

August 20, 2019

TO: Energy Master Plan Committee  
Chair, Grace Strom Power  
44 S Clinton Avenue  
Trenton, NJ 08625

RE: Joint 2019 Draft Energy Master Plan Comments

We, the undersigned, who represent a wide variety of environmental justice, labor, faith, environmental and civic organizations, thank the administration for their work on the draft Energy Master Plan and the Governor's strong commitment to achieving a 100% clean energy future. While this Energy Master Plan is a significant shift from the Christie Administration and a step forward, we want to take this opportunity to address one major concern: the lack of addressing barriers that prevent low-moderate income (LMI) and environmental justice (EJ) communities from partaking in the clean energy transition.

The energy burden facing low-income households poses a significant equity concern: low income households, many of which are in older buildings with poor ventilation and aging, inefficient appliances and heating systems, spend an average of 7.2 percent of their income on utility bills, which amounts to about \$1,700 annually out of \$25,000 median household income. That is more than triple the 2.3 percent spent by higher-income households for electricity, heating and cooling. With some low-income households spending nearly 20 percent of their income on utility bills, this market cannot be neglected.<sup>1</sup>

Yet, low-income customers face numerous barriers to participation in efficiency programs, and pay the same Societal Benefits Charge as any customer but they spend a much higher percentage of their income on energy. This is extremely regressive and funds a program from which they rarely benefit. This makes well-designed, specifically targeted efficiency programs for low-income customers a crucial topic to consider during this process and highlights the need to end diversions from the Clean Energy Program.

We recommend that the BPU review these programs and discuss with utilities and LMI customers about which mechanisms might be most appropriate for LMI customers in their service territories—noting that the needs of LMI customers in each territory may vary based on a range of factors, including the physical nature of their housing situations. In addition, we recommend that the BPU with other relevant agencies convene a stakeholder group, including LMI customers, to ensure that programs are well-designed to meet the needs of low-moderate income customers. This ensures that the programs outlined are monitored and evaluated with the input of relevant stakeholders. There exists ample opportunity to improve the lives of those

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<sup>1</sup> "Lifting the High Energy Burden in America's Largest Cities," Energy Efficiency for All and the American Council for an Energy Efficient Economy, 2016 <http://energyefficiencyforall.org/resources/lifting-high-energy-burden-americas-largest-cities>.

most burdened, by “bringing low-income housing to the efficiency level of the average U.S. home would eliminate 35 percent of their energy burden... the potential is even higher for African-American (42%), Latino (68%), and renting households (97%).”<sup>2</sup> Therefore, when LMI households cannot pay their energy bills, it increases rates for everyone; so carefully crafted energy efficiency programs can serve as an effective vehicle to put money back in the pocket of those who need it most, while lower costs for all ratepayers. It presents a win-win opportunity.<sup>3</sup> The draft EMP mentions a “clearinghouse for all low income-targeted home energy programs”—we recommend supporting this project to lower cost and maximize potential.

To this point, the EMP needs to discuss, in detail, the barriers that exist and outline strategies that strengthen the community energy planning programs and make the community energy planning grant program more accessible to LMI communities. The evaluation of the grants includes significant points for past successes in clean energy efforts, but these have been historically few in LMI communities. The EMP should also discuss bottom-up programs that can be state supported that facilitate the advancement of electric vehicle ride-shares, community solar infrastructure needs, and other clean energy programs that reduce localized air pollutants and expand clean energy access in urban, EJ and LMI communities.

In addition, while the EMP talks about workforce development programs, it does not outline, in detail how we integrate this with other EE programs/weatherization to ensure all communities can take advantage of the good local jobs being catalyzed from our clean energy transition. We encourage the Department of Labor and Workforce Development to work to address this major gap and opportunity and we ask that residents living in EJ communities are provided a clear, demonstrable path to job training and employment.

Furthermore, the EMP does not identify costs as another barrier to energy efficiency and weatherization programs, such as ancillary issues like secondary costs that prevent households from these improvements. It may be that you don’t qualify for weatherization programs because a home is too inefficient or there are high levels of localized indoor air pollution - or because the costs are too high to fix roofs or making repairs to walls or other indoor infrastructures. We need to make it easier for EJ and LMI households to comply. The EMP needs to identify existing barriers to incentivize private entities to get involved in this sector. Funding more than likely already exists to address structural deficiencies that have halted the weatherization effort. We must ensure that the appropriate organizations are linked with the client to effectively address the concerns prior to retrofit – a clearinghouse will address these concerns. The clearinghouse will also allow structural inequities to be addressed at their point of contact. One example of this is reevaluating credit worthiness for these customers outside of conventional methods. We recommend the Economic Development Authority and other relevant agencies work to address these concerns and opportunities.

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Lastly, renters are completely left out of the EMP. We encourage the Economic Development Authority, with other relevant agencies, to identify ways that renters can take advantage of energy efficiency and weatherization programs.

If you have any questions, please feel free to contact Lauren Boles at [director@njeja.org](mailto:director@njeja.org) or at 267-207-1558, Ed Potosnak at [ed.potosnak@njlcv.org](mailto:ed.potosnak@njlcv.org) or at 609-331-9922, or Nancy Griffeth at [ndgriffeth@mac.com](mailto:ndgriffeth@mac.com). Thank you for your time.

Sincerely,

Ed Potosnak, Executive Director, New Jersey League of Conservation Voters  
Lauren Boles, Executive Director, New Jersey Environmental Justice Alliance  
Rob Gregson, Executive Director, Unitarian Universalist FaithAction NJ  
Ben Haygood, Environmental Health Policy Director, Isles  
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Staci Berger, President & CEO, Housing & Community Development Network of NJ  
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Peggy Kelly, VP/Director of Field Services, United Food & Commercial Workers 152  
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