

## **Testimony**

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**Senate Budget and Appropriations Committee**

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Good afternoon Chairman Sarlo, Vice Chairwoman Cunningham and members of the committee. I appreciate the opportunity to appear before you today to discuss Governor Murphy's proposed Fiscal Year 2020 budget for the New Jersey Board of Public Utilities (NJBPU).

Our statutory mission is to serve the people of New Jersey by ensuring safe, adequate, and proper utility service at a reasonable rate for customers. The Board addresses issues of consumer protection, deregulation of energy and telecommunication services, and the structuring of utility rates to encourage resilience, energy conservation, and competitive pricing for more than nine million residents throughout the state.

In addition to these responsibilities, the Board is charged with the implementation of Governor Murphy's Clean Energy Agenda which has a goal of 100 percent clean energy by 2050. The centerpiece of this initiative is the Clean Energy Act, which was approved by the Legislature and signed by the Governor in May 2018.

Climate change is upon us and that change is happening much faster than we had realized. Over the last several years, New Jersey has experienced a series of extreme weather events. Hurricane Irene, Super Storm Sandy, and the triple Nor'easters in March 2018 all left our residents without power for extended time-frames which were, frankly, unacceptable.

The Board has imposed new requirements on the utilities to improve resiliency and strengthen infrastructure and we continuously re-examine those rules. These ongoing efforts are extremely important to limit the frequency and length of power outages when they do occur.

The Clean Energy Act requires the Board to transition to a new solar market that will ensure the solar industry remains strong while providing the best value to ratepayers.

In order to make solar accessible to all New Jersey residents and help fulfill this Administration's commitment to environmental justice, the Board recently approved a three-year Community Solar Pilot Program, which will provide opportunities for those who previously did not have access to solar due to factors such as home location or economic circumstance.

The State Energy Office is working, in coordination with Treasury, to implement energy conservation projects at 22 State facilities that account for approximately 36 percent of the State's electricity usage and approximately 68 percent of the State's natural gas usage. The projects are expected to improve electrical efficiency at these facilities and save approximately 15 percent on the electricity bills, saving the State approximately \$3.15 million annually. Additionally, the State Energy Office is working to supplement funding for the Statehouse renovation project for energy efficiency.

We are sensitive to the cost impact to ratepayers of building a clean energy economy. It's also important to remember, the cost of inaction is far higher – and potentially deadly.

To help ratepayers, the Board offers a number of different customer assistance programs for residents who may have trouble meeting their expenses. These include Comfort Partners, which is designed to improve energy affordability for income eligible households through direct installation of free energy efficiency measures; the PAGE program, which provides relief on natural gas and electric bills for low to moderate income New Jersey households experiencing a temporary financial crisis; and the Universal Service Fund, which the Board created to help make energy bills more affordable for qualifying households with annual household income at or below 175 percent of the Federal Poverty Level.

We pride ourselves on being a customer service agency, and do our best to ensure that residents are aware of the options that best fit their economic situation. To that end, we promote the

With almost \$60 million in funds available, the Division of Clean Energy is developing enhancements to existing Clean Energy Programs and establishing new Clean Energy Programs that will help reach the goal of 100 percent clean energy by 2050.

This proposed budget will support the Board in undertaking our important work to help New Jersey become an environmental and energy leader, while continuing to oversee the utilities and ensure the lowest cost of reliable, efficient, sustainable energy to New Jersey ratepayers.

All of our initiatives are vital to mitigate the impacts of climate change and to protect the future of our children and grandchildren.

I thank you once more for allowing me to offer this testimony and I am happy to answer your questions at this time.

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