



STATE OF NEW JERSEY
Board of Public Utilities
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MINUTES OF THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES

A regular Board meeting of the New Jersey Board of Public Utilities was held on October 12, 2022, via online @ <https://www.youtube.com/watch?v=uCnWodMzjJA>

Adequate notice of the meeting was provided pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-9.3. Notice was also provided in accordance with the requirements of N.J.S.A 48:2-32.8, and notice was posted to the Board's website and posted on the Board's bulletin board located at 44 South Clinton Ave., Trenton, New Jersey.

The following members of the New Jersey Board of Public Utilities were present:

Joseph L. Fiordaliso, President
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Robert M. Gordon, Commissioner
Dr. Zenon Christodoulou, Commissioner

President Fiordaliso presided at the meeting and Carmen D. Diaz, Acting Secretary of the Board, carried out the duties of the Secretary.

It was also announced that the next regular Board Meeting will be held on October 26, 2022 at 10:00 a.m. and would be a hybrid meeting at the Board's Hearing Room at 44 South Clinton Avenue, Trenton and livestreamed via YouTube.

EXECUTIVE SESSION

After appropriate motion, the following matter, which involved attorney-client privilege and/or contract negotiations exceptions, was discussed in Executive Session.

1. AUDITS

- A. Docket No. GA19091305 – In the Matter of an Audit of the Affiliated Transactions between South Jersey Gas Company and its Affiliates and a Comprehensive Management Audit of South Jersey Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-3 et seq.**

BACKGROUND: This matter related to the management and affiliated transaction audit of South Jersey Gas Company. On September 27, 2022, Sage Management Consultants LLC submitted the final report in the above-referenced audit (“Final Report”) to the New Jersey Board of Public Utilities (“Board”). The Final Report contained 24 chapters, including an executive summary, and made numerous recommendations.

Board Staff briefly identified a few key findings and recommendations.

8. CLEAN ENERGY

- A. Docket No. QO20080562 – In the Matter of a Memorandum of Understanding Between the Board and the New Jersey Economic Development Authority Regarding Funding for the Expansion of the Clean Energy Innovation Economy in New Jersey.**

BACKGROUND: This item related to a Memorandum of Understanding (“MOU”) between the New Jersey Board of Public Utilities (“Board”) and the New Jersey Economic Development Authority (“EDA”) to continue funding to support early-stage, New Jersey-based clean tech companies.

The Board approved two (2) previous MOUs with EDA for funding clean tech programs in fiscal years 2021 and 2022.

The proposed MOU would provide the EDA with an additional \$3,600,000 in funding for fiscal years 2023 to continue and expand previous years’ programs. Board Staff (“Staff”) recommended that the Board approve the fiscal year 2023 MOU with EDA for \$3,600,000 in funding for clean tech programs and authorize the President to execute it..

B. Docket No. QO20080561 – In the Matter of a Memorandum of Understanding Between the Board and the New Jersey Economic Development Authority Regarding Funding for the Wind Innovation and New Development Institute.

BACKGROUND: This item pertained to a Memorandum of Understanding (“MOU”) between the New Jersey Board of Public Utilities (“Board”) and the New Jersey Economic Development Authority (“EDA”) to continue funding to undertake programs in education, research, innovation, and workforce training related to the development of offshore wind in New Jersey as a precursor to the establishment of the Wind Institute.

The Board approved two (2) previous MOUs with EDA for funding EDA offshore wind programs in fiscal years 2021 and 2022.

The proposed MOU would enable additional funding of \$10,000,000 for fiscal year 2023 to continue development and execution of offshore wind workforce and education programs and development initiative that spearhead research and innovation that unlock market potential and/or specifically address challenges facing New Jersey’s offshore wind industry.

