# Why We Can Win the Climate Mitigation and Clean Energy Transition UUCWC

April 16, 2024

Why Im Optimistic
We'll Get to 100% <u>Clean Energy</u> before 2050
Local Action – Tracking Progress

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## Why We Can Win the Climate Mitigation and Clean Energy Transition UUCWC

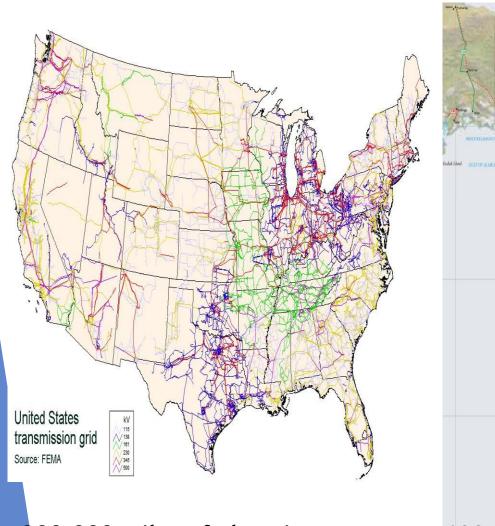
**April 16, 2024** 

Why Im Optimistic
We'll Get to 100% <u>Clean Energy</u> before 2050
Local Action – Tracking Progress

- The Size of the Issue Climate and Energy Systems
- Mitigation Strategies/Measures at the State, Local, and Household Levels
- The Costs and Benefits of those Mitigation Strategies/Measures
- Energy Policies to reduce GHG emission Pollution It starts with a Plan
- 3 Charts on why I'm Optimistic

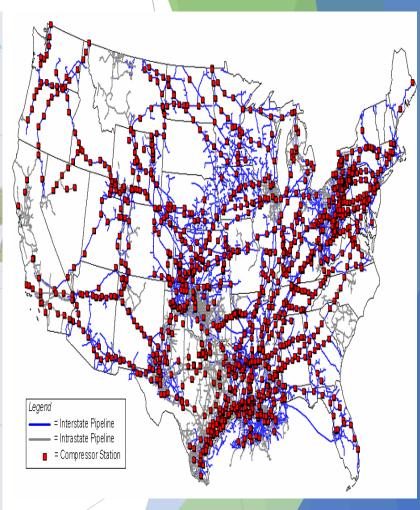
### The US Energy System of pipes and wires are large enough to X-cross the US over 200 times Energy is over \$1.96 trillion – almost 6% of US GDP - In NJ - \$43.6B PA \$70.8B - 2021

U.S. Energy Information Administration - EIA - Independent Statistics and Analysis



200,000 miles of electric transmission wires and 5.5 million miles of distribution wires



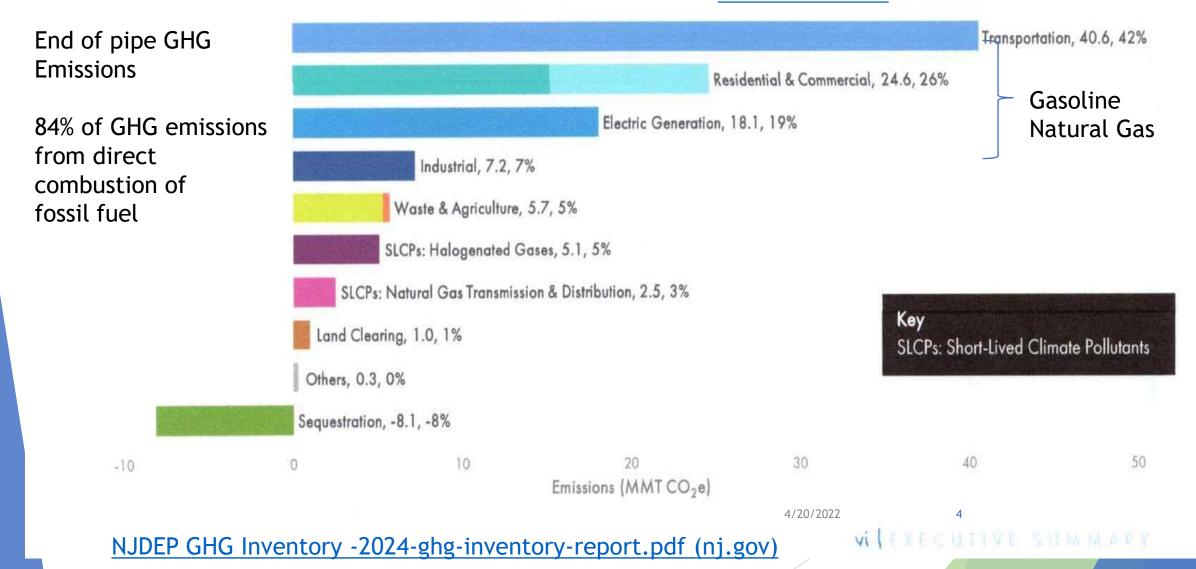


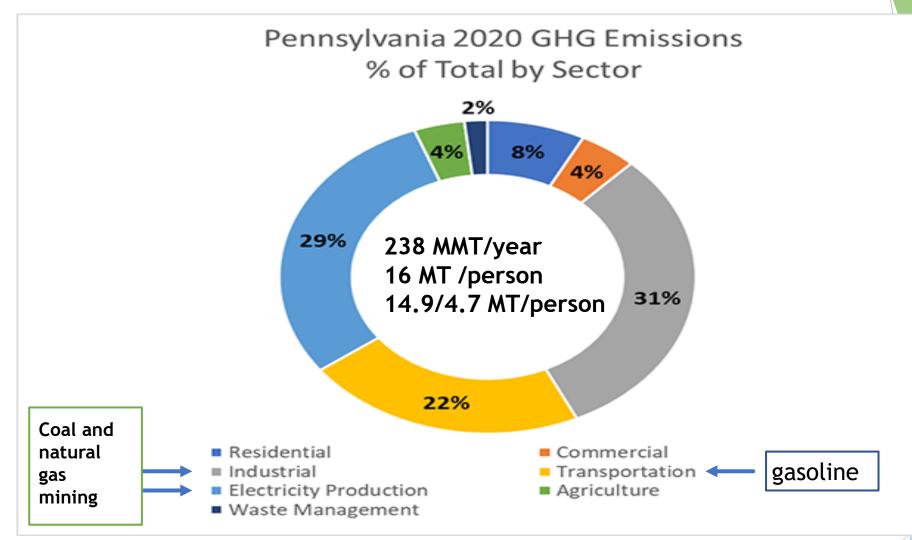
300,000 miles of inter and intrastate natural gas pipelines and 2.1 M miles of distribution pipes

Figure ES.2. New Jersey GHG Emissions Inventory for 2018 (MMT CO<sub>2</sub>e and Percentage).

