

CSI's New Jersey Energy Strategy Academy

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Note from Kenny Esser on New Jersey Regulatory Environment

As for our regulatory environment, I think it is pretty simple. Each of our electric and gas utility companies invest in pipes and wires investments pretty regularly as these investments are typically considered prudent and necessary. They get recovery for these costs at their next rate case.

However, they also may recover their costs before their next rate case through a clause on the previous rate case. This clause may permit them to run other programs such as:

- expedited investment in their pipes and wires. We are in the process of doing this in order to encourage job creation and economic stimulus during this time.
- solar energy loan programs.
- energy efficiency investments. We are also in the process of doing this to stimulate the economy, however there are other hurdles to this becoming a reality, including the amount of cost recovery and whether they deserve their lost revenues.

In our Energy Master Plan, we made it clear that we want the utility companies to play a more central role in our efforts to curb peak demand and energy consumption. Therefore, the challenge we face, is to make changes to our regulatory system that encourage electric and gas utility investment in these areas.