C. Docket No. QO22040234 – In the Matter of Energy Efficiency Evaluation Study Team.

BACKGROUND: On May 4, 2022, the New Jersey Board of Public Utilities (“Board”) approved the issuance of a Request for Quotation (“RFQ”) to engage an Evaluation Study Team (“EST”). The EST would conduct evaluation, measurement, and verification (“EM&V”) studies for energy efficiency (“EE”) programs which must be conducted continually to analyze the ever-evolving EE programs. Board Staff (“Staff”) sought to retain the EST through the end of the Triennium 2. Staff sought to procure the EST as part of a three-year contract with the option to extend by one (1) year. The evaluation team evaluated the bids received based on personnel management and technical experience, firm experience, and successfully completing contracts of similar size and scope and the ability to complete the scope of work based on the technical proposal.

After appropriate motion, the Board reconvened to open session.

CONSENT AGENDA

I. AUDITS

A. Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations

EE21050844L Save On Energy, LLC

R – EA

Electric Power and/or Natural Gas Supplier Initial Licenses

EE22020036L Octopus Energy, LLC

I – ESL

BACKGROUND: The New Jersey Board of Public Utilities (“Board”) must register all energy agents, private aggregators, and energy consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. N.J.S.A. 48:3-78 to -79. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a license renewal fee accompanied by an annual information update on a form prescribed by the Board. The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment. As such, any third party suppliers (“TPSs”) with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any TPS renewal application that was filed prior to July 9, 2019 has been, and would continue to be, processed by Board Staff (“Staff”) for approval or denial in accordance with N.J.A.C. 14:4-5.7. The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. At its regular agenda meeting of August 18, 2021, the Board approved the final adoption of proposed amendments to N.J.A.C. 14:4 et seq., concerning energy competition and specifically to subchapter 5, N.J.A.C. 14:4-5 et seq., Energy Licensing and Registration. In accordance with the rule amendments, an energy agent, private aggregator, or energy consultant registration shall not expire so long as a registration renewal fee accompanied by an annual information update form is submitted to the Board within 30 days prior to the registrant’s annual anniversary date. N.J.A.C. 14:4-5.8(g); N.J.A.C. 14:4-5.11(e). Any registration renewal application that was filed prior to the effective date of the licensing and registration rule amendments, September 20, 2021, has been, and will continue to, be processed by Staff for approval or denial in accordance with N.J.A.C. 14:4-5.9. The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. Annually thereafter, licensed electric power suppliers and natural gas suppliers, as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations in order to continue to do business in New Jersey. N.J.S.A. 48:3-78 to -79; N.J.A.C. 14:4-5.6 to -5.7; N.J.A.C. 14:4-5.8 to -5.9, and N.J.A.C. 14:4-5.11.

Staff recommended that the following applicants be issued initial registration as an energy agent, private aggregator and/or energy consultant:

- o Octopus Energy, LLC

In addition, Staff recommended that the following applicants be issued renewal registrations as an energy agent, private aggregator and/or energy consultant:

- o Save On Energy, LLC

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

There were no items in this category.

IV. TELECOMMUNICATIONS

- A. Docket No. TM22070461 – In the Matter of the Verified Petition of ZenFi Networks, LLC, Cross River Fiber, LLC, Cross River Fiber NJ, LLC and BAI Communications US Holdings II, LLC for Approval of a Change of Control of ZenFi Networks, LLC, Cross River Fiber, LLC and Cross River Fiber NJ, LLC.**

BACKGROUND: On July 28, 2022, ZenFi Networks, LLC (“ZenFi”), Cross River Fiber LLC (“Cross River Fiber”), Cross River Fiber NJ LLC (“Cross River Fiber NJ”) (collectively, “Licensees”) and BAI Communications US Holdings II LLC (“BAI”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting the approval of a change of control of Licensees. As a result of the transaction, the Licensees would become indirect subsidiaries of BAI, which is ultimately majority owned and controlled by the Canada Pension Plan Investment Board.

The Licensees and BAI asserted that the transaction would serve the public interest and would not affect the management or operations of Licensees. The New Jersey Division of Rate Counsel did not oppose Board approval, following the Board’s determination that the contemplated transaction would yield positive benefits to New Jersey customers and is in the public interest.

