and can design and execute programs that will ensure equitable access. Authorizing utilities to take a leadership role in the implementation of energy efficiency is a proven, successful approach in our State and these types of collaborations with utilities should continue as solutions are considered for inclusion in new EMP.

Designing and implementing the next iteration of the EMP requires holistic infrastructure planning that assesses the benefits, costs, and risks for all affected. PSE&G is ready to assist in efforts to understand cost and affordability considerations. Moreover, continued collaboration with the utilities is the best path to significantly reducing emissions at scale to the benefit of all communities. Continued, and possibly broadened collaboration, including in areas like energy storage, could allow utilities the flexibility to test innovative solutions that may provide pathways to significant emission reductions.

PSEG looks forward to continuing to partner with the Board, the stakeholders, and the State as New Jersey looks to transition to 100 percent clean energy.

Coordinated planning among PJM, the Board, utilities, and stakeholders – including Integrated Resource and Distribution Planning -- is essential to achieving the State’s 100% clean energy future objectives while ensuring reliability.

The Board should also consider the following items as necessary components of an integrated strategy that will preserve the reliability of electric and gas systems and ensure a just and responsible transition to a low carbon future.

Focus on New Generation

Approximately sixty percent (60%) of generation in the PJM region, and nearly half of the electricity consumed in the state, is produced by fossil fuels. PJM's [Energy Transition in PJM: Resource Retirements, Replacements and Risks](#)³ report issued in February 2023 indicates that even more reliable generation is needed, and that is before the projected impacts of residential and commercial electrification or new, energy-intensive industries and economic development is considered.

PJM's analysis further indicated that retirements of energy sources are outpacing new additions and could leave the grid short of capacity by 2030. Coordination among PJM, the Board and the federal government will be needed to ensure that any shortfalls of capacity are met with clean and reliable generation. A sufficient supply of low carbon, carbon-neutral, and zero carbon generation is critical to efforts to reduce gas distribution system emissions, as greater electrification will not deliver the promised emissions reductions unless the replacement electricity is clean.

Integrated Resource and Distribution Planning

Getting to a lower carbon future will require short- and long-term solutions, including more coordinated, forward-looking regulatory and planning frameworks such as integrated resource and integrated distribution planning to support coming demands across transmission and distribution networks. These coordinated solutions are not currently part of the energy strategy and planning landscape in New Jersey.

A comprehensive road map that considers the electric system's reliability, resiliency and capacity needs to be developed for decarbonization and the shift towards greater electrification. An Integrated Resource Plan (IRP) would outline potential paths for a utility to meet future energy and capacity requirements while considering the associated risks and benefits to customers. An IRP would identify both the supply and demand side resources needed to meet a utility's projected demand over time to ensure reliable service to customers under certain conditions as projected at the time the IRP was prepared. The IRPs could be prepared at regular intervals and amended as market conditions, technologies, and state and federal regulations evolve. IRPs would address issues not currently addressed like generation retirements and incentives for more clean generation in the PJM portfolio. In addition, development of an IRP approach must address inter-regional cost allocation issues, in light of the different policies and priorities of the PJM member states. New Jersey residents should not be solely responsible for financing the drive for clean energy to benefit air quality in the region while other states accept a less clean generation mix.

Forward-looking Integrated Distribution Plans (IDPs), paired with updates to the existing regulatory structure, possibly including multi-year rate planning, should be considered. IDPs would allow the State to weigh all possible solutions to distribution system needs, with the goal of improving efficiency, reducing costs, and ensuring a safe, reliable, and resilient distribution grid. Of note, a recommendation from the 2019 Energy Master Plan "required utilities to establish IDPs to expand and enhance the location and amount of distributed energy resources and electric vehicle

³<https://www.pjm.com/-/media/library/reports-notice/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>

charging on the electric distribution system”. This includes the use of time-of-day rate design to incentivize EV charging off peak hours and the use of storage to support DER. Reliability should also include addressing power and voltage quality, which will become more challenging as renewable energy and DERs are integrated into the system.

