

PSEG KEEPS LIGHTS ON FOR MANY SMALL FIRMS

IN ANOTHER TOUGH YEAR FOR THE INDUSTRY, THIS YEAR'S OWNER OF THE YEAR HAS MAINTAINED A STEADY STREAM OF PROJECTS — AND HAS PLANS IN THE PIPELINE FOR MORE

At its core, Public Service Enterprise Group (PSEG) is like any other energy services company that aims to meet or exceed shareholder value and keep power flowing through sweltering summers and record-breaking storms. But construction industry professionals like the company best for other reasons: They say PSEG is relatively easy to work for and has kept even small firms busy during a recession in which industry unemployment has skyrocketed.

“The support is phenomenal, and [PSEG has] some of the best project managers I’ve ever worked with,” says Marjorie Perry, owner of MZM Construction & Management, a Newark, N.J.-based rough carpentry firm with a staff of 15. MZM’s work with PSE&G, the company’s gas and electric subsidiary and New Jersey’s largest utility, includes general contracting services. “While they don’t expect to hold your hand, they support you 150%,” she says, by communicating clearly and offering training programs, among other things.

That is one of the messages that PSEG has been trying to send, according to Anne E. Hoskins, senior vice president of public affairs and sustainability. The firm operates primarily in New Jersey but also in multiple states. “We’re a company that has been here for over 100 years. We’ve always had a strong



relationship with our employee base and the trades we work with,” she says. Both are viewed as “a key part of our strength and it has been very important for us during this down economic time to be a source of employment and growth in the state we serve,” Hoskins adds. PSEG has had “consistent employment growth and was also one of only two utilities to make the Dow Jones Sustainability World Index last year,” she adds.

SETTING THE STAGE

The company has grown while keeping its injury rates down, says Gregory Player, PSEG manager of corporate health and safety. “We’ve gone 14 years with only one fatality in our company, which is

pretty spectacular in our industry given the hazards that our workers are confronted with every day.” That fatality was in 2005, when a worker fell from an aerial bucket, he says.

PSEG’s 2011 recordable injury incidence rate was 1.4, up slightly from its 1.23 rate in the prior year. Player attributes the increase primarily to the harsh winter in 2011 that resulted in “some tripping and fall hazards that drove up that number.” The company has begun 2012 with a 0.35 rate, “a very good start,” he adds.



PSEG has set the stage for a new stretch of construction work with a \$6.85-billion capital spending plan for 2011 through 2013. Work by PSE&G accounts for the lion’s share of that investment, or \$5.24 billion; PSEG Power, which includes gas, coal and oil-fired electric generating units as well as nuclear generating stations, accounts for \$1.5 billion. The remainder is assigned to PSEG Energy Holdings, which includes a unit that invests in and develops alternative energy outside of PSE&G’s service territory, and PSEG Services. Investments include adding new peaking capacity, installing back-end technology at coal plants and increasing energy efficiency and renewables work.

PSE&G is also accelerating \$368 million in gas and electric upgrades and energy efficiency programs. “Whenever possible, the company will use local suppliers and contractors, in addition to our own skilled workforce,” said Ralph LaRossa, PSE&G president and chief operating officer, in announcing the plan.

The utility has focused its alternative energy portfolio on solar, positioning itself to take advantage of the solar boom in the state — currently ranked only

behind California in installed photovoltaic capacity. If the sizes of New Jersey and California are considered, New Jersey is ahead of California in the solar race “because we have more solar megawatts, or capacity, per square mile compared to California,” says Al Matos, PSE&G vice president of renewable & energy solutions.

PSE&G plans to spend just under \$800 million for energy efficiency and solar programs, Matos says. Through its “Solar 4 All” grid-connected program, the utility is on track to install a total of 80 MW of solar power by the year’s end, he says. The program includes installing utility pole-attached solar units in

six of the state’s largest cities; it is the largest pole-attached solar installation worldwide. The program ends this year, but it has been so successful that PSE&G plans to ask regulators to allow it to be extended for four years.

The company also offers a loan program. “As far as the solar industry goes, I think PSE&G supports it by crafting a solar loan program and financing projects,” says David Buckner, president of Solar Energy Systems, Brooklyn, N.Y., which has installed 4 MW of solar power in New Jersey and has worked with PSE&G on several projects. The utility “is providing business to people like us by providing a market and a financing mechanism to get projects built,” he says. For smaller contractors, he says PSE&G is “giving us a fair shake as a far as building and developing these projects.”