Opportunities for emissions reductions are present in each of the categories.

100 MMT per year 11 MT per person (14.9/4.75 MT/person) Our World in Data





 $\frac{\text{https://files.dep.state.pa.us/Energy/Office} \% 2006\% 20 Energy\% 20 and \% 20 Technology/OETDP ortalFiles/Climate Change/FINAL\_2023\_GH}{G\_Inventory\_Report\_12.13.23.pdf}$ 

CO2 emissions - Our World in Data

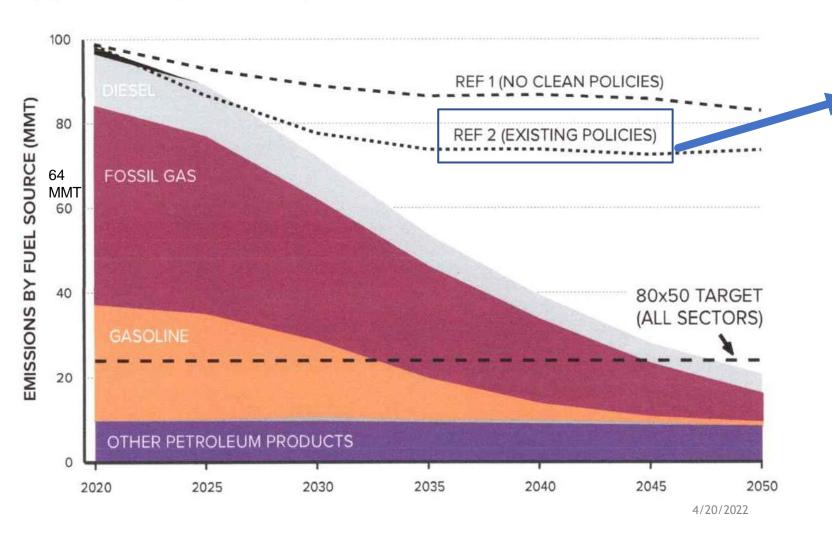
## 2019 NJ Energy Master Plan – Strategies to get to 100% Clean Energy by 2050 The EMP puts mitigation in 5 basic buckets – a more integrated approach <a href="https://nj.gov/emp/">https://nj.gov/emp/</a>

2019 NJBPU EMP STRATEGIES	INTEGRATED ENERGY PLAN
Reduce energy use and emissions from the transportation sector	Accelerate the transition to electric vehicles powered by clean renewable electricity
Accelerate the deployment of renewable energy and Distributed Energy Resources (DER)	Expand in-state renewables and within PJM to supply clean electricity for the transportation and building sectors  Retain near term but no expansion of existing natural gas and nuclear capacity for reliability
Maintain energy efficiency and peak demand reduction	Continue and expand existing EE and DR programs with a focus on heat pumps and EVs - powering New Jersey economy w clean energy
Reduce energy use and emissions from the building sector	Existing building electrification powered by clean renewable electricity  Develop electrification programs for new construction
Decarbonize and modernize the New Jersey energy systems	Electricity to double by 2050  Plan grid modernization - integrated distribution plans  4/20/2022 6  Natural gas and gasoline usage declines

#### 2019 EMP Goals

Achieving 100% clean energy and 80% reduction in 2006 greenhouse gas emissions 125 million metric tons to 24 million metric tons statewide by 2050. 100% clean energy is defined as 100% carbon-neutral electricity generation and maximum electrification of the transportation and building sectors - specifically heating.

Energy Emissions by Fuel Source, Least Cost Scenario



Clean Energy Act of 2018 –Ref 2

The Clean Energy Act of 2018 was enacted by Governor Murphy in May 2018 and included the following:

Energy storage goal of 600 MW by 2021 and 2,000 MW by 2030

Class I RPS of 21% by 2021, 35% by 2025 and 50% by 2030 with a cap of 7% on the total cost.