Coordinated, holistic planning is essential to reach the State’s decarbonization goals. This must be coupled with detailed financial and rate modeling and careful consideration of customer adoption assumptions and risks and the cost impacts on all customer classes, especially low to moderate income customers. Failure to carefully consider these factors will result in a patchwork of disconnected solutions and delays, making the Administration’s emission reduction goals difficult, if not impossible, to reach.

Public health and safety, as well as cost considerations, dictate maintenance of the existing gas delivery system; elimination of leak prone pipes improvements to existing gas infrastructure, and incorporation of alternative fuels can help reduce emissions during the transition.

As New Jersey focuses on the most cost-effective means to reduce statewide greenhouse gases and deliver reasonably priced electricity while supporting energy efficiency and strategic decarbonization, the continued availability of reliable, reasonably priced natural gas supplies is a requirement, not an option. Indeed, there are significant risks to assuming New Jersey can simply or quickly phase out the use of this cost-effective resource, ignore near and mid-term electric supply constraints, and neglect the valuable natural gas transmission and distribution infrastructure in place. Continued elimination of leak prone pipes and improvements to existing gas infrastructure is critical to help reduce emissions as we transition to a clean energy future.

Carbon neutral fuels can also help reduce emissions in this transition period. PSEG supports a broad approach that includes Renewable Natural Gas, green hydrogen produced from renewables and pink hydrogen produced via nuclear power as it is emissions free (although currently a limited resource). When considering the introduction of low and carbon neutral fuels, safety and reliability will need to be assessed. During the energy transition and move to electrification, repurposing the gas system will avoid unnecessary utility investments in electric generation, transmission, and distribution. The use of hybrid configurations of heat pumps and high efficiency gas heating should continue as part of this transition. PSEG recommends continued focus on customer needs during this transition, including affordability for those more vulnerable, and hybrid solutions are an important option along this path and can help ensure equitable access to decarbonizing solutions.

It is essential to engage a skilled workforce. PSE&G’s Clean Energy Jobs Program is a model approach to creating a more inclusive and equitable clean energy workforce.

PSEG, along with the other utilities, will need to utilize the talent of its skilled workforce during this energy transition to ensure the safety and reliability of the gas and electric networks. In addition to the existing workforce, the Company is focused on bringing into the utility non-traditional workers and those from disadvantaged communities who have been historically under-represented.

PSEG values its partnerships with the State, unions, educational institutions, and community organizations in creating jobs and economic opportunities for residents as we build a clean energy economy. The State and the utilities must continue to partner on training and educational opportunities to ensure workers have the proper skills for the jobs the transition will create. During this transition, some workers will be displaced or need to be retrained. It is imperative that green jobs be good jobs that provide wages and benefits that foster a pathway to the middle class. PSEG is well-equipped to help individuals develop the needed skills and understands that future success includes addressing challenges around equity and inclusion.

The PSE&G Clean Energy Jobs (CEJ) program is a prime example of how New Jersey is creating a more inclusive and equitable clean energy workforce. This program focuses on underserved community-based recruitment, training, and promoting supplier diversity.

PSE&G is working closely with the Department of Labor and community, social, and religious-based organizations in underserved communities to recruit candidates for and raise awareness of CEJ to their respective constituents through various outreach channels. Through these partnerships, the CEJ program has successfully placed more than 2,500 job seekers into the clean energy sector, exceeding its initial goals.

To ensure that low-moderate income (LMI) communities have access to clean energy opportunities, the CEJ program provides wrap around and support services such as childcare and transportation assistance as well as the On-the-Job Training (OJT) program. Additionally, the CEJ program supports diverse small businesses by helping them achieve Minority, Women, or Veteran Business Enterprise (MWVBE) certification, which increases their opportunities for clean energy contracts.

As part of its CEF-EE II filing, currently under consideration, PSE&G is expanding its Clean Energy Jobs Program to include training for electrification measures, such as heat pump installation. This initiative responds directly to the growing opportunities in the clean energy sector, particularly in emerging technologies like heat pumps, which present significant near-term job training and placement prospects. The CEJ program effectively addresses the goals of the EMP by enhancing workforce development, supporting LMI communities, and fostering innovation and diversity in the clean energy sector.

Conclusion

PSEG thanks the Board for the ability to provide these written comments and it looks forward to continuing to partner with the Board, the stakeholders, and the State as New Jersey as the 2024 EMP is developed.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Warren W. Gill", with a long horizontal flourish extending to the right.

