

Avoiding Pocketbook Shock

When dealing with climate change, policymakers must keep a close eye on helping energy consumers avoid pocketbook shock. Efforts to reduce carbon emissions will require investments amounting to billions of dollars over time. It is important to focus on ways to cushion this cost impact – and minimize it where possible.

Conservation is one sure thing that can help – which is why it needs to be given priority in the fight against climate change. Investments in more energy-efficient equipment act as an antidote to rising electricity demand and prices. Everyone can agree with the environmental benefits of conservation, and who doesn't like to save energy and dollars as well?

Other energy investments are not as simple to evaluate from a cost-benefit perspective.

The costs of renewable energy from solar, wind and biomass energy are beginning to decline, but are still considerably higher than from traditional fuel sources. Investments in renewable energy, while delivering real environmental benefits, will increase rates on electric bills. Sometimes, there's no escaping the need to pay more to get something better. This may very well be the case with many renewable energy investments.

All of which places even more importance on conservation: The easiest way to drive down bills –

even as rates go up – is to use energy more wisely.

By participating in conservation efforts, consumers can reap energy savings to help compensate for higher rates. Those who conserve and invest in energy efficiency can realize lower bills. Those who save the most energy will see the biggest reductions. Those who take no action and use energy unwisely will see their bills continue to increase.

With proper incentives, utilities can foster conservation and energy efficiency and spur consumer participation.

Through these efforts, utilities can deliver benefits to diverse strands of New Jersey's population. To be truly effective, these programs need to reach all users of electricity and all segments of the state – rural, urban and suburban. Reaching all these constituencies is especially important if the state of New Jersey is to meet the aggressive emission reduction targets set by the governor and legislature.

Maximizing participation in conservation and energy efficiency will have a real payoff to society in reducing carbon emissions and in staving off higher bills. It's essential to avoiding pocketbook shock.

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We make things work for you.