



New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Board of Public Utilities Airs Concerns With Methodology used by ACEEE for Its State Energy Efficiency Scorecard

- Methodology fails to give due credit to mature programs while rewarding low-hanging
fruit measures -

TRENTON - The New Jersey Board of Public Utilities (Board) has a decade and a half history of advancing energy efficiency and has invested approximately \$2.5 billion in energy efficiency programs. Yet if New Jersey's only motivation was to score in the top ten states in the American Council for an Energy-Efficient Economy's (ACEEE) Energy Efficiency Scorecard ranking, the State would need to do nothing more than eliminate all residential energy efficient programs for low- and middle-income families and move the funding into its commercial and industrial lighting program. Something is clearly wrong with ACEEE's methodology if broad-based adoption of energy conservation is not recognized.

Fortunately for all ratepayers in New Jersey, the Board does not manage the NJ Clean Energy Program (NJCEP) or approve the utility companies' energy efficiency programs with the sole goal of placing high in the interest group's ranking. Instead, the Board chooses its annual goals for both electric and natural gas energy efficiency, and renewable energy programs through a sophisticated stakeholder process that includes energy efficiency and renewable energy contractors and professionals, business and environmental groups, other state agencies, the electric and gas utilities, and rate counsel.

"The ACEEE ranks states on a limited number of policies and is indifferent to the longstanding investments that the Board continues to make in programs for the low-income energy efficiency and all other residential programs," said Richard S. Mroz, N.J. Board of Public Utilities President. "Because this Board is uniquely positioned to also serve as the State Energy Office, we have direct access to a broader array of energy policy tools than just those advocated by the ACEEE. It's in the Christie Administration's Energy Master Plan policies that New Jersey more efficiently and effectively gets to those same energy conservation levels that ACEEE's approach strives for, while also reducing emissions and improving the environment. This Board puts the interests of all New Jersey ratepayers first and our energy conservation accomplishments speak for themselves."

Board President Richard S. Mroz, along with staff recently met with ACEEE Executive Director Steven Nadel to reemphasize comments submitted to organization's draft report (see attached letter) and express specific objections to the report's criteria and rankings. The current methodology does not

take into account certain aspects of mature energy efficiency programs; excludes some energy efficiency efforts; and gives no consideration to the cumulative investments and savings impacts over the life of energy efficiency improvements, which can be quite substantial for a mature program with a 15 year history.

The Board has also been a pioneer in developing Combined Heat and Power (CHP) policies and interconnection standards that have resulted in many hospitals, refineries, pharmaceutical companies and major universities installing distributed energy resources like CHP that have reduced costs and emissions while increasing reliability in the state. The ACEEE study gives no weight to the New Jersey for these successes.

New Jersey has made significant investments and commitments in energy efficiency and has the accomplishments to prove it. The Board though it's NJCEP received the U.S. Environmental Protection Agency's (EPA) 2016 ENERGY STAR Partner of the Year – Sustained Excellence Award for its continued leadership in protecting the environment through superior energy efficiency achievements.

The Board has been an ENERGY STAR partner since 2001. In 2015, the Board received Partner of the Year - Sustained Excellence Award for the Energy Efficiency Products Program. In 2014, 2013 and 2012, the Board also received the ENERGY STAR Sustained Excellence Award for Home Performance with ENERGY STAR. In 2011, the Board was honored with the award for delivery of its New Jersey ENERGY STAR Homes Program.

And in June 2016, 12 New Jersey contractors were awarded the U.S. Department of Energy (DOE) 2015 Century Club Award and combined to complete 4,314 Home Performance with Energy Star projects. Allied Construction LLC, of Cherry Hill, NJ, ranked #1 nationwide with 1,695 HPwES projects completed.

Of significance, in the last 15 years, New Jersey has invested more than \$2.5B in energy efficiency. Of that amount, nearly \$2B has been invested through NJ's Clean Energy Program, of which more than 50% of all Clean Energy Program funding has been invested during the Christie Administration.

With these investments, the NJCEP has saved a total of 27.5 million MWh since the start of the program. This saves the customers at the wholesale cost of electricity about \$320M, at a retail price about \$600M. And on top of the State's investments, the BPU has authorized the EDCs and GDCs to invest an additional \$727M in energy efficiency programs.

Since its beginnings, NJ's Clean Energy Program's energy efficiency programs have completed nearly 1.5 million energy saving projects helping to reduce electric use by approximately 7%. In a nutshell, from 2001 to 2015 the State's energy efficiency efforts have decrease electricity demand by approximately 32.5 million MWh. That's enough energy savings compounded over 15 years to power about 3.1 Million homes.

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About the New Jersey Board of Public Utilities (NJBPU)

The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.nj.gov/bpu.

About the New Jersey Clean Energy Program (NJCEP):

provides financial and other incentives to the State's residential customers, businesses, local government and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. In totality over the last fifteen years, New Jersey has invested more than \$3.1 billion in approximately 1.5 million energy saving projects that have reduced electric use by approximately 7% - enough energy savings compounded over 15 years to power about 3.1 million homes. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBPU), and its website is www.NJCleanEnergy.com.