PSE&G Responses to the BPU's Stakeholder Questions

How should the State consider streamlining programs for clean energy development, electric vehicles, building electrification, and other sectors?

PSE&G Response. As the State considers streamlining programs for clean energy development, electric vehicles, building electrification, energy storage, and other sectors, it is essential to maintain and expand the State's partnerships with utilities and other stakeholders as they have an important role to play. The State should view these programs holistically and avoid the development of initiatives in silos or initiatives that exclude utility participation.

It would streamline progress in these areas for the State to provide flexible and innovate rate making mechanisms, to allow utilities to develop pilots or demonstrations on specific advancements with options for reasonable, more timely cost recovery for prudent investments.

PSE&G prides itself on the strong, trusted relationships it has established with its customers and stakeholders. PSE&G is uniquely situated to understand our customers' changing expectations and respond to their needs – in a streamlined, interactive, and timely fashion, while developing programs that not only meet the state's policies but use model states and lessons learned from them that make utilities the right partner in advancing these critical programs.

Strategy 1 of the 2019 EMP: Reducing Energy Consumption and Emissions from the Transportation Sector

The 2019 EMP indicated that among the largest barriers to mass adoption of passenger electric vehicles ("EVs") are range anxiety, the upfront capital costs of EVs compared to their gas-powered counterparts, limited model choices, outdated electricity rate structures, and lack of consumer and dealer awareness. Through focused State efforts to expand public and private charging infrastructure and to encourage the purchase of EVs by implementing and leveraging utility, State, and federal incentives, and rebates to reduce the upfront cost of owning and operating an EV, NJ continues its efforts to making owning an EV a reality for residents.

- What could the evolution of transportation electrification incentives look like? On which sectors should the State focus for spurring electrification (for instance, used EVs, Medium- and heavy-duty vehicles, and/or ports)? Where will incentives no longer be necessary and why?

PSE&G Response. There has been significant change in the New Jersey transportation electrification landscape since the 2019 EMP was issued. In 2019 there were minimal federal incentives, so state and utility incentives were the primary source of funding for EV projects. With the adoption of the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL), there are now large pools of federal funding for EV projects. However, the largest exclusion is funding for utility side make ready costs. This funding gap for utility infrastructure is causing a plateau in Medium- and Heavy-Duty Vehicle (MHDV) adoption and moving customers away from states that do not offer utility make-ready incentives. Without utility-side make ready incentives, New Jersey companies and organizations that receive IRA/BIL funded awards (i.e., EPA Clean School Bus grants) will not be able to proceed with their projects due to incomplete make-ready funding.

Grid readiness requires proactive utility-side infrastructure development. At present, utilities cannot develop EV infrastructure construction projects until each individual load request is submitted. Despite having data on MHDV registration and traffic flow that clearly delineate geographic zones that will require substantial grid upgrades, the utilities cannot build that infrastructure until each customer submits their individual load request.

Regarding evolution of incentives, the BPU has focused exclusively on Zero Emissions Vehicles (ZEV) whereas the federal EPA has moved to a performance based GHG reduction strategy that allows for a variety of fuels, including renewable natural gas, renewable diesel, biogenic diesel, and hydrogen fuel cell/ice. While ZEV may represent the most ideal long-term solution, the time and cost to build charging infrastructure may likely bottleneck ZEV adoption. Aligning with the federal strategy may represent a more viable path to meeting GHG reduction targets.

Funds should be allocated from the largest sources/areas of emissions to lowest to strike the largest impact. Public transportation, ports, and high-traffic travel centers are examples of areas to focus on. The multiple points of contact and complexity are a large hurdle that consumers need to navigate, generally without certainty that incentives will be awarded. Also, many incentive programs presume that customers understand make ready and rate concepts that are being incentivized, which is not usually the case. Therefore, marketing and outreach programming, areas where utilities have expertise, will be essential to driving continued adoption.

