

May 1, 2025

Submitted Via E-Filing Sherri L. Golden Secretary of the Board NJ Board of Public Utilities 44 South Clinton Ave. 1st Floor PO Box 350 Trenton, NJ 08625-0350 Email: board.secretary@bpu.nj.gov

Re: in the Matter of the 2024 New Jersey Energy Master Plan Docket No. QO24020126

Dear Secretary Golden:

The Energy Efficiency Alliance of New Jersey ("EEA-NJ") thanks the New Jersey Board of Public Utilities ("BPU" or "Board") for this opportunity to submit comments regarding the 2024 New Jersey Energy Master Plan ("EMP").

EEA-NJ is New Jersey's trade association for the energy efficiency industry. With our sister organization the Keystone Energy Efficiency Alliance, we represent 70 business members across Pennsylvania and New Jersey. Our mission is to champion efficiency as the foundation of a clean, just, and resilient energy economy.

The Board's commitment to a flexible, actionable approach to achieving New Jersey's clean energy future lays the groundwork for multiple pathways to meet the State's climate and energy goals. Through the strategies outlined in the Energy Master Plan, New Jersey has the opportunity to address growing uncertainty in the energy sector while delivering on its promise of decarbonization, grid resilience, and consumer affordability.

Amid escalating electric rates, energy efficiency stands out as one of the most effective tools for protecting ratepayers. In July 2024, PJM Interconnection, the regional grid operator serving New

Jersey, announced a record-breaking price spike in its capacity market.¹ These new charges will begin affecting electric bills on June 1, 2025, coinciding with the start of the summer cooling season and placing additional strain on households and businesses. In response, Governor Murphy has called on the Federal Energy Regulatory Commission (FERC) to launch a formal investigation into the 2024 Base Residual Auction (BRA) for the 2025/2026 Delivery Year, citing concerns about potential market manipulation and its disproportionate impact on New Jersey consumers.² In addition, New Jersey is part of a Northeast States Collaborative exploring Interregional Transmission agreements and protocols to ensure enough power is available.

The consequences of these unprecedented rate increases will be significant: rising arrearages, service terminations, and mounting financial stress on New Jersey families, especially those already struggling to afford basic utility service. As utility bills climb, the role of energy efficiency programs becomes even more critical. These programs provide a proven, cost-effective pathway to lower household energy use, reduce peak demand, and stabilize the electric grid. But to meet this moment, New Jersey must expand its investment in energy efficiency, particularly in underserved communities.

Maximizing energy efficiency and conservation is not just a climate imperative - it is an economic necessity. By reducing energy waste, we can lower total system costs, minimize reliance on costly capacity market purchases, and ensure that New Jerseyans can afford to stay cool in the summer and warm in the winter. The State must continue to prioritize maximizing energy efficiency and conservation and peak demand reduction along with reducing energy consumption and emissions from the building sector, to create a more resilient, affordable, and equitable clean energy future for all. Dwellings with a high energy burden typically exhibit high energy use combined with a poor condition building shell, thus perpetuating the conditions for rising rates unless energy efficiency is prioritized.

New Jersey's leadership in clean and efficient energy is increasingly being recognized. In the 2025 State Energy Efficiency Scorecard from the American Council for an Energy-Efficient Economy (ACEEE), New Jersey returned to the top 10 for the first time since 2008 and was named one of the most improved states in the nation. But beyond the rankings, this recognition reflects a deeper story: the Garden State has been empowered by the Governor and Legislature to take bold, transformative action on energy efficiency and clean energy.

Under the leadership of the Board of Public Utilities, New Jersey has developed and implemented groundbreaking programs that are driving real, measurable progress. Key initiatives

¹ Ethan Howland, <u>PJM capacity prices hit record highs, sending build signal to generators</u>, Utility Dive, (Jul. 01, 2024), available at:

https://www.utilitydive.com/news/pjm-interconnection-capacity-auction-vistra-constellation/722872/. ² Governor Phil Murphy's letter to FERC (April 16, 2025) available at:

https://d31hzlhk6di2h5.cloudfront.net/20250417/4c/46/be/41/1b75d2529193d29d95d5d20a/4.16.25_FER C_Letter.pdf

include the launch of Building Benchmarking to improve transparency and accountability in energy use; the New Jersey Energy Efficiency Programs that deliver critical cost savings and emissions reductions for homes and businesses; strengthened Residential and Commercial Energy Codes to ensure high-performing new and existing buildings; and the Whole House Pilot Program, which advances a comprehensive, holistic approach to residential efficiency. Additionally, the New Jersey Clean Energy Program's New Construction Program supports the development of high-performance, energy-efficient buildings, while new initiatives from the New Jersey Economic Development Authority (EDA)—including C-PACE (Commercial Property Assessed Clean Energy) and NJ COOL (New Jersey Clean Energy Loans)—are expanding clean energy financing opportunities across the state. We have laid the foundation for a clean energy future. Now is the time to build on this success, to move from plans and pilot programs to full-scale action. New Jersey must continue to lead by rapidly expanding the reach, accessibility, and impact of these initiatives to ensure that all residents and businesses can benefit from a cleaner, healthier, and more resilient energy system.

