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May 2, 2025

VIA ELECTRONIC MAIL

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Sherri L. Lewis, RMC
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the 2024 New Jersey Energy Master Plan
BPU Docket No. QO24020126

Comments of Atlantic City Electric Company

Dear Secretary Lewis:

On behalf of Atlantic City Electric Company ("ACE"), attached please find ACE's Comments in the above-referenced docket.

Respectfully submitted,

/s/ Jacob B. Sneed

Jacob B. Sneed

Enclosure

**Atlantic City Electric Company
In the Matter of the 2024 New Jersey Energy Master Plan
BPU Docket No. QO24020126**

COMMENTS ON THE 2024 NEW JERSEY ENERGY MASTER PLAN UPDATE

Atlantic City Electric Company (“ACE”) appreciates the opportunity to submit written comments on the draft 2024 New Jersey Energy Master Plan (“EMP”) in response to the New Jersey Board of Public Utilities’ (“BPU” or “Board”) March 13, 2025 public notice. We commend the Board for its continued leadership and thoughtful approach to crafting a blueprint for New Jersey’s energy future. As a regulated electric distribution company serving more than 560,000 customers in southern New Jersey, ACE is committed to supporting the State’s ambitious climate and energy goals in a way that also maintains affordability, equity, and reliability for our customers.

The 2024 EMP update presents a critical opportunity to assess the progress of the 2019 EMP’s seven strategies, and to develop actionable next steps as New Jersey strives to achieve 100% clean energy by 2035 and an 80% reduction in greenhouse gas emissions by 2050. To that end, ACE respectfully offers the following comments:

1. Energy Affordability Must Be a Central Consideration (Aligns with EMP Strategies 3 & 7)

As the EMP charts a path toward 100% clean energy, affordability must remain a central pillar in evaluating policies, programs, and regulatory actions. New programs under the EMP should include clear cost-benefit assessments that evaluate customer bill impacts—especially for low- and moderate-income customers. Cost containment, flexible rate designs, and statewide consistency with regional variation should be integrated into EMP implementation.

ACE supports the continued growth and funding of bill assistance programs like the New Jersey Universal Service Fund and the Fresh Start Program, which provide vital support to income-eligible customers.

ACE also recommends continued support for utility-administered energy efficiency, demand response, and building decarbonization programs that enable customers to reduce usage and manage bills. While consistency across the State is important, flexibility is also needed to reflect the regional diversity of customer needs and demographics.

2. Expand In-State Clean Energy Development and Energy Security Planning (Aligns with EMP Strategies 2 & 5)

The EMP should recognize that generating more electricity within New Jersey improves grid reliability, stabilizes supply prices, and supports job creation. ACE urges the BPU to adopt benchmarks for increasing clean, in-state generation and enhancing energy security in coordination with PJM. The EMP should also reflect the need for a diversified energy portfolio—including solar, behind-the-meter storage, wind, and front-of-the meter storage assets—to buffer against supply volatility and advance climate goals.

Additionally, as electricity demands rise with the growth of electric vehicles, building electrification, and new large commercial loads such as data centers, the EMP should highlight the importance of energy security by ensuring resource adequacy and a reliable capacity mix that supports peak demand while maintaining cost stability.

Therefore, the EMP should:

- Recognize the role of utility-owned and third-party storage, distributed energy resources (“DERs”), and solar in reducing capacity shortfalls; and
- Advance a comprehensive energy security framework aligned with peak demand and reliability needs.

Producing more clean energy in-state also supports New Jersey’s economy and workforce development goals.

3. Grid Modernization and Reliability Investments Are Essential (Aligns with EMP Strategy 5)

To meet the state’s decarbonization goals, investments in the electric grid—including automation, monitoring and control capabilities, advanced sensors, flexible interconnection systems, and resilience infrastructure—are needed. The EMP should support modernization of the electric grid as a foundational enabler of clean energy deployment and electrification.

ACE recommends that the EMP include strong support for utility investments in grid modernization and resilience, and that it highlight the importance of:

- Establishing a clear, forward-looking cost recovery framework that enables full and timely recovery of prudent grid modernization investments, ensuring that utilities can proactively plan and execute critical system upgrades without delay.
- Developing strategic grid modernization plans to accommodate electrification, EV adoption, new customer loads such as data centers, and the rapid growth of DER interconnections.
- Including provisions to allow cost recovery for DER hosting capacity enhancements under a “Causer Pays” approach, whereby the costs of system upgrades that are directly attributable to enabling a new DER interconnection can be fairly allocated. Such provisions will ensure that:

- Utilities can continue to enable clean energy deployment while maintaining reliability and affordability for existing customers.
- DER developers receive timely and transparent cost information tied to their project-specific impacts on the grid.
- Grid enhancement costs are distributed in a manner that protects non-participating customers from subsidizing system upgrades that primarily benefit individual projects.