Strategy 2 of the 2019 EMP: Accelerating Deployment of Renewable Energy and Distributed Energy Resources

The 2019 EMP aimed to successfully reduce NJ's climate emissions and meet the State's energy needs with clean energy by maximizing the deployment of offshore wind, the amount of in-state renewable energy generation, and the interconnection of zero-emission distributed energy resources ("DER"). With three offshore wind solicitations complete and one underway, as well as revamped solar programs that center competition and cost reductions to save ratepayer dollars and reach more residents, the State continues to advance our clean energy goals.

- What mechanisms are needed to ensure clean energy development incentives are aligned to match generation and load?
- How can we accelerate the pace at which renewable generation projects are built without making it cost-prohibitive for ratepayers and/or developers?

PSEG Response. PSE&G has and will continue to make the necessary strategic investments to modernize the grid while maintaining its focus on providing safe, reliable, and affordable service to its customers. These investment decisions have and will continue to grow in complexity as utilities integrate higher levels of Distributed Energy Resources (DER), storage and electric vehicles onto their systems. Specifically regarding DERs, PSE&G has actively engaged in PJM stakeholder meetings to identify risks, challenges, and opportunities with respect to the implementation of FERC 2222, which enables small DERs to participate alongside traditional resources in the regional organized wholesale markets through aggregation.

As the BPU considers how to accelerate the deployment of renewable energy and DERs, PSE&G recommends consideration of the following overarching factors in the policy discussions to

enhance grid modernization and utility distribution planning efforts:

- Comprehensive Integrated distribution planning, which will identify utilities' resource needs, customers' needs, State policy goals, and operational constraints across New Jersey's dual energy systems, is vital.
- Improvements to regional load forecasting, which will allow utilities to be better informed in their response to customers' future demands and state decarbonization policies. Transmission projects require PJM and load serving entities to forecast the load over a 10–15-year horizon and alignment on those forecasts is critical for success. In addition to transmission planning, regional load forecasting plays a critical role in determining how much generation needs to be built and where.
- State regulatory frameworks, including rate and cost recovery mechanisms, that guide how utility investments will be made will be key in assuring customer affordability and determine how accelerated reinforcement/upgrades to the electric system and new load such as DERs, EVs, and other anticipated large loads should be measured.

PSE&G is committed to working collaboratively with BPU and other regulators to support this transformation. We advocate for continued discussions on what current and future investments are necessary and will support and further both hardening and resiliency goals, all while addressing evolving state policies.

Strategy 3 of the 2019 EMP: Maximizing Energy Efficiency and Conservation, and Reducing Peak Demand

The 2019 EMP stated that the NJJBPU should continue to engage with stakeholders to determine opportunities for increasing accessibility to energy efficiency programs, as well as develop program structures and methods for evaluating program success and utility goal achievement that values priorities such as increased program accessibility for hard-to-reach customers. In the first three-year cycle of utility energy efficiency programs, NJ's electric public utilities and gas public utilities offered rebates and zero percent financing to encourage energy efficiency improvements statewide, with more favorable rebates and financing terms offered to lower-income customers.

- Have these mechanisms been effective in broadening accessibility to energy efficiency improvements?
- What else should New Jersey do to increase education and awareness and address gaps in the accessibility of energy efficiency programs?

PSE&G Response. During the 2019 EMP process, PSEG advocated that energy efficiency programs be designed to eliminate or reduce large upfront investments by homeowners, such as providing for utility on-bill repayment options, to ensure uniform access. These measures as implemented in the CEF-EE I program have been successful. Utilities are uniquely positioned to reach all customer segments, given the numerous channels by which they can communicate with customers regarding energy efficiency (e.g., monthly bills, call centers, walk-in customer service centers, social media) and their name brand recognition.

The Company's first Clean Energy Future Program has been well received and PSE&G is hoping through its pending Clean Energy Future-Energy Efficiency II (CEF-EE II) filing to provide continued access and opportunities to help underserved customers use energy wisely while also creating jobs and advancing the goals of the Energy Master Plan.

The CEF-EE II filing, as proposed, is designed in accordance with the framework adopted by the BPU and includes eight (8) energy efficiency programs, which aim to increase energy efficiency in all sectors of the economy and offer savings opportunities across PSE&G's customer bases, including low to moderate income customers, overburdened communities, and multifamily buildings.