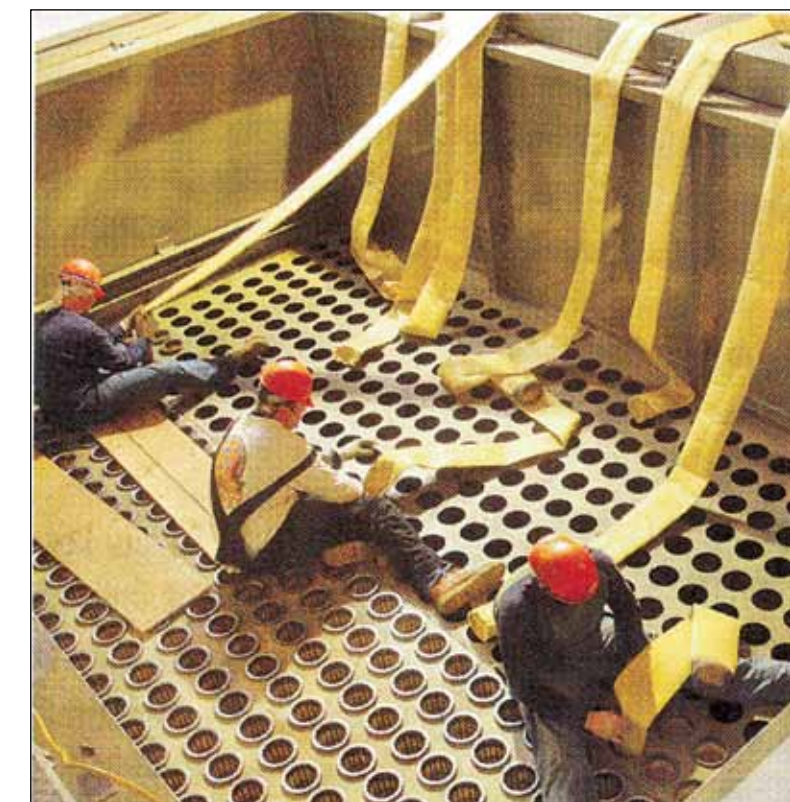
Work is also under way within the PSEG Power subsidiary, which is spending about \$390 million to build new peaking units at existing facilities in Kearny, N.J., and New Haven, Conn., both of which made ENR New York’s Top Starts rankings this year. The units are set to be onstream by midyear, says Kevin Reimer, project director of PSEG Fossil, part of the power unit.

PSEG Power broke ground last April on the \$255-million, 270-MW natural gas-fired plant in Kearny. The project involves design, procurement, installation and commissioning of six high-efficiency combustion turbines located at the site. Ferreira Construction is the civil general contractor on the project; a joint venture of Durr Mechanical and **EJ Electric** is the general contractor for the above-ground equipment setting, mechanical and electrical work; and Worley Parsons Power is the engineer of record.

In New Haven, The Pike Co. is the civil general contractor on a \$135-million project to install 130 MW of capacity. The Durr/**EJ Electric** JV and Worley Parsons are working there as well. There also are about \$80 million of capital improvement projects

at existing facilities set to begin this year, Reimer says.

PSEG recently completed a \$1.3-billion emission reduction program at its Jersey City and Hamilton coal-fired generating stations in New Jersey. These units are now said to be among the cleanest coal-burning power plants in the country — a leap forward for the Hamilton plant, given that it had been ranked as one of the state’s worst polluters. The program included adding dry scrubber technology and baghouses.



PSE&G’s plans to expand its transmission system, however, have been sharply criticized. The \$750-million plan for the utility’s portion of the Susquehanna-Roseland 500,000-volt line, which PSE&G is building with PPL Electric Utilities, Allentown, Pa., is pending approval from the National Park Service. The New Jersey portion of the line will run 45 miles along an existing power route, more than doubling the line’s capacity as well as the height of the transmission towers. Some New Jersey residents and environmental groups criticize the line and towers for running through parkland and interfering with views

Continued from page 4

of the Delaware Water Gap National Recreation Area. Some also express concern over perceived health risks.

“The Park Service is the last key milestone on this,” says Kim Hanemann, PSE&G vice president of delivery projects and construction. The agency is reviewing proposed and alternative routes and may decide on a plan in October, she says. If PSE&G’s selected route is approved, the utility will prepare for construction as soon as possible, with completion likely in June 2015, she says. Two other transmission lines are planned — the \$895-million Northeast Grid Reliability and the \$336-million North-Central

Reliability. These three lines account for 31% of PSE&G’s planned \$2.9-billion transmission program budget through 2013.

Meanwhile, Hoskins says the firm is focused on growth, job creation and “cleaning the air.” And it was this focus that helped lead ENR regional editors and industry contributors to select PSEG as Owner of the Year.

