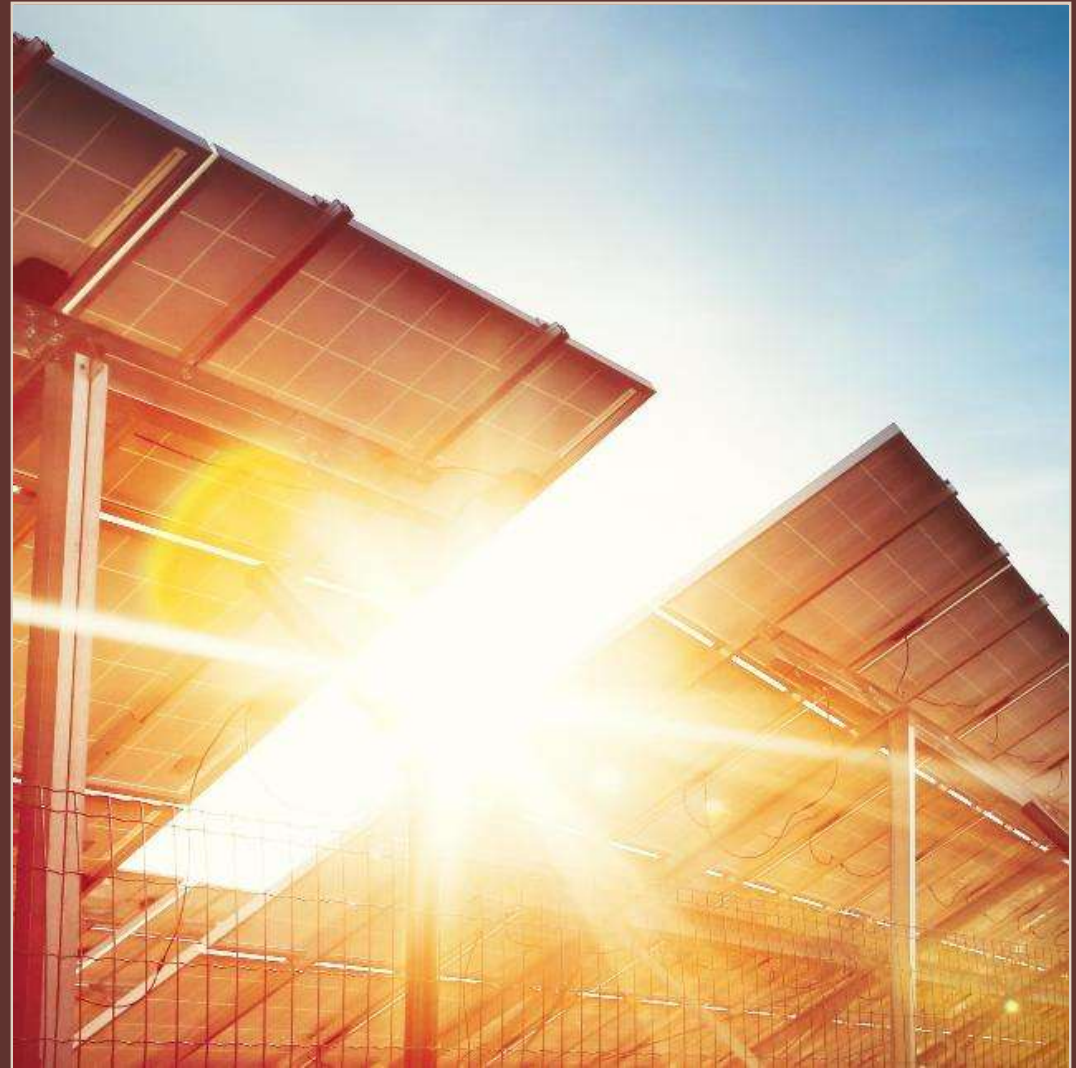




The Utility Perspective: Critical Input to Successful Construction Projects

Rich Henning, President & CEO
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Strategic energy plans for sustainable
state development



Overview of Energy Challenges in New Jersey



Rising Energy Costs

New Jersey faces rising electric rates, a challenge shared nationwide affecting consumers and businesses alike.

