



## Understanding the Push for “Clean” Energy

*Continued from cover*

In October, NJUSA submitted comments to BPU urging just that. NJUSA advised BPU that it recognizes that energy efficiency is an important component of the clean energy future the State envisions but warned that it cannot be achieved effectively without a leading role for the energy utilities and a compensation structure for their participation that ensures they are kept financially strong. With that in mind, NJUSA suggests that the administration and delivery of energy efficiency programs should lie with the electric and gas utilities with a regulatory mechanism, such as decoupling, to remove the financial penalty caused by helping customers use less of the commodity they sell.

NJUSA's comments to BPU on the administration of energy efficiency programs outlined the following six criteria as the basis for its support of a leading role for the energy utilities in achieving the State's energy efficiency goals.

### **Utilities Can Efficiently and Effectively Administer and Implement the Programs**

- The electric and gas utilities have an advantage over programs run by the BPU that rely on third-party contractors because they do not have to go through the public procurement process with its inherent delays, they can ramp up quickly, and eliminate the risk that funds will be diverted away from the programs as has occurred in the past.
- The utilities also have the ability to achieve cost-effective program administration due to economies of scale, program experience and the use of existing resources.
- The utilities can also achieve cost-effective administration because their expenses will be subject to the Board's regulatory oversight.
- Utilities are uniquely qualified to manage the programs because they have direct and trusted relationships with customers with ready-access to data on customer usage and ease of communication to customers through existing channels, both of which make it easier to know which customers could most benefit from adopting efficiency measures.

### **Utilities Can Achieve Program Continuity and Consistency**

- The electric and gas utilities are embedded in New Jersey. They have long-standing customer relationships. Utility-run efficiency programs can enable future opportunities to reconnect with customers when they need to replace energy-using equipment—utilities are also not subject to the government's fiscal cycles which during periods of budget cuts can put BPU-administered programs at risk.

### **Mandatory Utility Programs Not Only Need Responsibility and Accountability But Also Utilities' Control**

- It would be ineffective and unfair for utilities that are statutorily responsible for achieving the energy efficiency goals and performance metrics to rely on the performance of entities not within the utilities' control. If the utilities are to be held accountable as required by law for reducing average annual electricity usage by 2 percent and natural gas usage by 0.75 percent of the average annual usage in the prior three years, their performance should not be tied in any way to the performance of third parties that are not accountable to them.

