Powering Up New Jersey

New Jersey's aging electric grid needs to be readied to support customer demand for electric light and heavy-duty vehicles, buildings and appliances, and distributed generation. Under today's regulatory regime, the pace of modernizing the grid moves too slowly. New Jersey needs a proactive, modern regulatory framework and a modern grid that ensures all utility customers realize the economic benefits of strategic grid planning. Accordingly, ALA, EDF, and NRDC recommend amendments to S258 (Smith) that:

1. **Require utilities to update their infrastructure planning and deployment processes** to align with state and federal transportation and building electrification policies and requirements.

2. **Direct utilities to cover the reasonable costs** of utility-side equipment, like, for example, the wire from a transformer to the customer meter, needed to energize EV charging stations.

3. **Promote use of advanced technologies and techniques**, including load management, distributed generation, and non-wires alternatives, which will save time and money.

4. **Establish target timelines** for utilities to provide service to new electrification loads and distributed energy resources, like solar.

5. **Direct utilities to develop EV charging rates** designed to promote affordable, equitable, and efficient EV charging.

6. **Require utilities to maintain a workforce based on labor-harmony practices and strong apprenticeship programs that** ensure qualified staffing levels.

7. **Ensure transparency, public input, and regulatory oversight.**[1]

Accelerating the pace at which New Jersey's aging grid is modernized in a strategic manner will ensure utility customers get the electric service they require, when they require it, allowing them to use electric cars, trucks, and buses, and efficient appliances that can save them billions of dollars on fuel costs. Requiring utilities to right-size and future-proof grid investments will yield cost savings for the body of utility customers. For example, real-world data shows total costs can be halved if the utility builds one 8-megawatt substation sized to accommodate future truck charging demand instead of making multiple, incremental upgrades.[2] The suggested amendments also require the utilities to avoid grid upgrades whenever it is less costly to invest in load management and non-wires alternatives.

The suggested amendments will also ensure all utility customers benefit sooner rather than later. EV charging can spread the costs of maintaining the grid over more kilowatt-hours, reducing the price per kilowatt-hour to the benefit of all customers. This phenomenon has already been observed in the real-world, in New Jersey; Synapse Energy Economics has documented that, between 2011 and 2021, EV customers in New Jersey contributed $85.3 million in excess of the cost of serving EV load. The suggested amendments will ensure beneficial electrification keeps putting downward pressure on rates to the benefit of all customers and will allow the state to meet its climate, air quality, and equity goals.

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1 These issues are also being explored to varying degrees in a BPU proceeding (Docket Q021060946). This bill would *complement* those efforts by providing policy direction and express statutory authority, while maintaining an appropriate amount of BPU implementation discretion.

2 *See* Salma Elmallah et al, Environmental Research: Infrastructure and Sustainability, 2022. The suggested amendments also require the utilities to avoid grid upgrades whenever it is less costly to invest in load management and non-wires alternatives.

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