



Comments on the Office of Clean Energy Proposed Changes To New Jersey's Clean Energy Program Smart Growth Policies

137 West Hanover Street
Trenton, NJ 08618
(609) 393-0008 Tel.
(609) 393-1189 Fax
www.njfuture.org

Oct. 14, 2011

Contact: [Chris Sturm](#), Senior Director of State Policy, 609-393-0008 ext. 114

New Jersey Future urges the Office of Clean Energy (OCE) to withdraw its proposal that the Board of Public Utilities modify its current policy of limiting the eligibility of projects outside of Smart Growth Areas for Clean Energy Program financial incentives. This proposal is inconsistent not only with the State Development and Redevelopment Plan, but likely with the Christie administration's forthcoming State Strategic Plan.

Smart Growth Policies Help the Economy, Environment

The OCE proposal would reverse the well-established state policy of targeting financial incentives to smart-growth areas — places located near existing cities, towns and suburbs — and away from farmland and natural areas, as identified in New Jersey's State Development and Redevelopment Plan. This policy reflects the long-held preferences of New Jersey residents, according to a [poll](#) released this week by the Monmouth University Polling Institute. The poll found that nearly 70 percent of New Jersey residents support a coordinated, statewide plan to steer growth and development to existing population centers in order to preserve farming communities and open spaces. These findings are nearly identical to a poll conducted in 2002.

Encouraging home construction in smart-growth areas makes sense from the perspective of energy use. Residents in these areas typically [drive less](#), since destinations are closer and people often have the option to use transit, walk or bike. Promoting development in smart-growth areas also helps spur economic growth and create jobs without harming clean water, farmland and other natural assets.

Recent Experience with Energy-Efficient Construction

Data obtained from the Office of Clean Energy shows participation in the Energy Star Homes program both in and outside of smart-growth areas. Roughly 3,900 newly constructed housing units in smart-growth areas participated [annually](#) between 2008 and 2010. Outside of smart-growth areas, a growing number of housing units were also certified as compliant with Energy Star, from 272 in 2008 to 126 in 2009 to 770 in 2010 and 647 so far in 2011, even though no subsidy was provided. If meeting Energy Star standards in non-smart-growth areas is becoming more popular on its own, it begs the question: Why provide a subsidy, given that growth in those locations has negative consequences?

The BPU's energy-efficiency programs don't prevent people from developing land or living and working in the state's rural areas. But they have represented a commitment not to subsidize development that causes sprawl, increases traffic and gobbles up open space. Since ratepayers

foot the bill for these subsidies, the BPU has a responsibility to ensure that they will not be offered in areas where growth has other negative consequences.

Policy Proposal Should Wait for State Strategic Plan Release

The Christie administration is now putting the finishing touches on the State Strategic Plan, a plan intended to guide the state's economic and physical development, building upon the land-use vision articulated in the State Development and Redevelopment Plan. The State Strategic Plan is expected to call upon state agencies and entities like the BPU to align their programs, policies, rules and spending in support. If nothing else, the Office of Clean Energy should withdraw its proposal until it can be considered in light of the State Strategic Plan.

New Jersey Future is a nonprofit, nonpartisan organization that brings together concerned citizens and leaders to promote responsible land-use policies. The organization employs original research, analysis and advocacy to build coalitions and drive land-use policies that help revitalize cities and towns, protect natural lands and farms, provide more transportation choices beyond cars, expand access to safe and affordable neighborhoods and fuel a prosperous economy.