

## NJUSA Testifies In Support *continued*

stocks make capital available so that infrastructure investments, like those made and to be made under Energy Strong, are possible. They make the investments with the hope, but not promise, that they will be able to make a reasonable return on their investments. That is why BPU cannot only consider consumers' desire to keep rates low. The decisions BPU makes on how quickly the costs of programs like Energy Strong and Energy Strong II can be recovered and what rate of return can be earned are key determinants of whether investors are attracted to and retained or discouraged from investing and look at more beneficial avenues to place their money.

The first Energy Strong program allowed PSE&G to make significant progress towards hardening its infrastructure to minimize storm damage, prevent or shorten service interruptions and better communicate with customers. These improvements and those that will be possible under Energy Strong II are important to NJUSA as many of our members live within PSE&G's service territory and, since many also are seniors, fewer and shorter duration outages are especially important.

The benefits that will accrue to customers from the work to be undertaken in Energy Strong II are obvious and will prove over time to have been well worth the investment, especially given the relatively modest estimated increase to rates of about 1 percent per year for the average combined gas and electric customer over the five years of the program. Add to this the economic benefits that can be derived from the more than 3,000 jobs anticipated each year, approval of Energy Strong II can be win for all.

Clearly, given the extraordinary storms of last March, not to do the work necessary to better withstand and more quickly recover from major storms is not an option. PSE&G has proposed a responsible and responsive approach that NJUSA strongly supports. We encourage BPU to do so as well and approve it with due consideration to the critically important role of shareholders as well as the needs of ratepayers.

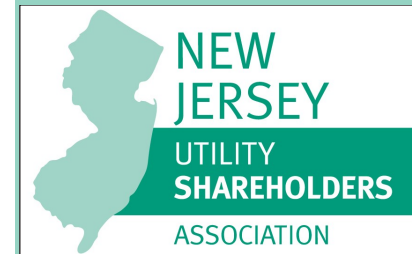
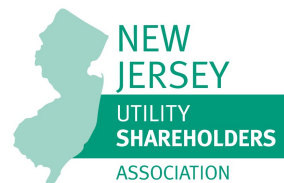


Photo of a smart meter, a central component of AMI technology which enables electric customers to better manage their energy usage, among other benefits.



TO LEARN MORE ABOUT NJUSA, CONTACT US DIRECTLY:  
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# NJUSA Insight

## Atlantic City Electric Submits Study on the Benefits of Advanced Metering Infrastructure (AMI)

In late January, Atlantic City Electric submitted a feasibility study and supporting documentation to the New Jersey Board of Public Utilities (NJBPU) outlining the benefits of Advanced Metering Infrastructure (AMI) technology for approximately 556,000 customers it serves across South Jersey.

The study, which was filed in response to an order by the NJBPU following the March 2018 nor'easters, focuses on the ability of AMI to improve outage response and service reliability for customers. Additionally, AMI also supports New Jersey's efforts to decarbonize through Clean Energy legislation and New Jersey's Energy Master Plan.

**AMI helps energy providers deliver tools and information to customers that allows them to make more informed decisions on how they use energy and how to save energy and money. AMI is a technological improvement that can provide numerous benefits. For example:**

- AMI allows customers to better understand their energy use and make more informed decisions on how to reduce their demand and make energy efficiency investments, thus lowering energy consumption, their bills and carbon emissions;
- AMI allows companies to more quickly connect or disconnect service – providing faster, more convenient response for

customers who are moving in, out or around the service area, and can provide more rapid support to local fire departments and other officials during an emergency; and

- AMI can serve as the foundation for new and innovative technologies that will help transform the future of energy service for customers.

**AMI is helping energy companies across the country provide more reliable energy service and respond more quickly when storms and outages occur.**

- AMI can identify momentary outages on the local electric grid, helping companies resolve an

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## A MESSAGE FROM THE PRESIDENT

Dear Members,

New Jersey is undergoing an acceleration in actions needed to achieve aggressive clean energy goals. Recent changes to BPU's solar energy program and solicitation for offshore wind are among the steps the Murphy Administration has taken to achieve the policy goal for New Jersey to get 100 percent of its energy from clean energy sources by 2050. Even before considering whether the energy source is "clean" though, the first, least-expensive and least carbon-intensive way to achieve clean energy is to reduce the amount of energy needed by adopting energy efficiency strategies. NJUSA's electric and gas utility founders are aligning their business goals with NJ's clean energy goals through existing and proposed energy efficiency programs.

What is "clean" energy? In its current usage, the term refers to energy that is produced by sources that do not contribute carbon dioxide to the environment, such as solar and wind. The reality is, modern life cannot yet exist on renewable energy alone. That is why it is important to continue the operation of the zero carbon emitting Salem and Hope Creek nuclear plants along with energy efficiency and renewable energy.