Energy Efficiency, Pre-Weatherization, and Health & Safety Coordination

New Jersey must address the systemic barriers that prevent low- and moderate-income households from accessing energy efficiency upgrades, particularly critical home repairs that cause project deferrals. To meet its climate and affordability goals equitably, the Energy Master Plan (EMP) should support a dedicated, statewide pre-weatherization program. This program must coordinate closely with home health and safety initiatives—such as lead remediation and asthma prevention—and serve as a direct pipeline into existing offerings like Comfort Partners. The Whole House Pilot Program approach should simply become the standard approach. Integrated service delivery will avoid delays, reduce consumer burden, and maximize program outcomes, especially when paired with strengthened partnerships with the Department of Community Affairs (DCA) and federal programs like WAP and LIHEAP.

For commercial and multifamily buildings, the EMP should prioritize making the state's existing benchmarking requirements enforceable, introducing public benchmarking grades to enhance energy transparency, and implementing a building performance standard for large commercial buildings. These measures, combined with indoor air quality requirements, will drive improvements in energy performance and public health outcomes. Demand-side management strategies—including demand response, smart controls, and virtual power plants—must also be recognized as essential tools for peak load reduction and clean energy integration. Additionally, ensuring language access across all programs, in compliance with P.L.2023, c.263³, that requires State government entities provide vital documents and translation services in at least seven most common non-English languages. This will be critical for enabling broader, more inclusive participation in efficiency and clean energy initiatives.

³ https://pub.njleg.state.nj.us/Bills/2022/PL23/263_.HTM

Finally, meeting the building electrification goals of Executive Order 316 will require a well-prepared workforce. New Jersey should expand efforts to train and certify energy auditors, weatherization specialists, and skilled heat pump installers, ensuring that certification standards are clear and that contractor information is readily accessible to consumers. Collaboration between state agencies, utilities, and the New Jersey Economic Development Authority (NJEDA) can enhance outreach and customer engagement strategies, particularly targeting properties at key decision points like refinancing. A strong workforce development infrastructure, coupled with streamlined access to programs, will be essential to achieving the state's energy, equity, and climate goals.

Building Decarbonization

New Jersey must act decisively to align gas infrastructure planning with its climate, equity, and energy affordability objectives. Executive Order 317 provides a clear mandate to chart the "Future of Natural Gas" in the state, and the 2025 Energy Master Plan (EMP) must incorporate concrete benchmarks, timelines, and implementation strategies to support this transition. A critical priority must be ensuring that low- and moderate-income households are not left bearing the escalating costs of maintaining or expanding a fossil fuel system that is no longer aligned with New Jersey's clean energy future.

A foundational step toward this transition is to end the use of ratepayer funds to subsidize new natural gas hookups, particularly for new construction and buildings that are not currently connected to the gas system. Continuing such subsidies would exacerbate the risk of stranded assets, lock communities into fossil fuel dependence, and perpetuate systemic inequities in energy access and affordability. In parallel, utilities should be prohibited from marketing or promoting new gas services in areas without existing infrastructure, as such activities directly undermine the state's decarbonization goals.

To support a cleaner, more affordable energy future, municipalities must be empowered to adopt local stretch codes, and the latest model energy codes. Local flexibility will allow communities to innovate and lead on building decarbonization, while ensuring alignment with broader statewide climate and energy targets.

To effectively achieve net-zero emissions in new construction, New Jersey must continue adopting the latest model energy codes, ensuring alignment with the newest International Energy Conservation Code (IECC). Updating and enforcing these codes are pivotal in driving construction practices towards sustainable standards, crucial for meeting our climate goals.

In tandem with these reforms, New Jersey must prioritize targeted electrification of buildings currently reliant on oil, propane, or outdated electric resistance heating. These fuels are costly, highly polluting, and harmful to indoor air quality and public health. The EMP should support a focused strategy to identify priority areas with high concentrations of oil, propane, and inefficient

electric heating and conduct targeted outreach and education campaigns to inform residents of the financial, environmental, and health benefits of switching to efficient electric heat pumps.

Critically, clear alignment between the EO 317 "Future of Gas" proceeding and the State's building decarbonization strategy must be established. Without thoughtful and coordinated planning, the continued expansion of gas infrastructure will not only undermine New Jersey's climate goals but also drive up utility costs for all residents. This proceeding will need to continue to avoid unnecessary gas utility expansion in areas targeted for electrification, as these projects will lock in extend gas service to buildings not already connected to the system for upwards of 50 years or alternatively will utilize ratepayer funds to develop what could very likely become a stranded asset as New Jersey continues to decarbonize.

Clean Energy Workforce Development

A skilled and accessible workforce is critical to achieving New Jersey's clean energy and energy efficiency goals. Yet customers consistently report difficulty identifying qualified contractors as a barrier to completing energy upgrades. To address this, the state should establish a centralized, publicly accessible directory of certified energy auditors and contractors. At the same time, the Energy Master Plan (EMP) should support the development of workforce certification standards and fund training, apprenticeships, and scholarships—particularly for underrepresented and historically marginalized populations.

New Jersey must leverage the strengths of community-based organizations, non-profits, vocational schools, and county colleges to deliver tailored training programs that prepare residents for clean energy careers. Partnering with state agencies and utilities already engaged in similar efforts will streamline initiatives, prevent duplication, and maximize effectiveness. Additionally, reviewing procedures for reciprocity with out-of-state contractors and integrating energy-related training into educational curricula will further enhance workforce readiness and build long-term capacity.

The Energy Efficiency Alliance of New Jersey appreciates this opportunity to comment, and we welcome any questions you may have on these recommendations.

Sincerely, John Kolesnik Policy Counsel Energy Efficiency Alliance of New Jersey