Modify or replace the SREC program

A community solar program

Utility EE goals of 2% annually for electricity and 0.75% for natural gas

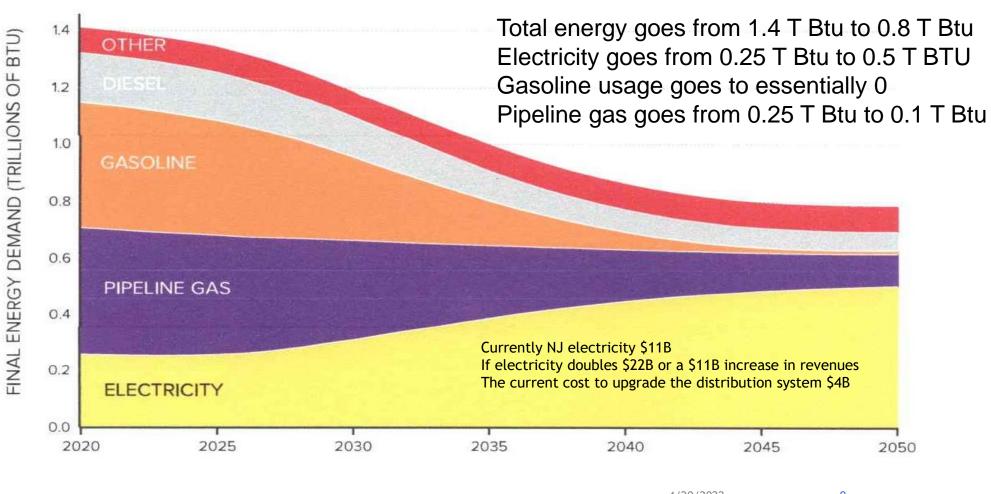
OSW goal of 3,500 MW

## How does the 2019 NJBPU Energy Master Plan Translate to what you can do and what local governments can do

- Energy Storage 2,000 MW by 2030
- Renewable Energy Portfolio Standard (RPS)- 50% by 2030 (100% clean electricity by 2035)
- Solar additional 3,750 MW from 2021 by 2026 (existing 5,200 MW 7.6% total generation)
- Offshore Wins (OSW) 7,000 MW by 2035 (11,000 MW by 2040)
- Electric Vehicles (EV) 330,000 by 2025, 2 million by 2035
- EV Charging Stations (EVCS) 1,000 level 2 and 400 DC by 2025
- Cold Climate Heat Pumps (400,000 residential, 20,000 Commercial)
- Energy Efficiency electricity 2% annual reduction in use
- Energy Efficiency natural gas 0.75% annual reduction in use
- Clean Energy (100% clean energy by 2050)
- Greenhouse Gas (GHG) reduction 80% reduction in 2006 level by 2050
- GHG reduction 50% reduction in 2006 level by 2030)
- GHG reduction 28% reduction in 2005 level by 2025 Paris Agreement

New Jersey does not reach its goals unless every municipality reaches these goals Every municipality does not reach these goals unless every household and business reaches these goals Energy Savings to Electrify the Building and Transportation Sectors Powered by Renewable Energy

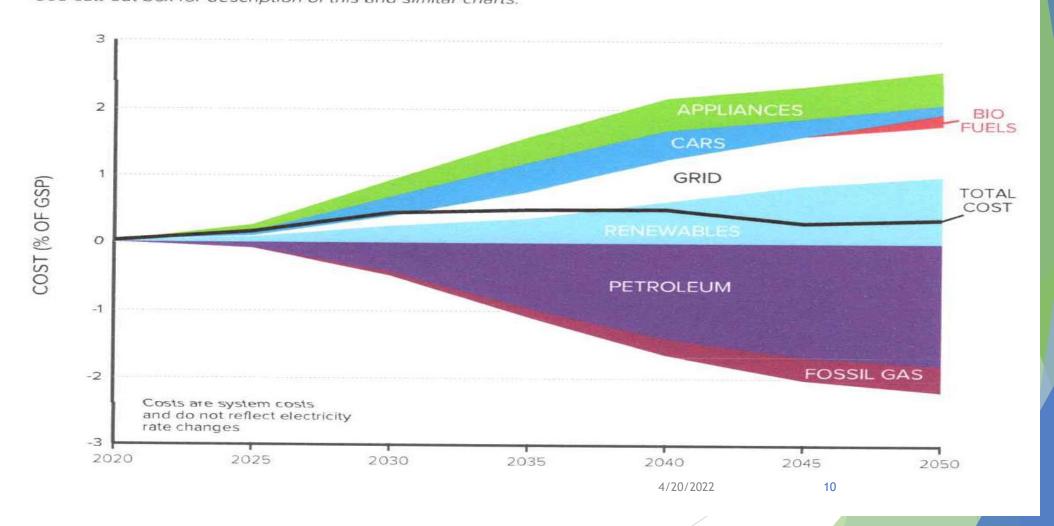
FIGURE H. Final energy demand in the Least Cost scenario



### Cost to Electrify the Building and Transportation Sectors Powered by Renewable Energy

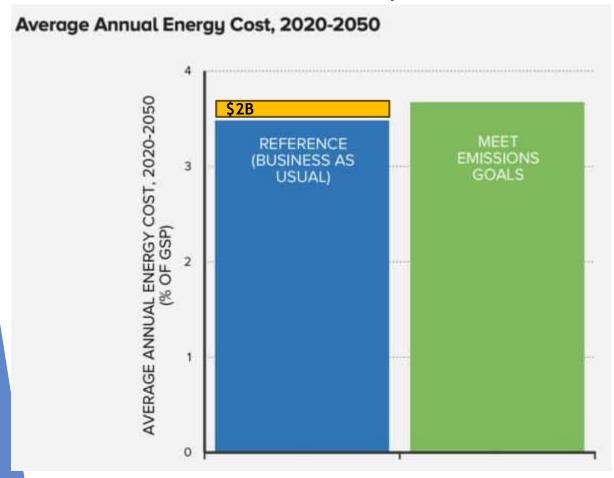
Incremental and avoided costs in the Least Cost scenario

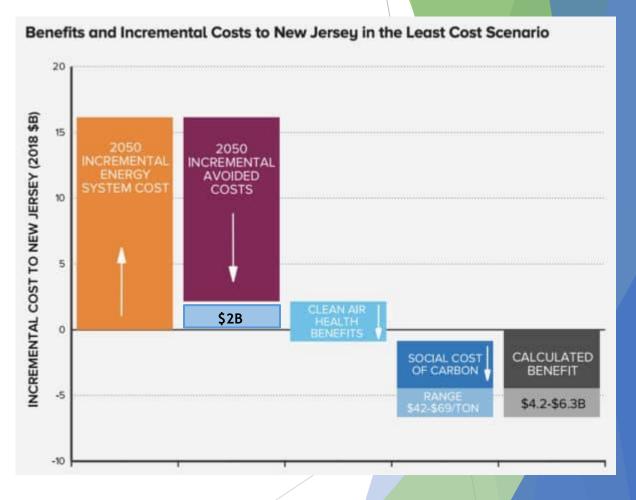
See call-out box for description of this and similar charts.



