

## **NEW JERSEY PETROLEUM COUNCIL TRENTON NEW JERSEY**

### **2019 ENERGY MASTER PLAN COMMENTS**

The New Jersey Petroleum Council, a division of the American Petroleum Institute (API), located in Trenton, New Jersey has a long history of representing the petroleum and natural gas industry in this state. We engage in many facets of this world-wide industry right here in our state including refining, transportation, research and development and, of course, marketing of all types of fuels.

We appreciate this opportunity to offer our perspectives at this pivotal time in the effort to advance America's leadership in energy development that impact New Jersey. We firmly believe that success in meeting the demand for improved living standards and meet forecasted population growth in New Jersey will be the development of sound energy policy.

#### **ENERGY POWERS NEW JERSEY ECONOMY**

Governor Murphy has stated that “If we do not get the economy right, we do not get New Jersey right.” To that end, we would add simply “If we do not get energy policy right, we will not have a successful state economy”. Let's join together in constructive dialog to get this done.

Energy from all sources will be required to contribute to and realize a secure energy future for New Jersey residents and its businesses and assure our contribution to America's growth. The keystone of any energy strategy will be responsible diversification of the nation's energy supplies. This will allow consumer demand and market place choices to integrate alternatives and new fuels into the energy landscape without government subsidies and mandates that jeopardize the future of larger sufficient, secure supplies. The commercial and industrial ratepayer consumes 64 percent of the electricity in New Jersey and has a vested interest in the development of the State's energy policy, its implications on competitiveness and any subsequent ratepayer impact.

To begin, let us take a look at some quick facts with regard to the presence of the energy industry here in New Jersey.

New Jersey is ranked 47 in terms of geographic size yet; our state ranks 13 in its total energy use. New Jersey has 3 operating nuclear power plants, two fully operable oil refineries and over 3600 gasoline stations. New Jersey also relies on natural gas for power generation and thermal needs—the state is powered by natural gas generation in various applications; from large combined cycle power plants to smaller combined heat

and power (CHP) technologies at industrial facilities. Overall, our energy industry employs more than 30,000 people here in New Jersey.

In northern New Jersey, between New York and New Jersey, there were over 40 million barrels of refined products storage capacity, making it among the largest petroleum product hub in the United States.

The New Jersey refiners located along the Delaware River, are part of the nation's largest petroleum complex on the East Coast.

New Jersey is home to a sophisticated network of liquid pipelines. One liquid pipeline runs from the Gulf Coast to a northern terminus in Linden New Jersey. New Jersey is currently home to an extensive network of natural gas pipelines and is presently planning for new and sophisticated gas pipelines to help support our effort to meet increasing demand for natural gas throughout the state. Ongoing initiatives to build a newer and more resilient grid while protecting ratepayers from higher costs are underway. We recognize the existence of abundant and affordable natural gas in nearby Pennsylvania and the Marcellus region gives New Jersey a distinct competitive advantage and among the most affordable energy supplies in the world.

New Jersey presently has over 3600 service stations throughout the state and on an average day dispenses almost 11 million gallons of motor fuel to those that reside work and travel for New Jersey.

It is important to recognize that our products continue to evolve and improve. New Jersey presently requires adherence to a federal motor fuel standard that follows a federal recipe that reduces mobile source emissions in what is the cleanest gasoline permitted under federal law.

Diesel fuel similarly, has undergone a major transformation by removing almost 90% of sulfur. In summary, products are continuing to change and improve.

#### **DEMAND FOR ENERGY WILL INCREASE**

Energy demand will continue to grow in the coming decades and New Jersey energy policy should continue to anticipate that clear development. A comprehensive "All of the above" energy strategy includes investment in energy sources such as natural gas, compressed or liquefied; improving and expanding the use of bio-fuels; the challenges of investment in solar and wind technology; the continuing expansion of co-generation; a fulfillment of the promise of nuclear energy; and improved vehicle technology.

We wish to continue to promote innovation and flexibility in our New Jersey energy policy that advocates for a competitive market rather than subsidies and mandates.

Energy related emissions have peaked and have begun to decline even as demand for energy grows within our state.

The New Jersey Petroleum Council looks forward to working with state policy leaders in development of a public policy framework to ensure our future state energy security. We, as a State, need to promote a better understanding of the energy challenges that we face in the future and will work to position New Jersey in order to enhance energy supplies and remain on the cutting edge of advanced technologies.

There is no question that our nation's economy will depend on more energy from a diverse set of sources in the decades to come. Thoughtful consideration as to how we will most effectively develop these new sources to meet growing demand is of critical importance to home owners, business leaders, policymakers and consumers. Vigorous acceptance of all voices will be necessary to align our priorities and achieve this objective. New Jersey will be better for it in years to come.

We commend the Murphy administration, and the Board of Public Utilities, for providing us the opportunity to help shape an Energy Master Plan that is balanced in its approach to energy policy and for recognizing that New Jersey's citizens, its manufacturing and industrial sectors depend on a secure reliable and strong energy policy to live and prosper.