4. Improved Coordination of Transmission and Distribution Planning (Aligns with EMP Strategies 2 & 5)

New Jersey must enhance coordination between PJM's transmission planning and utility-led distribution system planning to avoid delays in project development and ensure the cost-effective buildout of in-state generation infrastructure. ACE urges the BPU to continue to engage proactively with PJM and federal regulators to ensure that New Jersey's clean energy goals are fully considered in regional transmission plans.

At the same time, the EMP should recognize the role of utility planning in ensuring that distribution systems can integrate new DERs and storage, while maintaining reliability and equity.

To this end, the EMP should:

- Support the development of integrated planning processes that allow for meaningful utility input and the incorporation of DER adoption forecasts and load growth projections into broader system planning.
- Continue promoting transparent, proactive stakeholder engagement forums, including the BPU's Grid Modernization Forum and the Integrated Distribution of Distributed Energy Resources (IDDER) Working Groups.
- Encourage leveraging outputs from these working groups to inform future regulatory proceedings and updates to the EMP.

By advancing integrated, transparent planning processes, New Jersey can better ensure a coordinated, cost-effective, and reliable transition to a clean energy future.

5. Maintain Transparency and Customer Cost Accountability (Aligns with EMP Strategies 6 & 7)

Customer trust and understanding are essential for long-term acceptance of climate initiatives. New energy programs must be paired with transparent communication to customers about benefits and costs. ACE recommends that the EMP emphasize the importance of transparency in communicating the customer impacts of policy decisions. As new programs and incentives are rolled out, it is critical that customers understand the value they are receiving and the cost implications of energy system changes.

Utility rate design and bill transparency can help customers participate in clean energy programs more effectively and make informed choices about their usage. The EMP should support policies that foster clear communication about costs, benefits, and available resources.

ACE recommends:

- Regular public reporting on program cost impacts and outcomes.
- Customer education campaigns co-led by utilities to improve awareness and participation.
- Inclusion of Benefit-Cost Analysis in EMP implementation reviews

6. Support Energy Supply at a Fair Price and Build a Flexible Energy System (Aligns with EMP Strategies 2 & 5)

As energy usage increases and the grid experiences higher stress during extreme weather events, New Jersey must maintain a flexible and responsive energy system. Well-designed flexibility mechanisms will help contain costs and preserve reliability. The EMP should prioritize dispatchable resources, flexible storage, and peak demand mitigation strategies.

These investments—paired with local, in-state generation—can reduce exposure to wholesale price volatility and help mitigate supply cost increases. ACE recommends that the EMP integrate strategies to maintain predictable supply costs and energy affordability.

ACE Recommends:

- Expanding investment in demand-side resources, including Demand Response and customer storage.
- Supporting both utility-owned and third-party storage to meet localized needs.
- Coordinating closely with PJM to ensure resource adequacy aligns with NJ priorities.

7. Equity and Access for Overburdened Communities (Aligns with EMP Strategies 3 & 6)

Equity must remain at the forefront of the energy transition. The EMP should prioritize investments that ensure overburdened communities have full access to the benefits of the energy transition. Programs such as community solar, EV charging access, and customer-sited battery storage should be scaled with clear equity metrics.

ACE supports the continuation of policies that allow utilities to lead or co-lead clean energy initiatives that reach these communities and ensure that the benefits of the clean energy economy are shared equitably.

CONCLUSION

The 2024 EMP presents a critical opportunity to refine an energy strategy that is bold in vision and practical in execution. ACE urges the BPU to ensure the final EMP:

- Reflects a clear commitment to affordability and customer protection.
- Prioritizes in-state generation and infrastructure investments.
- Enables utility leadership where appropriate to ensure accountability, equity, and scale.

ACE appreciates the opportunity to submit these comments and encourages the Board to ensure that the final 2024 Energy Master Plan reflects a balanced approach that values affordability, resilience, local development, and equity. We look forward to ongoing engagement with BPU staff and other stakeholders to support a clean energy transition that is both ambitious and achievable for the benefit of all New Jerseyans.