Regulated Utilities

New Jersey utilities are highly regulated, transparent, and accountable, ensuring fair energy service to customers.

Energy Cost Pass-Through

Electric companies do not profit from energy generation costs, which are directly passed to consumers.

Utilities as Economic Backbone

Utilities provide essential services like gas, electric, water, and broadband, supporting New Jersey's economy.

Resource Adequacy and Affordability

Resource Adequacy Challenge

New Jersey faces a capacity shortfall with peak demand exceeding in-state generation by 6,000 MW, risking reliability.

Diverse Energy Solutions

An all-of-the-above strategy incorporates natural gas, solar, nuclear, battery storage, hydrogen, and carbon capture technologies.

Collaboration for Policy Success

Effective energy policy requires cooperation among agencies, legislature, PJM, and utilities to be cost-efficient and non-disruptive.



Market Volatility and Reliability Risks



Capacity Reserve Challenges

Low-capacity reserves, such as the 0.2% in PJM auction, threaten energy reliability and increase blackout risks.

Economic Dependence on Electricity

New Jersey's economy relies heavily on stable electricity supply, making energy reliability vital for success.

Balancing Energy Trilemma

Policymakers use the Energy Trilemma framework to balance reliability, affordability, and sustainability in energy decisions.

Growing Demand and Costs

Electricity demand is rising, while component costs and regulations create challenges in maintaining reliable supply.

Meeting Demand and Infrastructure Constraints



Resource Adequacy Importance

Resource adequacy ensures reliable electricity for lighting and heating homes amid growing demand.

Load Growth Challenges

Data centers and changing usage patterns drive load growth, increasing demands on infrastructure.

Development Barriers

Financing, permitting, and supply chain issues delay approved power projects from advancing.

Market and Permitting Needs

Competitive generation markets and streamlined permitting are essential to avoid dependence on external power sources.

Diversified Energy Strategy



All-of-the-Above Energy Approach

New Jersey should utilize every available power source to ensure continuous and reliable energy supply.

Maintaining Generation Capacity

Keeping coal plants operational is vital to maintain grid reliability amid the energy transition.

Investment in Transmission

Upgrading transmission infrastructure supports integration of innovative and renewable technologies.

Sustainability and Decarbonization

Using hydrogen, renewable natural gas, and managing waste emissions promotes sustainability and resource adequacy.



Balancing Electrification and Cost

Resource Adequacy Importance

Ensuring resource adequacy is crucial before full electrification to avoid greater cost fluctuations for customers.

Diverse Energy Investment

Investment in generation and transmission infrastructure should support renewables, nuclear, and natural gas for price stabilization.

Energy Conservation and Assistance

Conservation, energy efficiency, and customer assistance programs help maintain affordable utility service amid electrification.

Policy and Infrastructure Recommendations



Streamlining Power Generation

Simplifying permitting and increasing in-state power generation enhances energy supply and grid reliability.

Demand Response Strategies

Implementing demand response and peak reduction manages grid load and prevents outages effectively.

Energy Efficiency Investments

Investing in energy efficiency reduces overall consumption and supports sustainable grid operation.

Cost Allocation and Storage

Shifting energy costs to large-scale users and building energy storage infrastructure alleviates grid constraints.

How to Get Your Project Completed On-Time & On-Budget



Early Integration of Expert Planning

Embed utility planning into project schedules and site development strategies to keep the project moving smoothly from pre-construction through final signoff.

Risk Assessment and Mitigation

Conduct a comprehensive utility survey and implement safety protocols to protect workers and utility systems from accidents and damages.

Effective Communication and Documentation

Clear communication with utility companies, local municipalities, and other stakeholders is essential to ensure uninterrupted utility services throughout the project.

Collaborative Relationships

Building transparent, collaborative relationships with Utility engineers, contractors, designers, inspectors, municipalities, and property owners ensures everyone shares crucial, real-time information.



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Thank You