“Our bread and butter is that we are a competitive generation facility,” Hoskins says. “We’re very focused on the things we do well.”

PSEG Keeps Lights On For Many Small Firms

By Esther D’Amico



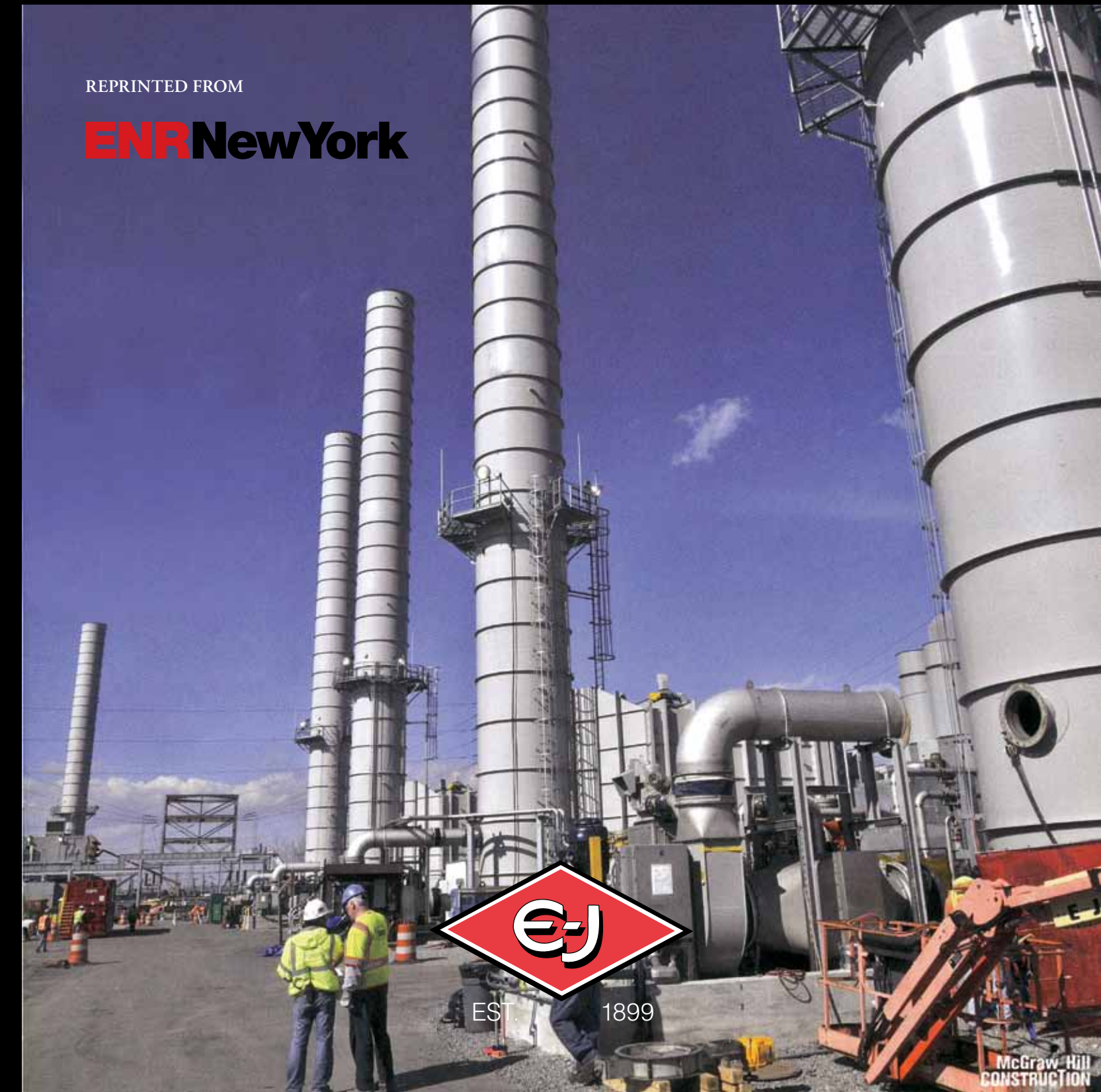
EST. 1899

**E-J ELECTRIC INSTALLATION CO.
E-J COMMUNICATION SYSTEMS**

POWER CONSTRUCTION SERVICES

46-41 Vernon Boulevard, Long Island City, NY 11101
Telephone: 718.786.9400 Facsimile: 718.937.9120
www.ej1899.com

NEW YORK NEW JERSEY CONNECTICUT NATIONWIDE



REPRINTED FROM

ENR New York



EST. 1899

McGraw Hill
CONSTRUCTION