The proposed CEF-EE-II programs will take advantage of the momentum gained from the Clean Energy Future-Energy Efficiency Program to continue to make significant efficiency upgrades in homes and businesses throughout PSE&G's territory.

PSE&G has proposed a variety of programs with elements supporting underserved and disadvantaged populations. The CEF-EE filing provides a roadmap for how all citizens of New Jersey can benefit from energy efficiency programs.

Strategy 4 of the 2019 EMP: Reducing Energy Consumption and Emissions from the Building Sector

The 2019 EMP stated that the most cost-effective first steps in decarbonizing buildings are starting the transition for new construction to be net zero carbon and converting existing homes using baseboard electric heating, oil, and propane to modern, efficient heat pumps.

- In addition to offering incentives to electrify existing oil- and propane-fueled buildings, as well as buildings heated with older and inefficient electric technologies, what else should New Jersey be doing to successfully achieve its goals of electrifying buildings heated with these technologies?

PSE&G Response. To successfully achieve its goals of electrifying buildings heated with these technologies, New Jersey should work with the state's electric distribution utilities to develop an expanded suite of building decarbonization programs. Utilities are well positioned to provide services and solutions to meet customer needs while supporting state policy goals based upon their established customer relationships, expertise, and ability to provide services such as on-bill repayment. Utilities also can help ensure equitable access to programs for all customers, including lower and middle income sectors. The BPU has already directed electric distribution companies to propose building decarbonization programs as part of their portfolio of energy efficiency programs. On December 1, 2023, PSE&G filed its proposed Clean Energy Future – Energy Efficiency II (CEF-EE II) Program, which includes a Building Decarbonization program component. The program addresses both customers in the residential and business markets, providing incentives and technical support in replacing fossil fueled heating equipment with electric heat pump alternatives, including hybrid configurations. New Jersey, through the NJBPU, should work with PSE&G and other state utilities to approve, accelerate, expand, or pilot proposed building decarbonization programs.

Strategy 5 of the 2019 EMP: Decarbonizing and Modernizing New Jersey’s Energy System

The 2019 EMP outlined how the benefits of electrification, including incorporation of renewable energy, energy storage, demand flexibility, energy efficiency, load shifting, resiliency, microgrids, decentralization, and decarbonization, all necessitate a 21st-century distribution grid. With the release of the 2022 Grid Modernization Report, followed by robust stakeholdering and the recent approval of new grid modernization rules, NJ is working hard to build, through a coordinated and collaborative approach with expert and relevant stakeholders, a more advanced and capable grid to support the clean energy transition.

- How can NJ more swiftly advance required electric distribution system upgrades with which DER project developers may be faced in order to bring their project online? Should project developers be required to pay for the full upgrade, or can financial mechanisms be put in place to reduce the upfront burden of grid upgrades, reduce, or mitigate any impacts on ratepayers, and achieve cost-effective expanded hosting capacity for DER?

PSE&G Response. Rather than upgrading the system piecemeal in response to individual interconnection requests, which risks among other things incurring the cost to upgrade to the first developer’s needs, and then having to re-upgrade the same facilities if another developer comes in sometime shortly thereafter. PSE&G concurs with recent board interest in annual plans where utilities should forecast load and optimal circuits for upgrade to alleviate frequent new clean generation request denials and proactively upgrade those distribution components to handle both. They could then more reliably accommodate the interconnection requests of developers of both DER and new loads (building electrification, EV chargers, data centers, etc.) to assist in the successful deployment of those investments to where developers demonstrate the need for system upgrades, while minimizing incremental cost. As stated above, discussions related to integrated distribution planning necessarily should include consideration of rate and regulatory reforms.

Strategy 6 of the 2019 EMP: Supporting Community Energy Planning and Action in Underserved Communities

In order to implement the strategies outlined in the 2019 EMP, it is imperative that NJ communities find ways to move toward these goals, taking into account, low-moderate income (“LMI”) communities, local preferences, and changes made at the state level. The State has a responsibility to facilitate equal access to and representation in the clean energy economy and all the opportunities and benefits it provides.