Board Staff (“Staff”), having reviewed the petition and supporting documents, recommended that the petition be approved as proposed.

V. WATER

There were no items in this category.

VI. RELIABILITY AND SECURITY

A. Docket Nos. GS22090576K, GS22090577K, GS22090578K, GS22090579K, GS22090580K, GS22090581K, GS22090582K, GS22090583K, GS22090584K, WS22090585K, GS22090586K, GS22090587K, ES22090588K, ES22090589K, ES22090590K, GS22090591K, GS22090592K, GS22090593K, GS22090594K, GS22090595K, GS22090596K, GS22090597K, GS22090598K, GS22090599K, GS22090600K, and GS22090601K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 to -91.

BACKGROUND: This matter involved settlements of alleged violations of the Underground Facility Protection Act by both excavators and operators of underground facilities. This matter did not contain settlements involving catastrophic situations, death, or major property damage. The categories of infraction are failure to provide proper notice, failure to use reasonable care, and mismarking of facilities. The cases were settled in accordance with a penalty strategy, which escalates in relationship to aggravating factors, such as injury, property damage, fire, evacuation, road closure, and other public safety concerns, and provides disincentives for violations. There were 26 settlements which total \$78,000.00.

Staff of the New Jersey Board of Public Utilities (“Board”) recommended that the Board approve the settlements provided in the Appendix.

VII. CUSTOMER ASSISTANCE

There were no items in this category.

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

There were no items in this category.

After appropriate motion, the consent agenda was approved.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

AGENDA

1. AUDITS

- A. Docket No. GA19091305 – In the Matter of an Audit of the Affiliated Transactions between South Jersey Gas Company and its Affiliates and a Comprehensive Management Audit of South Jersey Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-3 et seq. – Executive Session.**

Alice Bator, Director, Division of Audits, presented this matter.

BACKGROUND: This matter was initially discussed in Executive Session and related to the acceptance of the Final Audit Report “for filing purposes only” from Sage Management Consultants (“Sage”) in the audit of the affiliated transactions between South Jersey Gas Company (“SJG”) and its affiliates and a comprehensive management audit of SJG.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board accept the final report for filing purposes only and release the non-confidential version of the Final Report to the public for comments due by December 2, 2022. Staff further recommends issuance of a Secretary’s letter setting forth a request for comments

Finally, Staff recommended, consistent with the terms of the agreement with Sage, that the hold-back of fees in the amount of \$119,677.50 pending acceptance of the final audit report be released to Sage.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

2. ENERGY

- A. Docket No. ER22010003 – In the Matter of the Board of Public Utilities – Federal Energy Regulatory Commission (FERC) Items for 2022 – FERC Docket No. ER22-2690 – PPL Electric Utilities PJM Interconnection, LLC.**

Ian Oxenham, Legal Specialist, presented this matter.

BACKGROUND: This matter related to the ratification of comments in support of the State Agreement Approach (“SAA”) Cost Allocation Methodology for the transmission for offshore wind. On August 19, 2022, PJM Interconnection, LLC (“PJM”) Transmission Owners (“TOs”) submitted to the Federal Energy Regulatory Commission (“FERC”) the proposed cost allocation methodology for approval by FERC. Under the FERC-approved SAA Term Sheet, the New Jersey Board of Public Utilities (“Board”) and PJM TOs were required to work together and have the PJM TOs file a cost allocation methodology to

allocate costs for any SAA project selected by the Board. The PJM TOs and Board Staff (“Staff”) agreed that allocating costs on a load ratio shared basis to New Jersey load was the correct methodology and the August 19 filing modified PJM’s tariff to incorporate these changes. On September 9, 2022, Staff, on behalf of the Board, filed comments in the docket which supported the filing by explaining the State’s offshore wind goal and that the cost allocation methodology complied with FERC’s Order accepting the SAA Term Sheet and was also just and reasonable.