The Incremental Cost and Benefits to Electrify the Building and Transportation Sectors Powered by Renewable Energy - Its Cost Effective

\$2B incremental cost in a \$1 T NJ economy or 0.2% increase





### From the 2019 NJ Integrated Energy Plan presentation – Nov 2018

### Summary of Key Finding presented by Rocky Mountain Institute

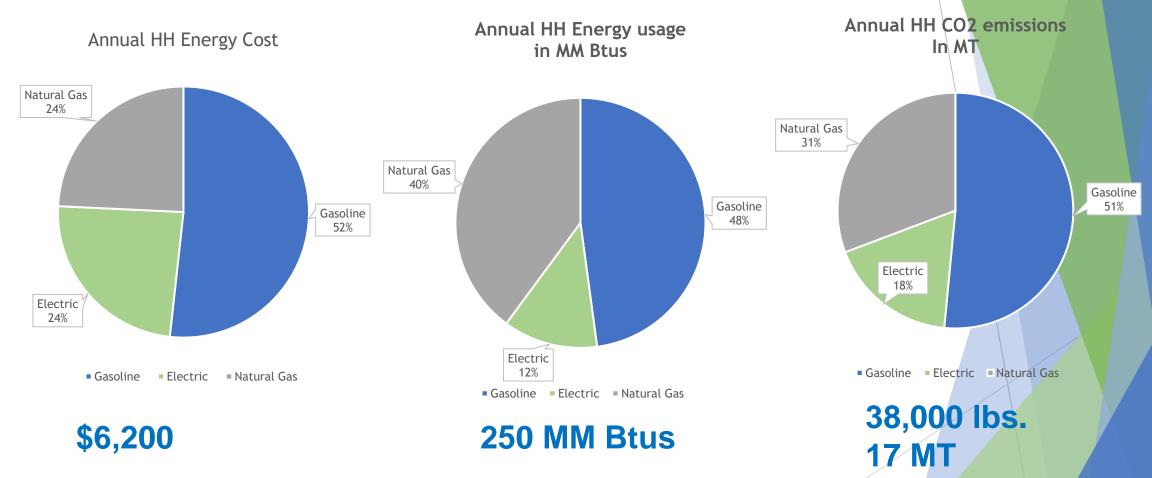
- New Jersey Can meet the goals of the 2019 EMP for 100% clean energy and 80% reduction in GHG emissions by 2050 with existing technologies
- Cost to meet the 2019 EMP goals are relatively small compared to total energy spending and offset by the benefits by 2 to 1
- Existing policies reduce GHG emissions but are not enough to achieve the 2019 EMP goals
- The least cost energy systems are substantially different from today's energy system

Six Simple Currently Cost Effective (without subsidies) Clean Energy Technologies (EE/RE) that can be Implemented

Incrementally and Integrated -not siloed to Mitigate Climate Change by Reducing GHG at the HH and Local Level.

- Energy Efficiency Whole House Weatherization (EE) (high efficiency shell measures)
- Building electrification Heat pumps induction stove LED
- Electric Vehicles (EE) and EV Charging
- On-site Solar (RE) Community Solar -( Grid scale Renewables -OSW)
- On-site Storage electric and thermal (CE) (Grid scale storage) -
- Smart Grid Grid Interactive Efficient Buildings (GEB)

Average New Jersey Single-Family Home - 2,400 sq ft 2 cars at 25 mpg uses 1,000 gallons of gasoline per year, 1,000 therms of natural gas per year, 9,000 kwh of electricity per year



The key to reducing energy, cost, and GHG emissions is a plan

### **Transportation Sector - Going Electric**

How to Change the Demand Curve for Oil and Gasoline to Prevent Future Oil pipelines

**Just think Integrated** 



An EV is about \$10,000 more than an ICEV

An EV is about 4 times more energy-efficient then a similar ICEV (25 mpg vs 03.kWh/mi)

EV is about 3 times lower cost to fuel then a similar ICEV (\$3.5/gal vs \$0.18/kWh)

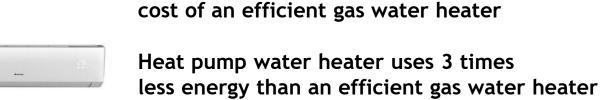
Per car mag 40% less cost to maintain
The EV over 10 years than a similar ICEV
including the cost to replace the batteries

3.5 kilowatts (kW) of solar
SPB 10 years w/o incentive 4.5 years "free" fuel for 20+ years
Avoiding 4.62 MT of CO2 - (54%<)
Reducing both gasoline and natural gas
demand and emissions and storage solar electricity

### **Building Sector - Going Electric**

How to Change the Demand Curve for Natural Gas to Prevent Future Natural gas pipelines
Start slow and small and build into a movement







Heat Pump water heater is 2 times the



1.5 kilowatts (kW) of solar HPWH + solar = 9 years Free hot water after that Avoiding 2.3 MT (13% >) - 67%

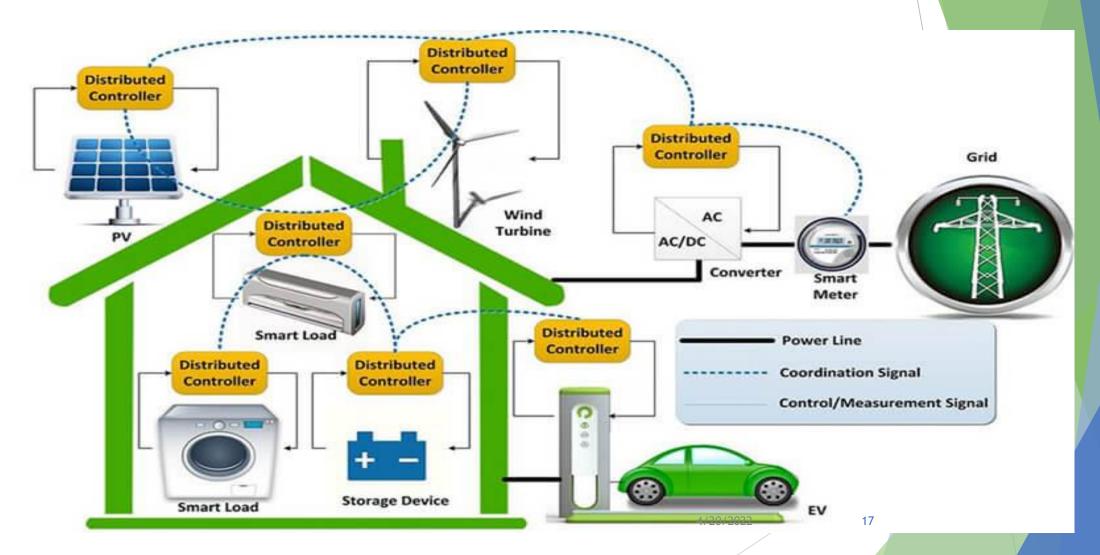
Reducing natural gas demand in electric and heating sectors
A major advantage is you can store your solar electricity in the HPWH

