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New Jerseyans Benefiting from Major Improvements in Utility Service Reliability and Infrastructure Resiliency

By Richard S. Mroz, President, New Jersey State Board of Public Utilities

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In recent days we have lived through arctic weather with near zero temperatures, a cyclone bomb and an ice storm, each of which in the past may have resulted in major widespread power outages. Those outages would have caused New Jersey residents and business to suffer without lights and no heat. Gas companies in the region either broke or approached all-time highs in natural gas supplied during the sustained sub-freezing weather that hit New Jersey and across much of the country. This period of high demand further demonstrate the value of having reliable and redundant supply systems for New Jersey residents.

However, as our utility companies report, service outages were minimal and most customers were able to remain warm and safe in their homes. Those who did lose power were restored relatively quickly. This recent weather has been a good test of system reliability which performed exceptionally well under harsh conditions.

Our NJBPU policies and decisions supporting infrastructure investments and the hard work of the utility companies and their highly-skilled workforce have paid a “resilience dividend” keeping the electric, gas and water flowing. I particularly want to thank the thousands of men and women who are often out working on lines and pipes through rain, snow and frigid temperatures to ensure that energy and water continue to flow.

I am proud of the efforts made over the last five years to ensure that New Jersey's energy infrastructure functions at a high level of reliability and resilience in the face of any threat particularly dangerously cold winter storms that can have deadly consequences.

The damage to our energy infrastructure caused by Superstorm Sandy and other storms like the October 2011 winter storm was a wakeup call for everyone. The lesson was that regulators, the utility companies, and all stakeholders needed to do a better job to be prepared for any threat to this critical infrastructure.

Initially, the Board took aggressive action to improve the electric distribution companies' preparedness and responses to major storms by ordering the companies, collectively and individually, to take 103 separate measures to improve their preparedness and responses to major storms. The ordered improvements addressed five areas needing improvement; preparedness efforts, communications, response and restoration, post event actions, and underlying infrastructure issues.

Perhaps the most visible of these improvements to ratepayers was improved vegetation management programs, which certainly helped improve system reliability during the recent winter storms. Another visible improvement was to the electric companies' websites, maximizing use of social media platforms, and the creation of EDC Outage Center websites, through which customers can report an outage and get detailed outage status information, such as the number of customers affected and estimated time of restoration.

Once improvements to storm preparation and response were completed, we turned our collective attention to the underlying infrastructure issues. In March 2013, the Board initiated the Storm Mitigation Proceeding to investigate possible avenues to harden New Jersey's utility infrastructure against the effects of future major storms. As a result, the Board approved approximately \$6 billion in electric, natural gas and water rebuilding and infrastructure improvements since Superstorm Sandy. In fact, in the last eight years the Board has approved approximately \$8.5 billion in infrastructure investments in water, electric and gas systems to improve safety, reliability and resiliency. In the last several years we have turned our attention also to the future needs of the utility infrastructure and evolution of the electric grid.

I was honored to Chair the State Energy Master Plan Committee and release the Christie Administration's Energy Master Plan Update in 2015 that included a new section focusing on improving energy resiliency. This section is aimed at protecting critical energy infrastructure, improving emergency preparedness and response, increasing the use of distributive energy resources such as microgrids and creation of long-term financing for resiliency measures.

One of the major steps the Board has taken is to encourage the creation of microgrids in town centers that will keep power flowing if the main grid is down. These town center microgrids will allow critical facilities such as hospitals, public safety facilities, critical municipal operations and schools and shelters to remain operational at the time most needed.

As part of this effort, the Board established and funded a \$2 million Town Center Microgrid Feasibility Study program. The Board awarded grants to 13 municipalities and government entities across the state to allow them to study the feasibility of building microgrids. Going forward, these microgrids will go a long way toward mitigating the energy infrastructure impacts of the next Sandy.

It is my hope that all of these efforts will continue so that New Jersey's critical utility infrastructure remains robust since utility service is so critical to the Garden State's economy and the day-to-day lives of all of New Jersey residents.

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Richard S. Mroz, Esq., was named by Governor Christie as president to the New Jersey Board of Public Utilities (NJBPUB) on October 6, 2014. As president, Mr. Mroz is the chairman of the five-member board of commissioners, which approves all rates for and is the financial regulator of all New Jersey private electric, gas and water distribution companies, and has oversight of operations for the cable and legacy voice telecommunications companies. In this position, Mr. Mroz is the chief energy officer for the state and is responsible to advise the Governor on energy policy. President Mroz also serves as Chairman of the Critical Infrastructure Committee for the National Association of Regulatory Utility Commissioners (NARUC); serves as the NARUC liaison to the Electric Sector Coordinating Council (ESCC); and is designated by the North American Electric Reliability Corporation (NERC) to coordinate efforts between industry, the federal government and state officials to ensure the protection of the electric system. He also serves on the NARUC Electricity Committee and Subcommittee on Nuclear Issues and Waste Disposal. Mr. Mroz is the New Jersey representative, and immediate past chairman of the Organization of PJM States, Inc. (OPSI), which advocates the interests of the 13 states and District of Columbia on all matters related PJM, Inc., the regional electric grid operator and transmission organization. Mr. Mroz is also a volunteer board member for the New Mexico State University Center for Public Utilities Advisory Council which offers educational and policy forums on emerging energy and utility matters.