Staff recommended that the Board ratify the comments Staff filed on September 9, 2022.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

B. Docket No. ER22010003 – In the Matter of the Board of Public Utilities – Federal Energy Regulatory Commission (FERC) Items for 2022 – FERC Docket No. RM21-17-000 – Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection.

Ian Oxenham, Legal Specialist, presented this matter.

BACKGROUND: This matter related to comments that Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) filed on behalf of the Board in the transmission planning and cost allocation proceeding before the Federal Energy Regulatory Commission (“FERC”). On July 15, 2021, FERC opened a rulemaking docket titled: Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection. FERC issued an advanced notice of proposed rulemaking in that docket the same day, inviting comments on various topics relating to transmission and interconnection reform. On April 21, 2022, FERC issued a notice of proposed rulemaking (“NOPR”) in the same docket that proposed an extensive set of transmission reforms primarily focused on enhancing long-term regional transmission planning, as well as enabling fairer allocations of transmission costs. FERC also proposed to reverse course on its prior efforts to expand competition in transmission development and instead restrict it by granting incumbent transmission owners right of first refusal. On August 17, 2022, Staff, on behalf of the Board, filed comments on the NOPR. In its comments, Staff stated its belief that nearly all of FERC’s proposed reforms are in the interest of New Jersey’s ratepayers and/or would facilitate New Jersey’s clean energy goals. First, Staff’s research indicated that the more efficient transmission planning FERC proposes to require could ultimately save ratepayers across the PJM region billions or even tens of billions of dollars. Second, FERC proposed to require more holistic consideration of benefits when allocating transmission costs, which should reduce the risk that New Jersey ratepayers will be forced to pay 100 percent of the costs of projects that benefit both New Jersey and other states. Third, FERC’s proposal would help facilitate transmission development both New Jersey and the nation need to meet their respective clean energy goals. A Princeton study published in September 2022 found that unless investment in transmission is

accelerated, only 25 percent of the emissions reductions the Inflation Reduction Act was initially projected to achieve would be realized.

The comments Staff submitted supported and sought to buttress the case for most of the NOPR's proposed reforms or urge FERC to go even further. However, Staff stated its belief that that FERC's right of first refusal ("ROFR") is contrary to New Jersey's pro-competition policies and would lead to unjustly and unreasonably high electricity costs. Over the past decade, subjecting new transmission development to competition has saved New Jersey ratepayers hundreds of millions of dollars. FERC's ROFR proposal would allow incumbent utilities to build new transmission projects without facing any competition, thereby driving up transmission costs paid by ratepayers. Consequently, the comments Staff submitted vigorously opposed FERC's ROFR proposal.

Staff recommended that the Board ratify the comments Staff filed with FERC on August 17, 2022.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

A. Docket No. WR22010017 – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of Proposed Cost Recovery of Lead Service Replacement Plan.

Mike Kammer, Director, Division of Water and Energy, presented this matter.

BACKGROUND: On July 22, 2021, Governor Phil Murphy signed into law the Lead Service Line Recovery Law ("LSL Law"). Among other things, the LSL Law required investor-owned utilities submit to the New Jersey Board of Public Utilities ("Board") for approval, as part of its next general rate case proceeding petition, a proposal for the cost recovery of lead service lines. On January 14, 2022, New Jersey-American Water Company, Inc. ("NJAWC") filed a petition seeking approval of its cost recovery plan for the replacement of company and customer-owned lead service lines. NJAWC's petition

included a plan to replace lead service lines in its service territory and associated cost recovery. NJAWC's plan included the replacement of customer owned lead service line, including goosenecks and galvanized pipes as required by the LSL Law in conjunction with main replacement and relocation projects using NJAWC's prioritization model previously reviewed in prior filings with the Board, as well as through other means as the replacement program progresses over the next 10 years.

The Board retained jurisdiction over the matter and designated Commissioner Holden as the presiding Commissioner. Following discovery and settlement discussions, NJAWC, the New Jersey Division of Rate Counsel, the Optional Industrial Wholesale Customer Coalition, and Board Staff ("Staff") executed a stipulation of settlement, which resolved all issues related to the petition. As a result of the stipulation, there would be no immediate impact on customer rates.

