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Final State Energy Master Plan Charts Course to Lower Energy Costs and Protect the Environment With Focus on Clean Energy Resources

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Christie Administration Proposes Plan that Reenergizes Commitment to Solar

Trenton, NJ – Governor Chris Christie today released the State’s final 2011 Energy Master Plan (EMP) which strategically balances the development of new sources of clean energy, including natural gas, with renewables. The Energy Master Plan, which provides a vision for the use, management, and development of energy in the state, builds upon the Governor’s efforts to make New Jersey the largest and fastest-growing solar energy market in the United States by supporting the industry’s growth and encouraging private investment in the industry.

“This final adopted Energy Master Plan demonstrates the Administration’s firm commitment to change the way energy is produced, distributed and used as part of our broader emphasis on driving the development of cleaner and renewable sources of energy to spur business and economic growth throughout the Garden State,” said Governor Christie. “The EMP offers concrete strategies to reduce some of the nation’s highest energy rates and make them comparable to costs in other regions and states, which is consistent with the recommendations of the State Strategic Plan for facilitating economic growth and lowering the cost of living for New Jersey residents.”

Additionally, the Administration proposes to address the current drop in the market price of solar renewable energy certificates (SRECs) with a plan designed to encourage growth of the solar industry and create the necessary certainty that will allow financial community to invest, provide continued opportunities for market participation in all sectors, and

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have minimal impact on ratepayers while leaving room for ratepayer investment in all technologies. The solar development plan includes:

- Accelerate the Renewable Portfolio Standard (RPS) and Reduce the Solar Alternative Compliance Payment (SACP)
 - The Renewable Portfolio Standard (RPS) is the amount of energy from renewable sources, such as solar or wind, which must be supplied to New Jersey customers by the electric utilities on an annual basis. A temporary acceleration of the RPS – from one to three years -will provide some interim relief for the current market in SRECs and an opportunity for the industry to adjust. Increasing the RPS, reducing the outlier years of the RPS schedule, and reducing the Solar Alternative Compliance Payment (SACP) will provide the foundation for the solar industry to continue to develop and will minimize the impact on ratepayers.
- Returning to the Percentage Obligation for Solar - The Solar Advancement Act should be amended to change the RPS for solar energy from a fixed amount to a percentage of total energy consumed so that we can promote the development of other renewable sources, reward energy efficiency and conservation through further reductions in energy costs.
- Promoting Solar Installations that Provide Economic and Environmental Benefit by Limiting SREC Eligibility - Projects that offer a "dual benefit" should take priority for approval because they reduce energy costs for businesses and local governments, providing revenue for job creation and tax reduction.
- Expanding Opportunities for Solar - The State will support an extension of the long-term contracting programs offered by the electric distribution companies in order to provide SREC price stability for further investments.

“This adopted plan supports enhanced reliability, lower energy costs and environmental protection while aiding the development of clean energy technologies,” said Lee A. Solomon, President of the Board of Public Utilities. “It balances the needs of ratepayers with the State’s policy goals of promoting new in-state generation to displace old dirty technologies, create jobs and safeguard our air, water and land.”

Following the release of the Draft 2011 EMP on June 2, 2011, the BPU hosted three public hearings around the state at which more than 400 individuals participated. The BPU received verbal and written comments from over 300 companies, associations and individuals. In addition, the BPU assembled four technical working groups designed to solicit more specific recommendations on the topics of clean energy funding, alternatively fueled vehicles, innovative technologies and biomass. Many of these public comments and recommendations have been incorporated into the final EMP.

The EMP encompasses five overarching goals which work to drive down the cost of energy for all customers while promoting clean, environmentally safe renewable sources of energy:

- Drive down the cost of energy for all customers - New Jersey's energy prices are among the highest in the nation. For New Jersey's economy to grow energy costs must be comparable to costs throughout the region; ideally these costs should be much closer to U.S. averages.
- Promote a diverse portfolio of new, clean, in-State generation – Developing efficient in-State generation while

leveraging New Jersey's infrastructure will lessen dependence on imported oil, protect the State's environment, help grow the State's economy, and lower energy rates.

- Reward energy efficiency and energy conservation and reduce peak demand - The best way to lower individual energy bills and collective energy rates is to use less energy. Reducing energy costs through conservation, energy efficiency, and demand response programs lowers the cost of doing business in the State, enhances economic development, and advances the State's environmental goals.
- Capitalize on emerging technologies for transportation and power production - New Jersey should continue to encourage the creation and expansion of clean energy solutions, while taking full advantage of New Jersey's vast energy and intellectual infrastructure to support these technologies.
- Maintain support for the renewable energy portfolio standard of 22.5% of energy from renewable sources by 2021 - New Jersey remains committed to meeting the legislated targets for renewable energy production, among the highest renewable energy standards in the country. To achieve these targets, New Jersey must utilize flexible and cost-effective mechanisms that use the State's indigenous renewable resources, especially solar and offshore wind.

To advance these five overarching goals, the 2011 EMP has developed an action plan comprised of a series of concrete policy options and recommendations grouped by subject area in four sections: conventional generation and other infrastructure resources; renewable resources; energy efficiency, conservation, and demand response; and innovative technology opportunities.

The EMP is consistent with the State Strategic Plan (SSP) which also focuses on economic development and job growth. The SSP identifies several industry clusters that drive the State's economy including "green energy" which is identified in the plan as an emerging niche industry in the State with opportunities for expansion.

In April 2010, Governor Christie directed the New Jersey Board of Public Utilities to revisit the EMP in light of economic conditions. The process included internal BPU Task Force Meetings, Stakeholder meetings around the state on various issues related to the plan, and extensive consultations with Rutgers University's Edward J. Bloustein School of Planning and Public Policy, Center for Energy, Economic, and Environmental Policy.

[2011 Final Energy Master Plan, The State of New Jersey](#)

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