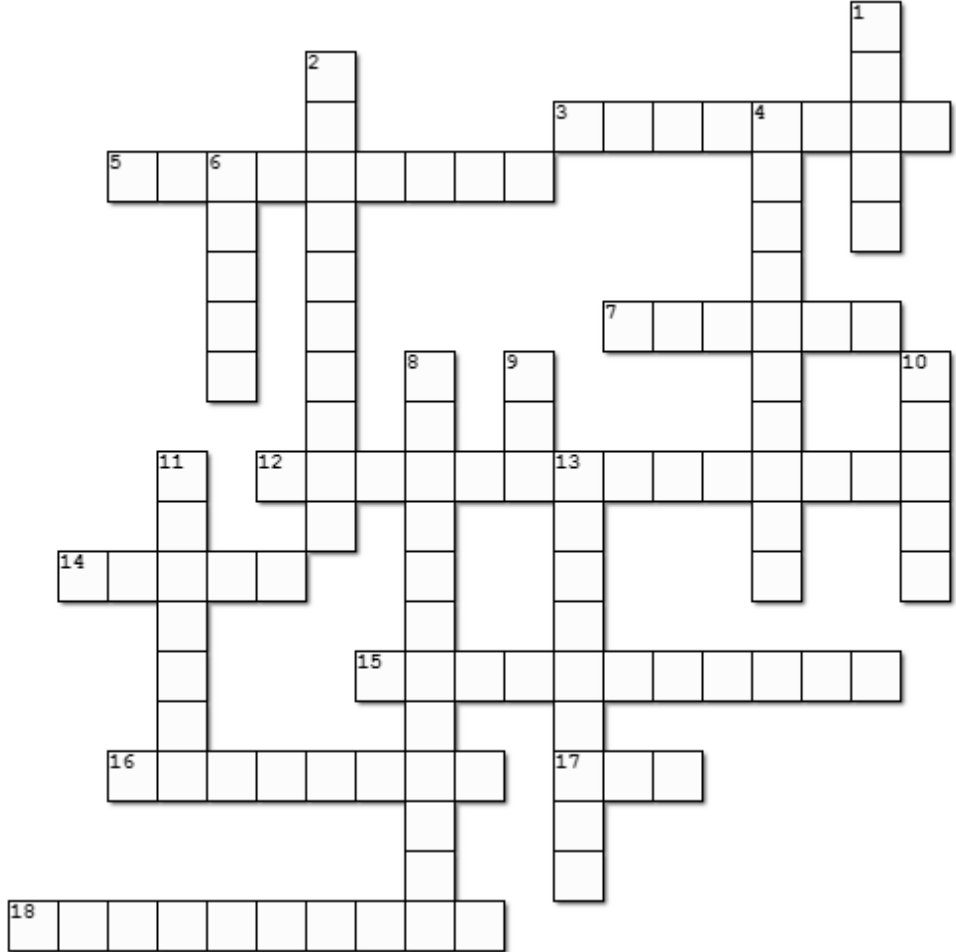
Utility expertise is critical to attaining the very aggressive goals set out by the Clean Energy Act. However, utility shareholder investments should not be put at risk to achieve clean energy. NJUSA will continue to express this view and will keep members informed of any new developments and enlist members' help if needed to ensure a fair outcome.



## NJUSA Crossword Puzzle

Test your utilities knowledge by using Utility Glossary Terms in the puzzle below.

- ACROSS**
- 3. Measurement of electrical power
  - 5. Energy sources that can be replaced, recreated
  - 7. What shareholders do with their money
  - 12. For utilities: pipes, wires, physical plant, etc.
  - 14. Requested by utilities for approval by the BPU
  - 15. Utility service delivered via wires
  - 16. Primary activity of the BPU
  - 17. Acronym for Energy Master Plan
  - 18. Regulatory mechanism to incentivize efficiency that separates utility commodity sales from revenues
- DOWN**
- 1. Utility service delivered via pipes and mains
  - 2. Facility where electric energy is generated
  - 4. Synonym for sewerage
  - 6. Acronym for NJ organization for utility shareholders
  - 8. Separation of vertically integrated companies into regulated and unregulated entities
  - 9. Utility service delivered via pipeline
  - 10. A unit of heat energy
  - 11. '\_\_\_' water (modifier indicating water that is suitable for drinking)
  - 13. Process that water undergoes before delivery to customer



## News Briefs

**Atlantic City Electric Proposes Expanded Set of EV Programs and Services**—Atlantic City Electric recently proposed new programs and services that are expected to expand access to clean electric transportation options across South Jersey. In a filing with the BPU, the company outlined its plans to expand electric vehicle (EV) charging infrastructure, offer rebates and special rates for residents and businesses, and help electrify public transportation. These new services are expected to cost approximately \$42.1 million, or about 54 cents on the monthly bill for the typical Atlantic City Electric residential customer using 679 kWh per month.

**New Jersey American Water Files for Rate Adjustment**—New Jersey American Water is seeking BPU approval on a rate adjustment driven by over \$1 billion in system upgrades to ensure water quality and reliability. If the company's proposed rates are approved as requested, the monthly water bill for the average residential customer would increase \$6.46 per month. The average monthly residential sewer bill would increase between \$0.00 and \$12.79, depending on the service area.

**NJUSA Welcomes Courtney Miller**—Courtney Miller, account coordinator with Thomas/Boyd Communications, will be providing communications and event assistance to NJUSA. Courtney replaces Hailey Fuzak, who left for a new position. Look forward to meeting Courtney at upcoming NJUSA events.