Staff recommended that the Board adopt the stipulation.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Recused

6. RELIABILITY AND SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

A. Docket No. QO20080562 – In the Matter of a Memorandum of Understanding Between the Board and the New Jersey Economic Development Authority Regarding Funding for the Expansion of the Clean Energy Innovation Economy in New Jersey – Executive Session.

Jim Ferris, Deputy Director, Division of Clean Energy, presented this matter.

BACKGROUND: This matter was discussed in Executive Session and pertained to Memorandum of Understanding ("MOU"), between the New Jersey Board of Public Utilities ("Board") and the New Jersey Economic Development Authority ("EDA") to continue funding to support early-stage, New Jersey-based clean tech companies. The Board approved MOUs for funding clean tech programs in fiscal years 2021 and 2022. The MOU before the Board would enable an additional \$3,600,000.00 in funding for fiscal

year 2023 to continue and expand previous years' programs.

Board Staff ("Staff") recommended that the Board approve the fiscal year 2023 MOU with EDA for \$3,600,000.00 in funding for clean tech programs and authorize the President to execute it.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

B. Docket No. QO20080561 – In the Matter of a Memorandum of Understanding Between the Board and the New Jersey Economic Development Authority Regarding Funding for the Wind Innovation and New Development Institute – Executive Session.

Jim Ferris, Deputy Director, Division of Clean Energy, presented this matter.

BACKGROUND: This item was discussed in Executive Session and pertained to a Memorandum of Understanding ("MOU") between the New Jersey Board of Public Utilities ("Board") and the New Jersey Economic Development Authority ("EDA") to continue funding programs in education, research, innovation, and workforce training related to the development of offshore wind in New Jersey as a precursor to the establishment of the Wind Institute. The Board has approved MOUs for EDA offshore wind programs in fiscal years 2021 and 2022. The MOU before the Board would enable an additional \$10 million in funding for fiscal year 2023 to continue development and execution of offshore wind workforce and education programs and develop initiatives that spearhead research and innovation that unlock market potential and/or specifically address challenges facing New Jersey's offshore wind industry.

Board Staff ("Staff") recommended that the Board approve the fiscal year 2023 MOU with EDA for \$10 million in funding for offshore wind related programs and authorize the President to execute it.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

C. Docket No. QO22040234 – In the Matter of Energy Efficiency Evaluation Study Team – Executive Session.

Philip Chao, Division of Clean Energy, presented this matter.

BACKGROUND: This matter was discussed in Executive Session. On May 4, 2022, the Board approved the issuance of a Request for Quotation to engage an Evaluation Study Team (“EST”). The EST would conduct evaluation, measurement, and verification (“EM&V”) studies for energy efficiency (“EE”) programs. The Clean Energy Act of 2018 (“CEA”) set in motion a comprehensive redesign of EE programs in New Jersey. The CEA established an aggressive EE resource standard of at least 2 percent and 0.75 percent in annual energy reductions by customers of investor-owned electric and natural gas utility companies, respectively, in the prior three (3) years within five (5) years of implementation of the utilities’ EE and peak demand reduction programs. On June 10, 2020, the Board issued an order identifying changes to the EE programs to be implemented by the electric public utilities and gas public utilities in the State. The EE framework order also called for the establishment of an EM&V working group to develop recommendations for the Board’s consideration on a standard, transparent, and replicable approach to EM&V statewide. The working group has identified a suite of EM&V studies that are necessary to achieve the CEA’s EM&V requirements for the current three-year cycle, which was called Triennium 1 and whose programs run from July 1, 2021 to June 30, 2024 and also for Triennium 2 programs, which run from July 1, 2024 to June 30, 2027. For the first program year, 2022- 2023, Board Staff (“Staff”), based on recommendations from the working group, anticipated that the EST will conduct a Commercial and Industrial Baseline Study and a Heat Pumps for Electrification Study, impact and process evaluations of state owned programs and a net to gross study.