#### Heat Pump Water Heater

- A fan pulls air through the top air filter.
- Heat in the air is absorbed by eco-friendly refrigerant inside the evaporator coil and cool (dehumidified air) is exhausted.
- Refrigerant is pumped through a compressor, which increases the temperature.
- Simultaneously the cooler water from the bottom of the tank is pumped to the top of the appliance, where it circulates.
- 6) Hot refrigerant transfers its heat to the water inside the condensor coil.
- 6 Heated water is returned back to the top of the tank.
- Condensate drain connection.
- Backup electric heating elements.



## To extend the usability of solar energy Smart Grid – Grid modernization – Smart Home or Office



## How to Implement Energy and Climate Mitigation at a Local Level Community Energy **Plan** - New Jersey Board of Public Utilities



Sustainable Jersey Guide for Sustainable Energy Communities





<u>Community Energy Plans | NJ OCE</u> <u>Web Site (njcleanenergy.com)</u>

\$10K per town \$25K OBC Up to \$250K for implementation A SUSTAINABLE JERSEY GUIDE

Community Energy Plan Workplan Template



https://www.sustainablejersey.com/fileadmin/media/Actions\_and\_Certification/Actions/Energy/SJ\_Sustainable\_Energy\_Communities\_Guide10\_2021.pdf

https://www.sustainablejersey.com/fileadmin/media/Actions\_and\_Certification/Actions/Energy/Community\_Energy\_Plan\_Workplan\_Template10\_2021.df

### **Aggregated Community-Scale Utility Energy Data for Lawrence Township Mercer County**

Municipality	County	Year	Utility	Residential Electricity	Commercial Electricity	Industrial Electricity	Street Lighting Electricity	Total Electricity (kWh)	Utility	Residential Natural Gas	Commercial Natural Gas	Industrial Natural Gas	Street Lighting Natural Gas
Lawrence township	Mercer	2015	PSEG	106,134,154	187,842,638	38,105,296	1,649,698	333,731,786	ETG/PSEG	9,648,317	12,973,782	2,288,252	NDA
Lawrence township	Mercer	2016	PSEG	105,603,678	199,808,852	38,262,441	1,646,646	345,321,617	ETG/PSEG	8,838,046	12,309,951	2,121,839	NDA
Lawrence township	Mercer	2017	PSEG	100,970,931	194,926,118	32,032,660	1,646,096	329,575,805	ETG/PSEG	9,191,212	12,872,924	1,880,139	NDA
Lawrence township	Mercer	2018	PSEG	104,482,043	202,739,946	35,160,031	1,652,724	344,034,744	ETG/PSEG	9,939,680	12,974,053	2,503,676	NDA
Lawrence township	Mercer	2019	PSEG	99,352,338	187,065,495	31,462,578	1,649,129	319,529,540	ETG/PSEG	9,448,441	13,179,329	2,152,911	NDA
Lawrence township	Mercer	2020	PSEG	102,989,913	161,806,084	50,289,084	1,669,701	316,754,782	ETG/PSEG	8,900,888	9,168,669	3,730,152	NDA
Lawrence township	Mercer	2021	PSEG	103,062,151	171,368,117	37,733,814	1,664,212	313,828,294	ETG/PSEG	9,306,149	11,290,947	3,637,900	NDA

### Community-Scale Greenhouse Gas (GHG) Emissions - Metric Ton Carbon Dioxide Equivalent (MTCO2e)

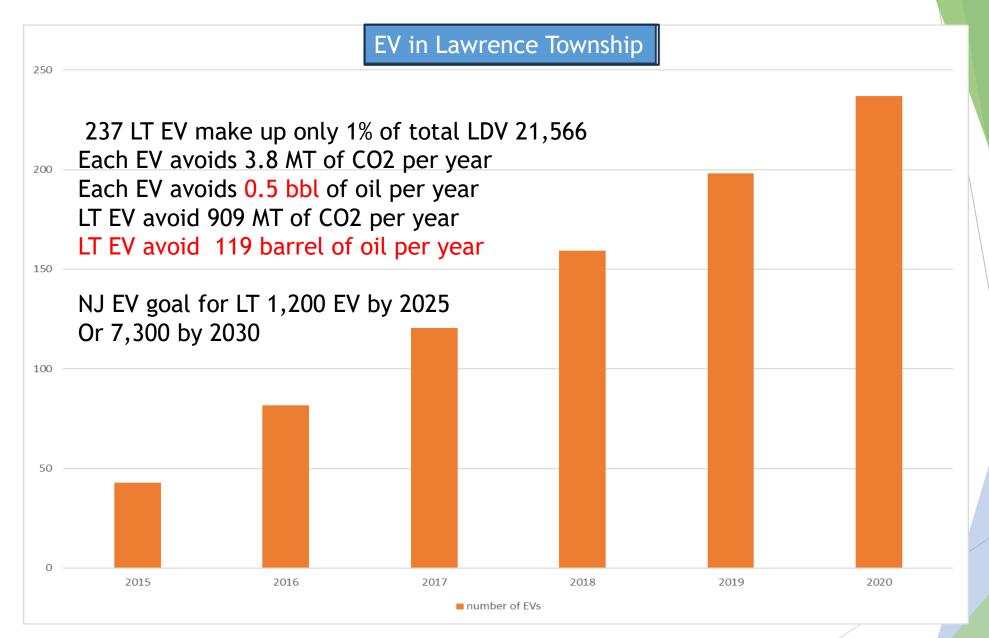
Municipality	County	Year	Residential Electricity	Commercial Electricity	Industrial Electricity	Street Lighting Electricity	Residential Natural Gas	Commercial Natural Gas	Industrial Natural Gas	Street Lighting Natural Gas	Other Heating Fuels	On-Road Vehicles
Lawrence township	Mercer	2015	26,881	47,576	9,651	418	51,388	69,100	12,188	NDA	4,451	168,040
		2020										
Lawrence township	Mercer		22,998	36,131	11,230	373	47,407	48,834	19,867	NDA	3,046	214,346

