



New Jersey Policy Institute

March 13, 2025

VIA NJ BPU PUBLIC DOCUMENT PORTAL

Honorable Sherri L. Golden, RMC
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: Concerns Regarding Widespread Electrification in the 2024 Update to the 2019 New Jersey Energy Master Plan

Dear Secretary Golden,

On behalf of the New Jersey Policy Institute (NJPI), we appreciate the opportunity to submit comments regarding the 2024 update to the 2019 New Jersey Energy Master Plan (EMP). We are deeply concerned about the feasibility, reliability, and affordability implications of a widespread electrification strategy for New Jersey residents and businesses.

Reliability Risks in Full-Scale Electrification

New Jersey's energy reliability must remain a top priority as we transition toward future energy policies. The existing electric grid is not currently equipped to handle the drastic increase in demand that full-scale electrification would require. Key concerns include:

Winter Peak Load Challenges: Transitioning millions of homes from natural gas heating to electric heating could create a winter-peaking electric system three times the size of our current summer peak. Without massive new investments in grid infrastructure, the state risks blackouts or service interruptions during extreme weather conditions.

Delayed Energy Infrastructure Improvements: Despite ambitious goals, New Jersey's electric grid modernization is lagging. Without sufficient in-state power generation and transmission upgrades, additional electric demand would likely be met by fossil fuel-generated electricity imported from the PJM grid, further straining system reliability.

PJM and Regional Grid Warnings: PJM and other regional grid operators have raised concerns about resource adequacy, citing increased demand from electric vehicles and data centers. These warnings underscore the need to maintain a diversified energy mix to avoid over-reliance on a single system.

Affordability and Consumer Impacts

Electrification on the scale envisioned in the EMP carries significant financial burdens for both consumers and businesses. Key concerns include:

High Infrastructure Costs: Expanding transmission and distribution infrastructure to support full-scale electrification could cost tens of billions of dollars, a burden that will ultimately be passed on to ratepayers.

Consumer Conversion Costs: Homeowners and businesses will face high costs to convert from gas to electric heating, including appliance replacement, electrical panel upgrades, and insulation improvements. These costs disproportionately impact low- and moderate-income residents.

Lack of Clear Cost-Benefit Analysis: The state's Ratepayer Impact Study does not fully account for the extensive grid investments required for electrification. Without a complete financial assessment, New Jersey risks adopting policies that will lead to significant rate increases without delivering corresponding benefits.

A More Balanced Approach to Energy Reliability and Affordability

Rather than a singular focus on electrification, we urge the state to adopt a diversified approach that prioritizes energy reliability and protects consumers from undue financial burdens. This includes:

Strengthening Energy Infrastructure Investments: Ensuring the state's electric grid can handle increased demand before implementing widespread electrification mandates.

Maintaining Consumer Choice: Allowing households and businesses to select energy options that best fit their needs and financial situations rather than mandating costly conversions.

Conducting Comprehensive Cost Analyses: Fully evaluating the financial impact of electrification on consumers before implementing policies that could significantly raise energy costs.

We strongly encourage the Board to carefully consider the economic and technical realities of widespread electrification. A diversified, pragmatic approach will allow New Jersey to maintain reliability and affordability for all residents.

Thank you for your time and consideration. We look forward to working with policymakers and stakeholders to develop practical, consumer-friendly solutions for New Jersey's energy future.

Sincerely,

Wells Winegar
Executive Director
New Jersey Policy Institute