Staff sought to retain the EST through the end of Triennium 2 to execute future EM&V studies. Staff sought to procure the EST as part of a three-year contract with the option to extend by one (1) year. The evaluation team evaluated the bids received based on personnel management and technical experience, firm experience, and successfully completing contracts of similar size and scope and the ability to complete the scope of work based on the technical proposal.

Staff recommended that the Board approve the evaluation committee selection of the EE EST, subject to final treasury approval.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

D. Docket No. QO19010040 – In the Matter of the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs;

Docket No. EO20090621 – In the Matter of the Petition of Atlantic City Electric Company for Approval of an Energy Efficiency Program, Cost Recovery Mechanism, and Other Related Relief for Plan Years One Through Three;

Docket No. GO20090619 – In the Matter of the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program;

Docket No. EO20090620 – In the Matter of the Verified Petition of Jersey Central Power & Light Company for Approval of JCP&L’s Energy Efficiency and Conservation Plan Including Energy Efficiency and Peak Demand Reduction Programs (JCP&L EE&C);

Docket No. GO20090622 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq.;

Docket Nos. GO18101112 and EO18101113 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future-Energy Efficiency (“CEF-EE”) Program on a Regulated Basis;

Docket No. EO20090623 – In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs; and

Docket No. GO20090618 – In the Matter of the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act.

Stacy Richardson, Deputy Director, Division of Clean Energy, presented this matter.

BACKGROUND: New Jersey is in the second year of the first three-year program cycle, also referred to as Triennium 1, of energy efficiency (“EE”) programs established pursuant to the EE provisions of the Clean Energy Act of 2018 (“CEA”). Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) offered the following recommended updates to the framework for Triennium 1 based on experiences gained by Staff, the statewide evaluator, the Evaluation, Measurement and Verification (“EM&V”) Working Group, the utilities, and New Jersey Division of Rate Counsel (“Rate Counsel”) in the first two (2) years (Program Year 2022, which is July 1, 2021 to June 30, 2022, and Program Year 2023, which began on July 1, 2022 and runs through June 30, 2023).

In the Board’s Order dated June 10, 2020, the Board approved seven (7) metrics by which utility performance is evaluated and directed the utilities to track and report on all seven (7) metrics starting in Program Year 2022. Among these metrics was low-income lifetime savings. Staff recommended that the metric be revised to be low and moderate income

lifetime savings to align better with how the utilities are implementing their programs based on income eligibility. Second, in the June 2020 Order, the Board adopted Staff's recommendations related to requiring the utilities to propose megawatt bid target reduction values for use in registration and bidding into the PJM Base Residual Auction ("BRA") and subsequent incremental auctions beginning with Program Year 2023 and the 2024/2025 BRA. Staff worked with the utilities and Rate Counsel to develop recommendations to clarify and update the EE as a resource requirement, including directing the electric utilities to offer into the forward capacity market PJM eligible EE measures and reasonable peak reduction values for project measures that they have led beginning with Program Year 2023 with the option to also offer Program Year 2022 PJM eligible resources.

The third area of recommendations pertained to developments in the EM&V Working Group as facilitated by the Statewide Evaluator. The EM&V Working Group established a Technical Reference Manual ("TRM") Committee and the New Jersey Cost Test Committee to focus on those respective areas of work. These committees include members of the EM&V Working Group, with additional members representing the Board, the Statewide Evaluator, Rate Counsel, and utilities as needed. Staff recommended that the Board ratify the establishment of the TRM Committee and the New Jersey Cost Test Committee.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

E. Docket No. QO19010040 – In the Matter of the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; and

Docket No. QO20100684 – In the Matter of Butler Power and Light Company Establishing Energy Efficiency and Peak Demand Reduction Programs.

Stacy Richardson, Deputy Director, Division of Clean Energy, presented this matter.