Natural gas plays an important role as well. Although not carbon-free, it's relatively low-cost and abundant supply provides a bridge and foundation for a future more reliant on renewables. As natural gas utilities upgrade their infrastructure, methane emissions from aging distribution pipelines are reduced. New Jersey Natural Gas and PSE&G have been and continue to be industry leaders in the replacement of aging natural gas infrastructure. Both have also been leaders in helping customers become more energy efficient. In so doing, these companies not only help the environment, they also assist customers and stimulate the economy with direct and indirect jobs.

This is the first of a two-part message on New Jersey's changing energy landscape. Stay tuned for Part 2--utilities powering alternate-fuel vehicles.

Looking to the future with you in mind.

Karen D. Alexander  
President



### NJUSA Welcomes New Board Members

Meet NJUSA's new board members:

- **Andrew Bergen**, a Waldwick resident who works for UPS. He has been a member of NJUSA since the inception of the organization.
- **Eileen Della Volle**, a Brick resident who works for K.S. Engineers P.C. She has been a member of NJUSA since the inception of the organization.
- **Arthur Guida**, a Wayne resident and recent retiree from PSEG where he served for more than 30 years in regional public affairs and numerous other roles.

These members will serve on the board on an acting basis until the 2019 Annual Meeting at which elections are held (see meeting dates on page 3).

### ACE Implementation of AMI *continued*

issue before it leads to a sustained outage and minimize the number of customers impacted when outages do occur; and

- Using information provided by advanced meters, companies are better able to prioritize where crews will be dispatched after major storm events and reduce the amount of time it takes to restore affected customers.

**Once fully deployed, other potential benefits of AMI could include:**

- Elimination of approximately 75,000 annual truck rolls (i.e., employees dispatched on service calls by truck);
- Savings of approximately \$4.5 million in annual contractor meter reading expense;
- 550 gigawatt hours in savings over 20 years due to AMI-enabled Energy Management Tools;
- 404 gigawatt hours in conservation voltage reduction savings over 20 years; and
- 10 percent reduction in major storm duration and costs.

Modernizing the energy grid through technology like AMI not only benefits customers and utility operations, but it also is a smart investment that can benefit the utility's shareholders. NJUSA supports these types of investments, which are a win-win for all.

### NJUSA Testifies in Support of PSE&G's Energy Strong II

On January 8, NJUSA President Karen Alexander delivered testimony in support of PSE&G's second phase of the Energy Strong Program. Under the Energy Strong II proposal, PSE&G would invest an additional \$2.5 billion during the next five years to further strengthen the utility's electric and gas systems to withstand storms, improve reliability and significantly enhance resiliency. Excerpts from Ms. Alexander's testimony are below.

*Good afternoon. My name is Karen Alexander. I am president of the New Jersey Utility Shareholders Association (NJUSA). I appreciate the opportunity to be here today to support PSE&G's request to continue the critical work of upgrading and increasing the resiliency of its electric and gas delivery systems through its proposed Energy Strong II.*

*NJUSA members hold a unique position and perspective on utility regulatory issues because they are not only shareholders, but also ratepayers. In this regard, they understand the need for decisions on matters such as the Energy Strong II proposal to balance the interests of both. NJUSA is pleased to have the opportunity to bring the views and voice of its members into the public policy*



*arena on important proposals such as these because they clearly affect both shareholders and ratepayers.*

*NJUSA finds it important to add its members' voice to these issues because even though the Board of Public Utilities ("the Board") has the mandate to balance ratepayer and shareholder interests in its decisions, the important role of utility shareholders is not often raised in the public discussion of these issues. Our role is to encourage due attention and balanced consideration of shareholder interests alongside the consideration of ratepayer interests.*

*Why must BPU consider shareholder interests in its decision making? Because, as those regularly involved in proceedings like this know, it has a statutory mandate to do so. If consideration were limited only to the financial interests of ratepayers, rates could be consistently low, but then service availability and reliability—which we all depend on from utilities to enable a safe and healthy quality of modern life—would not be sustainable.*

*To provide the safe and reliable service New Jerseyans expect, utilities must attract the money needed to build, operate and maintain their service delivery systems. That is where NJUSA's members and the thousands of New Jerseyans like them come in—their purchase utility of*

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## Save the Date for NJUSA's 2019 Events

**Tour of New Jersey American Water's Delran Drinking Water Treatment Plant**  
Wednesday, May 8

**Annual Membership Luncheon**  
Wednesday, June 5, 12:00 p.m.  
Sheraton Eatontown

**North Jersey Lunch & Learn**  
Wednesday, September 18,  
12:00 p.m.  
Holiday Inn Hasbrouck Heights

**Central Jersey Lunch & Learn**  
Wednesday, July 17, 12:00 p.m.  
Holiday Inn & National Conference Center  
East Windsor

*Stay tuned for more details on these exciting events!  
All luncheon events take place from noon to 2 p.m. Registration begins at 11:30 a.m.*