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BPU president: Pipelines 'a vehicle' as state transitions to renewables

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The expansion of natural gas infrastructure, including pipelines, will likely be necessary for at least the next several years, says Joseph Fiordaliso, president of the state Board of Public Utilities, even as Gov. Phil Murphy has promised to transition New Jersey to 100 percent renewable energy by 2050.

Fiordaliso's comments during wide-ranging interview with POLITICO will no doubt rankle environmental advocates who have been pushing the Murphy administration to block all new fossil fuel infrastructure.

Every three years, the BPU — the state agency that regulates utilities, telecoms and water companies — releases an Energy Master Plan that establishes a road map for New Jersey's energy landscape. Under an executive order Murphy signed in May, the BPU must release a new plan by June 1, 2019, that provides specific proposals for the next decade to achieve the governor's clean energy goal. The agency is holding meetings throughout September to collect public testimony on the best way to update the plan.

Although pressure is mounting to use the plan to reduce the state's reliance on fossil fuels, Fiordaliso said he thinks the expansion of natural gas infrastructure will be necessary in the short term.

"Do I see a need for natural gas in the foreseeable future? Yes. And do we have to constantly examine our infrastructure? Absolutely," Fiordaliso told POLITICO. "We never want gas pipelines or any transmission of energy to be in such a bad state that it can cause problems for our citizens."

Fiordaliso said natural gas is a necessary "vehicle" to transition the state to renewable energy sources.

"We need a vehicle to support our vision to get to 100 percent renewable by 2050," he said. "I think natural gas can be one of those vehicles to get us there."

Public Service Enterprise Group, the state's largest utility, is seeking approval from the BPU to spend \$2.5 billion over five years to upgrade its gas and electric distribution. Roughly \$860 million of that total would go toward building additional pipelines to distribute natural gas. PSEG's proposal comes as the state Department of Environmental Protection is reviewing a dozen pipeline proposals, from PennEast to the Northeast Supply Enhancement Project.

Pipeline construction was a major component of the Energy Master Plan put together by former Gov. Chris Christie, who said the extra infrastructure would lower New Jersey's high energy costs.

The plan did impact the state's overall energy landscape; in 2016, natural gas provided more than 50 percent of the electricity generated in the state for the first time ever, according to the U.S. Energy Information Administration.

But environmental advocates are hopeful that under Murphy — a Democrat who ran on an aggressive clean energy campaign — the BPU will update the Energy Master Plan to recommend ways to quickly phase out natural gas plants and infrastructure.

Doug O'Malley, director of Environment New Jersey, said the plan should establish a metric for evaluating new fossil fuel projects that would discourage the DEP from issuing new permits. O'Malley recommended classifying carbon as a pollutant and evaluating new projects based on their projected impact to public health and the environment.

"We cannot continue to build endless new fossil infrastructure projects that will be around for a generation," he said. "The Energy Master Plan can create a true environmental and public health analysis of the impact of fossil fuel emissions."

The BPU has a hectic year ahead. It has been tasked with procuring 1,100 megawatts of offshore wind, launching the state's first community solar program and picking which nuclear plants should receive ratepayer-funded subsidies.

The Energy Master Plan will play a key role in laying out how all of those goals can be accomplished without sending utility bills through the roof and ensuring reliability for the long term.

"It really sets the vision and lets the world know, lets industries know, lets investors know what direction New Jersey wants to go," Fiordaliso said of the master plan.

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