

# Utilities Have Spent Billions, But Storms Still Cut Power to Many in NJ

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Latest power outages have frustrated customers, who wonder why they keep happening



Power lines brought down in Edgewater during Tropical Storm Isaias

In the years since Superstorm Sandy left 2 million households without power, some for weeks, state regulators have not been shy about giving New Jersey's four electric utilities the go-ahead to invest billions of dollars in making their systems more resilient.

So when a powerful tropical storm cut its path through New Jersey last week, it left many questioning why 1.4 million customers again had to struggle through another widespread and lengthy power outage.

“The fact that we are having these storms isn’t new,” said Ev Liebman, associate director of the AARP in New Jersey, who is calling on the New Jersey Board of Public Utilities (BPU) to once again launch an investigation into what went wrong. “The question is why are we not doing better.”

New Jersey Division of Rate Counsel director Stefanie Brand agrees the state regulatory agency ought to examine the utilities’ performance in the storm to see “whether all the money we’ve spent on resilience has brought us to a better outcome.” By some projections, it is probably as much as \$4 billion — just for the four electric utilities.

Tropical Storm Isaias moved quickly through the state last Tuesday, downing trees, utility poles, and even affecting high-power transmission lines, according to BPU president Joseph Fiordaliso. Public Service Electric & Gas (PSE&G), the state’s largest utility, called it the fifth most severe storm in its history, and the worst since Sandy.

## **Restoration efforts delayed**

“All in all, I can’t say I’m dissatisfied,” said Fiordaliso, when asked to rate the performance of the four electric utilities, noting winds from the storm approached the strength of Superstorm Sandy. He said restoration efforts were delayed because the utilities focused initially on transmission lines so they could move power to the distribution system that delivers electricity to homes and businesses.

As after any major storm event, the board’s Division of Reliability and Security will evaluate what went wrong and what went right regarding the utilities’ performance, Fiordaliso said. Based on that, he said the board will decide whether a further investigation is needed.

For the most part, the recovery has been quicker than he had expected,

Fiordaliso said, citing PSE&G's response to the storm. It restored 90% of the 575,000 customers who lost power last week in less than three days. During Hurricane Irene, it took the utility four days to restore 87% of its customers who lost power, according to Mike Jennings, a spokesman for the utility.

As to whether the investments the utilities have made have been well-spent, the BPU president said he believes the power outages from the most recent extreme storm events have been diminished, at the very least in length.

## **Poor communication from utilities**

Still in the wake of the storm, local officials have complained bitterly about the lack of information provided to customers about restoration times, particularly dealing with Jersey Central Power & Light. JCP&L did not respond to emails requesting information about the storm.

Rate Counsel director Brand said her office also has received complaints about the lack of information provided by the companies and urged the board to look into the problem once everyone's service has been restored. "Are we doing the best we can, once there is an outage?" asked Brand.

A top PSE&G executive argued the money for resilience projects has helped limit outages. During Sandy, many customers lost power because the utility's substations were knocked out by the storm's enormous surge. "With this storm, we didn't have that," said Kim Hanemann, COO of PSE&G.

That did not happen because of the money invested in upgrading dozens of substations during the utility's \$1.26 billion Energy Strong program, she said. PSE&G spent \$579 million to fix, upgrade and raise

32 switching and substations. All told, the utility has spent about \$2 billion in upgrading its electric utility power grid since Superstorm Sandy.

## **‘Our biggest enemy’**

The BPU plans to continue to support utility investments in upgrading what most concede is an aging power grid, according to Fiordaliso.

“We’ve had trees emerge as our biggest enemy,” he said, while noting every time the agency proposes more aggressive vegetation management programs, it encounters numerous objections from local officials and environmentalists.

“I know the utilities will embrace any call for improvements and are consistently seeking opportunities to invest in infrastructure so that it is more resilient and able to respond more quickly when the power goes out,” said Tom Churchelow, president of the New Jersey Utilities Association, a trade group.

But Jeff Tittel, director of the New Jersey Sierra Club, faulted BPU. “We have spent close to \$4 billion. That’s a lot of money and not a lot to show for it,” he said. “There needs to be an investigation into why.”