### **Electric Vehicle (EV) Ownership Data**

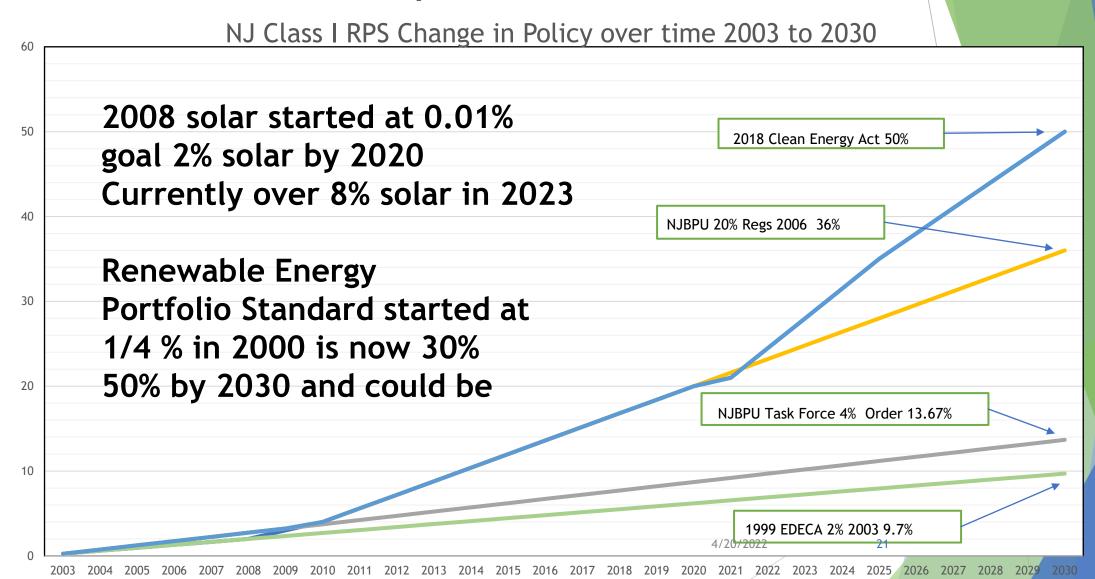
June 2022

<sup>\*</sup> Further information on Notes sheet

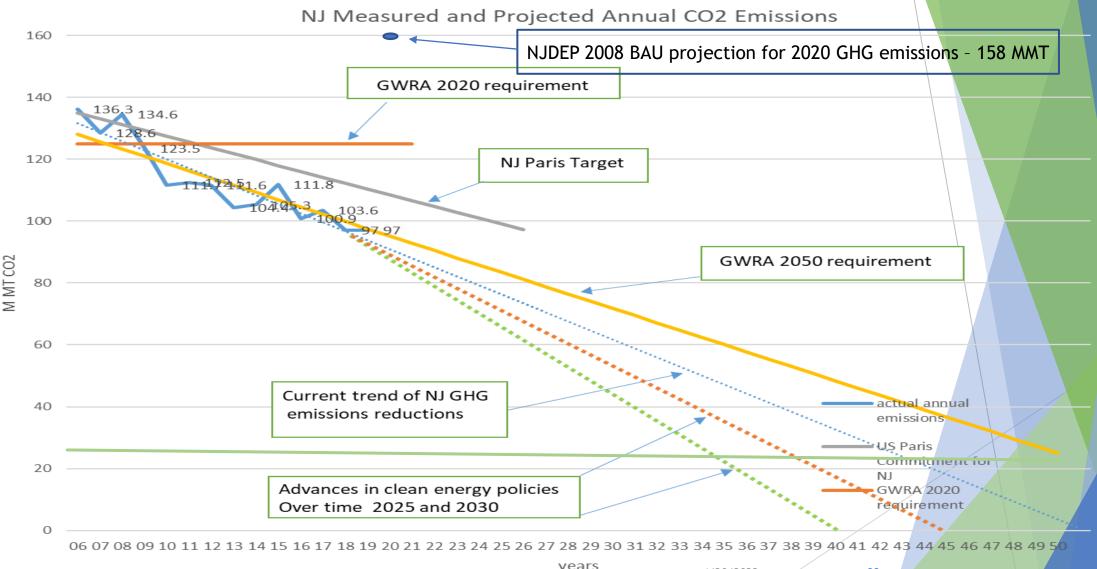
Municipality	County	Year	Total Personal Vehicles	# of EVs	% of EVs
Lawrence township	Mercer	2015	21,570	43	0.20%
Lawrence township	Mercer	2020	21,566	237	1.10%



