



NJ CONSUMERS DESERVE TO KNOW FULL COSTS OF ENERGY MASTER PLAN ---AND TO CHOOSE WHAT'S RIGHT FOR THEIR HOMES AND BUSINESSES

By Mike Taylor
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Summer holidays often bring family and friends together around the backyard grill. It's relaxing, refreshing, and tasty!

But it won't be long until reality sets in, and we return to the workaday world of commuting, schedules and deadlines.

Today's energy picture in New Jersey is much like a summer holiday. Everyone wants to relax and savor it as long as possible. Or, in the energy context, everyone supports cheap, clean, abundant and renewable energy to beat climate change and protect the environment.

Unfortunately, like summer barbecues, it won't be long until reality sets in. The state published its most recent Energy Master Plan in 2019 and is just now getting around to figuring out its cost. The state's Board of Public Utilities and Department of Environmental Protection have hosted several forums around the state to gather viewpoints from homeowners and business owners who, someday, will have to comply with the Plan's provisions, and to pay for them.

My colleagues from the New Jersey Propane Gas Association and the New Jersey Propane Education and Research Foundation joined one of these recent forums. More than 125,000 New Jerseyans use propane as a principal energy source, and they rely on it heavily.

They operate farms, businesses and industrial sites, as well as their homes where propane is essential for space heating, water heating, cooking, grilling and recreational use. Our customers have built their lives and livelihoods using propane as a clean, reliable, affordable and domestic energy source.

We---and our customers---agree with the lofty goals of a sustainable economy, energized by the sun and wind. It sounds great. But it's not free, or cheap. Here's why:



Electrifying the state means that fossil-fueled power plants must be replaced by renewable generation that doesn't yet exist in comparable capacity. The electrical grid will need substantial expansion, too, including transmission lines, which are always expensive and controversial. Ratepayers will eventually see these costs in their monthly utility bills.

Perhaps most important, the Energy Master Plan literally hits home. The EMP calls on homeowners and businesses to replace their oil, natural gas or propane heating equipment with an all-electric system, preferably heat pumps or electric boilers.

Such a conversion can cost about \$20,000 per household, according to some estimates. And, operating costs are four to five times higher for electricity than for fossil fuel, owing to New Jersey electric rates that are among the highest in the nation.

And on the coldest days in this part of the country, heat pumps might still leave you cold.

From utility infrastructure, to equipment conversion and operating costs, it all adds up to tens of thousands of dollars per household, and probably more for a business. New Jersey's Energy Master Plan will cost homeowners dearly and will crush low-income households who already struggle to pay their electric bills. It's no wonder the state has been slow to even discuss the plan's probable costs.

What's worse is that homeowners won't have a choice of their primary energy source.

Keep in mind, the Energy Master Plan seeks to *mandate* compliance, to *force* homeowners to abandon their household heating systems and replace them with far more expensive electric equipment. And these costs will come on top of New Jersey's skyrocketing housing costs, not to mention state and local property taxes that are also among the highest in the nation.

It doesn't need to turn out this way if the Energy Master Plan and its proponents would fully consider what's already happening in energy technologies and markets. We're already cutting emissions and saving money.

For example, propane is already one of the cleanest forms of energy available. Using propane produces 52 percent fewer greenhouse gas emissions than using an equivalent amount of electricity generated from the U.S. grid. And today's propane appliances are cleaner and more efficient than ever.



What's more, there's no need for an expensive infrastructure build-out. It's already in place, it's privately owned and it runs safely and efficiently.

So, before EMP reality sets in, New Jersey consumers should know its cost for their households and businesses, and they deserve to choose what's right for them. For many, propane will continue to be their best, clean and affordable choice.

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Mike Taylor is the president/owner of Combined Energy Services which provides retail propane services to more than 3,000 customers in Warren, Morris, Passaic and Somerset Counties from its service center in Andover, NJ. Founded in 1968, the family-owned Combined Energy Services also delivers propane in adjacent counties in New York and Pennsylvania and serves commercial carbonation and welding customers.

The New Jersey Propane Gas Association is a statewide trade association of propane marketers and service companies. The Association and the New Jersey Propane Education & Research Foundation promote the utilization of propane as a safe, clean, reliable and domestic energy source for residential, commercial and industrial applications.