- How can current workforce development programs be further optimized, or new programs designed to engage and increase participation from resident in LMI (low-moderate income) communities? How can the State ensure LMI communities have access to and can afford clean energy and energy efficiency measures, and other “bridge” programs (for example: home remediation and other financing)?
- How can the State further encourage county, municipal, and other jurisdictional participation in making climate investments and advancing the clean energy transition?

PSE&G Response. The State's utilities, in coordination with the BPU, can provide onsite educational programs to support local energy planning. Furthermore, PSE&G's CEF-EE Program contains several educational programs that would enhance local communities' understanding of energy issues. It is important that the State works with County and local governments to identify and leverage funding streams to invest in resiliency projects. This coordination will help to identify local needs, leverage resources, ensure equitable distribution of funds and streamline project implementation. The planning for and funding of resiliency initiatives needs to be prioritized during the budget process.

Strategy 7 of the 2019 EMP: Expanding the Clean Energy Economy

In order to implement the strategies outlined in the 2019 EMP, it is imperative that the state support the growth of in-state clean energy industries through workforce training, clean energy finance solutions, and investing in innovative research and development programs. Expanding industries like offshore wind, solar, and other clean energy industries will create jobs and grow the economy, while ensuring that the state meets its climate goals.

- As NJ continues to invest in building a clean energy workforce, how best community-based partners such as non-profits, social service organizations, vocational schools, and county colleges play a role in preparing NJ residents for clean energy occupations? What emerging or existing clean energy technologies offer the biggest opportunity for near-term job training and placement?

PSE&G Response. The PSE&G Clean Energy Jobs (CEJ) program, established in June 2020, is a prime example of how New Jersey is creating a more inclusive and equitable clean energy workforce. This program focuses on underserved community-based recruitment, training, and promoting supplier diversity.

In addition to working with the Department of Labor and organizations such as the African American Chamber of Commerce of New Jersey (AACCNJ) and the Statewide Hispanic Chamber of Commerce of New Jersey (SHCCNJ) to recruit candidates for the CEJ program, PSE&G has also fostered strong partnerships with community, social, and religious-based organizations in underserved communities who collaborate with PSE&G by providing recruitment referrals and raising awareness of CEJ to their respective constituents through various outreach channels. Through these partnerships, the CEJ program has successfully placed more than 2,500 job seekers into the clean energy sector, exceeding its initial goals.

To ensure that low-moderate income (LMI) communities have access to clean energy opportunities, the CEJ program provides wrap around and support services such as childcare and transportation assistance as well as the On-the-Job Training (OJT) program which provides a paid 16-week training to candidates in roles such as: HVAC technician, Weatherization technician and administrative professional (as of May 2024, the program has graduated 74 candidates). This support makes it possible for individuals from underserved communities to participate fully. The Building Performance Institute (BPI) certifications sponsored by the program also helps advance careers, ensuring that participants are well-equipped for long-term success.

Additionally, the CEJ program supports diverse small businesses by helping them achieve Minority, Women, or Veteran Business Enterprise (MWVBE) certification, which increases their opportunities for clean energy contracts.

The CEJ program also collaborates with community partners, training vendors and small businesses to provide tailored training that prepares residents for careers in the growing clean energy industries. These partnerships ensure that training programs meet industry needs and help build a robust clean energy workforce. As part of its CEF-EE II filing currently under consideration, PSE&G is expanding its Clean Energy Jobs Program to include training for electrification measures, such as heat pump installation. This initiative responds directly to the growing opportunities in the clean energy sector, particularly in emerging technologies like heat pumps, which present significant near-term job training and placement prospects.

The PSE&G CEJ program effectively addresses the goals of the Energy Master Plan (EMP) by enhancing workforce development, supporting LMI communities, and fostering innovation and diversity in the clean energy sector. This program is a vital component of New Jersey's clean energy future, ensuring that the transition benefits all residents.

- As NJ establishes policies and programs to develop an in-state clean energy supply chain, what else could the State be doing to support the development of the clean energy supply chain in New Jersey?

PSE&G Response. PSE&G notes that by investing on goods and services from diverse suppliers and adding more than 200 certified MWVBES to its vendor list, PSE&G significantly bolsters the clean energy supply chain in New Jersey. This investment supports the growth of in-state clean energy industries and contributes to economic development.