## How Clean Energy Policy Changes over time – to achieve larger goals Optimism Curve

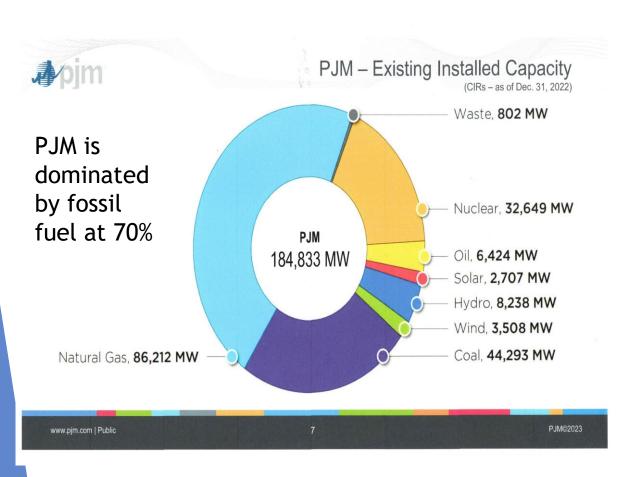


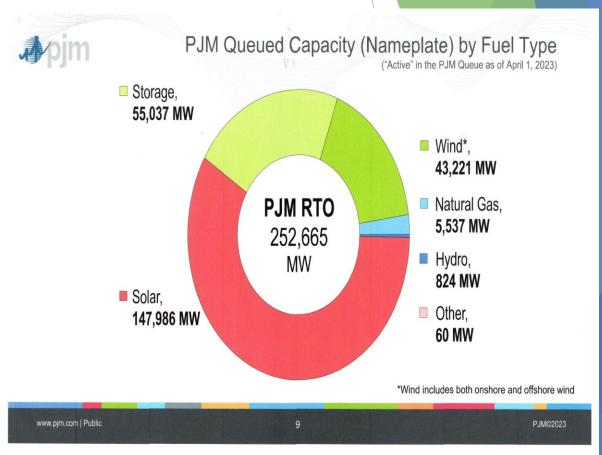
## New Jersey's Progress to achieving its GHG emissions reduction goals and more Why I'm Optimistic Getting to 50% by 2030 and beyond depends on us



Source for actual data NJDEP GHG emissions Inventory Report https://www.nj.gov/dep/aqes/NJ\_GHGinventory2015Update.pdf

## This is why I am 100% convinced we will get to 100% Clean Energy well before 2050





## Why we are winning in the Clean Energy Transition And Climate Mitigation

Why Im Optimistic
We'll Get to 100% Clean Energy before 2050
Local Action – Tracking Progress

Thank You – Questions????
Michael Winka
energy translator
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### Additional Slides for reference

Is New Jersey a High Energy Cost State? The answer is No - we are average at worst

Electricity NJ is ranked 12<sup>th</sup> highest at \$0.1648 per kWh compared to the US average of \$0.1319 per kWh

Natural Gas NJ is ranked 36st highest at \$1.48 per therms Compared to the US average of \$1.260 per therms

Gasoline NJ is ranked 28<sup>th</sup> highest at \$3.41 per gallon Compared to the US average of \$3.20 per gallon.

https://www.eia.gov/beta/states/states/nj/overvie

Https://www.eia.gov/beta/states/states/nj/data/dashboard/energy-indicators

### **IRA Tax Credits - State Incentives**

IRA Clean Vehicles https://www.irs.gov/clean-vehicle-tax-credits https://www.energy.gov/save

**New** - Tax credit up to \$7,500 new, qualified plug-in EV or fuel cell electric vehicle (FCV). Based on battery size and where manufactured Income limits \$300K Limit of vehicle price

**Used** electric vehicle (EV) or fuel cell vehicle (FCV) \$25,000 or less, tax credit equals 30% of the sale price up to a maximum credit of \$4,000. Income limit \$150K limits on battery size and vehicle wt.

EV Charging – Personal \$1,000 - Businesses \$100,000

#### **New Jersey**

NJDEP <a href="https://dep.nj.gov/drivegreen/">https://dep.nj.gov/drivegreen/</a>

Sale and used tax exemption on zero emission vehicles

Grants to offset Businesses installation EV charging equipment costs \$750 for Level 1 and \$4,000 for a Level 2

### NJBPU <a href="https://chargeup.njcleanenergy.com/home-ev-charger-incentive">https://chargeup.njcleanenergy.com/home-ev-charger-incentive</a>

\$250 grant for residential EV charging equipment

Multi unit charger rebates

EV rebates between \$1,500 to \$4,000 depending on the vehicle

EV Charging incentive information is available from Atlantic City Electric, PSE&G, RECO and JCP&L.

PA – PADEP <a href="https://www.dep.pa.gov/Citizens/GrantsLoansRebates/Alternative-Fuels-Incentive-Grant/Pages/Alternative-Fuels-Vehicles.aspx">https://www.dep.pa.gov/Citizens/GrantsLoansRebates/Alternative-Fuels-Incentive-Grant/Pages/Alternative-Fuels-Incentive-Grant/Pages/Alternative-Fuels-Vehicles.aspx</a>

400% of the federal Poverty level – Up to \$3,000 depending on income level and vehicle type

### **IRA Tax Credits**

### **Home Energy**

Primary residents, Renter and second homes used as residents

**Energy Efficient Home Improvement Credit -**These expenses may qualify -<u>requirements detailed on energy.gov</u>:

- •Exterior doors, windows, skylights and insulation materials
- •Central air conditioners, water heaters, furnaces, boilers and heat pumps
- •Biomass stoves and boilers
- Home energy audits

Tax credit is a percentage of the total improvement expenses in the year of installation:

- •2022: 30%, up to a lifetime maximum of \$500
- •2023 through 2032: 30%, up to a maximum of \$1,200 (heat pumps, biomass stoves and boilers have a separate annual credit limit of \$2,000), no lifetime limit

**Residential Clean Energy Credit** These expenses may qualify <u>requirements detailed on energy.gov</u>:

- •Solar, wind and geothermal power generation
- Solar water heaters
- Fuel cells
- Battery storage (beginning in 2023)

The amount of the credit you can take is a percentage of the total improvement expenses in the year of installation:

- •2022 to 2032: 30%, no annual maximum or lifetime limit
- •2033: 26%, no annual maximum or lifetime limit
- •2034: 22%, no annual maximum or lifetime limit

Get details on the Residential Clean Energy Credit.

