

**Summary of Christie Administration
Energy and Utilities Subcommittee Transition Report**

JANUARY 25, 2010

The report of the Energy and Utilities Subcommittee of the Christie Transition Team, released to the public on January 22, 2010, has many important findings and recommendations that will have significant implications for renewable energy and energy efficiency. The following are among the key findings and recommendations of the Report relating to renewable energy and energy efficiency:

Board of Public Utilities (BPU)/Clean Energy Program

- The BPU is not focused on its core mission and is trying to do too many things, especially trying and failing to manage the Office of Clean Energy (this is the BPU office that manages programs, including financial incentives promoting increased energy efficiency and renewable energy).
- The BPU is poorly organized to maximize performance, especially in dealing with the Federal Energy Regulatory Commission (FERC) and PJM.
- It is not clear whether Clean Energy Program funds are being used most effectively – metrics and clear criteria are needed for investing the program’s funds and quantifying their effectiveness.
- The BPU should be reorganized to emphasize the federal role on energy.
- There needs to be a comprehensive strategic plan for the Clean Energy Program and the administration of the Clean Energy Office should be contracted to the Economic Development Authority (EDA).
- Clear criteria should be established for investment of New Jersey Clean Energy Program dollars, especially to focus on investments and incentives for businesses to invest in efficiency or demand-side management.
- Clean Energy Program funds should be used to expand energy related programs to free up monies in the General Fund and, in the short term, directed to the EDA for business related programs to grow energy related programs and the state’s economy.

NJ’s Energy Generation Resource Mix

- A new Energy Master Plan should be created to align with the policies of the incoming Administration. As part of this effort, the Plan should maintain a strong focus on renewable energy, efficiency and cutting carbon emissions.
- Wind and solar renewable energy should be pursued aggressively but only if New Jersey can get the manufacturing built in NJ (e.g., through attracting a solar or wind turbine manufacturing facility with newly proposed incentives described in the report), utilize ports, and drive down the cost of this renewable energy over time.
- Natural gas should be made a critical part of the state’s energy plan and there should be a push for the rapid expansion of co-generation as an important compliment to renewable energy through newly proposed incentives (e.g., sales and use tax exemptions for energy used or sold).

- A new industry should be built around natural gas and electric vehicles and the supporting infrastructure.
- The growth of nuclear power should be supported.

Energy Transmission

- Upgrading the Electric Transmission Grid and Smart Grid should be a top priority.

Greenhouse Gas Cap and Trade

- A greenhouse gas cap and trade program can provide a powerful economic incentive for investing in clean energy, including nuclear, solar and wind, by accurately reflecting the true environmental costs of fossil fuel based electricity. A federal program would reduce competitive disadvantages between New Jersey and states like Pennsylvania that are not currently participating in regional programs such as RGGI.

A copy of the Report may be obtained at this [link](#). If you have any questions concerning the Report, please contact either Bruce Katcher at 484-430-2320 (bkatcher@mgkflaw.com) or Brett Slensky at 484-430-2332 (bslensky@mgkflaw.com).