

NJ needs PennEast Pipeline to stay competitive

EDITORIAL

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As summer days get longer and hotter, for many, winter is already a distant memory. But for the state's business community, each winter season punctuates a chronic problem slowing New Jersey's economy: energy costs. Winter is the time of year when demand for clean, natural gas – already in use year-round for industry, electric...

Access to reliable and affordable energy is a critical need for New Jersey business and industry, but the lack of infrastructure to move low-cost natural gas to our state causes bottlenecks, increases costs, and in some cases forces dependence on higher-emission fuels to keep operations running when natural gas isn't available. New, abundant and affordable gas supplies from Pennsylvania can further transform our economy and environment.

The PennEast natural gas pipeline offers a practical solution.

Concentric Energy Advisers, an independent economic analysis firm, found that PennEast would have delivered another \$435 million in savings this past winter if it had been operating. Combined with a previous analysis of the winter of 2013-14, that's \$1.3 billion in higher costs that families and businesses across the region unnecessarily paid for energy in just two recent winter seasons.

As an industry that supports over 44,000 jobs and provides a wage 60 percent above the average manufacturing wage in the state, our members have a critical stake in advancing a more business-friendly New Jersey.

That's why as a key part of that affordability formula, the PennEast Pipeline, is so important. It is the only major infrastructure project being debated in the Garden State that can and will drive down energy bills for New Jersey.

The recent commentary by Richard Lawton opposing PennEast (NJBIZ, May 28, Page 35) is out of line with what businesses need to be successful in New Jersey.

Chemistry Council of New Jersey's membership is made up of global brands, over a dozen Fortune 500 companies and major manufacturing companies that provide thousands of high-paying jobs from Paulsboro to Kearny. From healthcare to technology to pharmaceutical and consumer goods, we deliver on the promise of a successful middle-class lifestyle and our work touches 96 percent of all manufactured goods.

While these same companies are on the forefront of implementing their own energy efficiency, sustainability and renewable energy projects, the high cost of energy in New Jersey threatens our competitive standing, which results in less investment by our members for additional facilities or product lines.

Mr. Lawton's opinion piece fails repeatedly when presented with the facts.

First, after three years of scientific review federal regulators determined in a 4-1 vote that PennEast is needed, safe for the environment and dismissed as “unavailing” the very studies that Lawton cites opposing the project’s need.

Second, the increased use of natural gas for electric power generation has achieved a monumental environmental victory in New Jersey – bringing power sector carbon emissions down to levels not seen since the year 2000. In fact, two coal plants closed just last year, and the abundance and affordability of natural gas was the primary reason.

Third, more low-cost natural gas is needed to offset new, higher-cost renewable subsidies signed by Gov. Murphy in order to protect ratepayers from a coming surge in electricity prices. Natural gas also ensures a reliable energy system when these very renewables aren’t available to generate electricity. Notably, regulators reviewed both renewables and energy efficiency but found they do “not presently serve as practical alternatives” to the PennEast project.

Finally, when pipeline projects are blocked and there isn’t enough natural gas available, the environment and economy suffer most. This past winter in Massachusetts, as coal and oil use surged as a replacement fuel, the state environmental secretary called the resultant carbon emissions “nothing but a disaster.” Worse, Massachusetts needed Russian energy to heat homes for the first time in American history.

Further delays of the PennEast may satisfy opponents, but will increase pressure on businesses of all sizes, all year round, that are already grappling with high energy costs.

New Jersey’s business community needs the PennEast Pipeline, and looks forward to its construction and operation.

Dennis Hart is executive director of the Chemistry Council of New Jersey.