## **Act 129 Electric Company Energy Efficiency Programs and Rebates**

The Act directs only the state's seven largest electric distribution companies (EDCs) with morthan 100,000 customers to provide EE&C plans

**FirstEnergy Companies:** 

**Duquesne Light:** 

**PPL Electric:** 

PECO:

**UGI Electric:** 

Measure		Met-Ed (FirstEnergy Company)	Penn Power (FirstEnergy Company)	West Penn Power (FirstEnergy Company)	Penelec (FirstEnergy Company)	<u>Duquesne</u>	PPL	PECO	<u>UGI</u>
LED Lamps – Regular and Specialty	ON CONTRACTOR	1	1	1	1	1	1	1	1
LED Fixtures	0	1	1	1	1	1	1	1	
CFL Lamps		1	1	1	1	1		1	
Energy Efficient Appliances	ENTITY STAR	1	1	1	1	1	1	1	1
HVAC Programs	(A)	1	1	1	1	1	1	1	1
Behavioral Measures		1	1	1	1	1	1	1	
School Education		1	1	1	1	1	1	1	1
Home and Online Energy Efficiency Audits		1	1	1	1	1	1	1	1
New Home Construction	A	1	1	1	1	1	1		
Room Air Conditioner Recycling	7/1	1	1	1	1		1	1	1
Dehumidifier Recycling		1	1	1	1		1		
Refrigerator/Freezer Recycling		1	1	1	1	1	1	1	1

New Jersey Clean Energy Program. More information on the Clean Energy Program can be found on this <u>website</u>.

#### **NJBPU and NJCEP Administered Programs**



- New Construction (residential, commercial, industrial, government)
- Large Energy Users
- Energy Savings Improvement Program (financing)
- State Facilities Initiative\*
- Local Government Energy Audits
- Combined Heat & Power & Fuel Cells

\*State facilities are also eligible for utility programs

### **<u>Utility Administered Programs</u>**















- Existing buildings (residential, commercial, industrial, government)
  - **Energy Audit**

- Efficient Products
  - Lighting & Marketplace
     Appliance Rebates
  - HVAC

Appliance Recycling

4/20/2022

30

What is your household Carbon Footprint
The average Single family House (SFH)
Just need to know your household annual energy usage

Annual household electric use — electric bill
Annual household natural gas use — natural gas bill
Annual household gasoline use — gasoline bills/mileage

Your household CO2 = energy usage \* emission factor (lbs/unit of energy)

Household Energy use assumptions
2,400 sq ft single family home
Two average fuel economy cars driven the average per year

Gasoline – per EPA/DOE and USDOT-FHWA

13,000 miles/year/vehicle \* 2 / 25 miles/gal = 1,000 gals/yr
Natural Gas per EIA average eff - furnace and hot water heater

1,000 therms per year
Electricity per EIA average central AC and lighting

9,000 kWh per years

### Gasoline

```
1,000 gal/yr * 19.6 lbs of CO2/gal = 19,600 lbs of CO2/yr $3.50/gal * 1,000 gal/yr = $3,500/yr (3.6% annual cost at medium income) 120,000 Btus per gallon = 120 MM Btus
```

### **Natural** gas

```
1,000 therms/yr * 11.7 lbs of CO2/therms = 11,700 lbs of CO2/yr $1.30/therm * 1,000 therms/yr = $1,300/yr (1.7%) 100,000 Btu per therm = 100 MM Btus
```

### **Electricity**

```
9,000 kWh/year * 0.75 lbs of CO2/kWh = 6,750 lbs of CO2/yr $0.18/kWh * 9,000 kWh/yr = $1,6200 (1.7%) 3,412 Btu per kWh = 30.7 MM Btus
```

Total = 38,010 lb of CO2 / HH or 20 T/HH - \$6,420/yr (6.9%)

### **Building Sector - Going Electric**

How to Change the Demand Curve for Natural Gas to Prevent Future Natural gas pipelines
Start slow and small and build into a movement





GWH = \$1,200 230 therm - 23 million Btus \$340/yr emitting 2.3T HPWH = \$2,500

2,000 kWh 6.8 million Btus \$330 /yr emitting 0.5T

3 times less energy - Avoiding 1.8 MT of CO2

2,000 kWh /year = 1.5 kilowatts (kW) of solar @ \$3/W = \$3,330 - \$990 = \$2,310 HPWH + solar = 10.5 years (ROI 9.5%) Avoiding 2.3 T of CO2

Reducing natural gas demand in electric and heating sectors

A major advantage is you can store your solar electricity in the HPWH

#### Heat Pump Water Heater

- A fan pulls air through the top air filter.
- Heat in the air is absorbed by eco-friendly refrigerant inside the evaporator coil and cool (dehumidified air) is exhausted.
- Refrigerant is pumped through a compressor, which increases the temperature.
- Simultaneously the cooler water from the bottom of the tank is pumped to the top of the appliance, where it circulates.
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How to Change the Demand Curve for Oil and Gasoline to Prevent Future Oil pipelines

Start slow and small and build into a movement



MM Btu is a million Btus

Used EV for under \$20,000 (+ \$2,000 - level 2 charger)
50 miles RT for 260 days (5 day work week)

An average ICE vehicle
520 gal/ yr - 60.3 MM Btus -\$1768/yr.

An average EV

3,900 kWh /yr - 13.3 MM Btu - \$644/yr.

4.5 times less energy - 2.7 times less cost
Savings \$1,124/yr. avoiding 3.74 MT of CO2

3,900 kWh / year - 3.5 kilowatts (kW) of solar @\$2/watt SPB for EV and solar 15 yrs. (ROI 6.7%) - after 4.3 years driving on "free" fuel Avoiding 4.62 MT of CO2 Reducing both gasoline and natural gas demand and emissions and storage solar electricity