BACKGROUND: The New Jersey Board of Public Utilities ("Board") approved an energy efficiency ("EE") transition framework for EE programs implemented pursuant to the Clean Energy Act of 2018 ("CEA") through an order dated June 10, 2020 including requirements for the utilities to establish programs that reduce the use of electricity and natural gas in their territories. Butler Power and Light Company ("Butler Electric") is a municipal electric utility in Morris County owned and operated by the Borough of Butler and serves residential and commercial customers in the Boroughs of Butler, Bloomingdale, and Kinnelon and partially services the Township of West Milford and the Borough of Riverdale. Given the size of Butler Electric relative to the investor-owned utilities, Board Staff ("Staff") recommended the Board not require and not impose the same requirements on Butler Electric as applied to the other utilities at the same scale, on the same timeline, and according to the same requirements. Staff recommended consideration of

partnerships that would provide Butler Electric customers equitable access while limiting the administrative burden for Butler Electric. On November 8, 2021, the investor-owned electric and gas utilities filed a joint letter petition with the Board requesting approval to implement a proposed joint utility solution to the budget constraints overlapping utility service territories experienced during the first Triennium. On August 17, 2022, the Board approved a stipulation of settlement, which resolved the utilities' requests related to the petition. In the meantime, Butler Electric continued to collaborate with Staff, the New Jersey Division of Rate Counsel, and the utilities to develop a proposal to deliver EE programs to their customers through June 30, 2024. On September 20, 2022, Public Service Electric and Gas Company ("PSE&G") submitted a petition to extend its current Clean Energy Future- EE programs through June 30, 2024 and to offer PSE&G's electric CEF-EE programs to PSE&G gas customers who are also Butler Electric customers. On September 29, 2022, Butler Electric submitted a request for the Board to find that PSE&G's petition satisfies the Board's requirement that Butler Electric submit a proposal to deliver EE programs to Butler customers for approval by the Board.

Staff recommended that the Board approve Butler Electric's request.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

F. Docket No. QO22080485 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Energy Efficiency Incentives Exceeding \$500,000 – Watchung Hills Regional High School Board of Education.

Dustin Wang, Division of Clean Energy, presented this matter.

BACKGROUND: The Watchung Hills Regional High School Board of Education submitted an application under the Pay For Performance, Existing Buildings Program requesting approval from the New Jersey Board of Public Utilities ("Board") of a financial incentive of \$534,576.02 for the installation of energy efficiency measures of the Watchung Hills Regional High School in Warren, New Jersey. The proposed project had a total cost of \$4,569,057.13. The application would cover interior and exterior lighting retrofits, insulation, air sealing, weather stripping, a high efficiency air-cooled chiller, high efficiency rooftop units, high efficiency motors installed with variable frequency drives, and building management upgrades for ventilation control. Annually, the project would conserve 1,012,594 kilowatt hours of electricity and 20,068 therm of natural gas. The project will also reduce peak demand by an anticipated 405 kilowatts per year. The proposed project would provide estimated annual energy cost savings of \$136,592.00.

Board Staff ("Staff") recommended approval of the application for the total estimated incentive amount.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

G. Docket No. QO22080507 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Energy Efficiency Incentives Exceeding \$500,000 – The Goldman Sachs Group, Inc.

Dustin Wang, Division of Clean Energy Energy, presented this matter.

BACKGROUND: The Goldman Sachs Group, Incorporated submitted an application under the Large Energy Users Program requesting approval from the New Jersey Board of Public Utilities (“Board”) of a financial incentive of \$539,208.78 for energy efficiency (“EE”) upgrades at three (3) offices in New Jersey. The proposed project had a total cost of \$761,010.00. The application would cover EE upgrades at offices in Jersey City, Bridgewater, and Carteret. The Jersey City office would install new controls for the existing electric resistance heaters in eight (8) emergency generator enclosures on the 11th and 12th floors, install heat pumps to replace these heaters, and replace existing compressors for kitchen and cafeteria coolers and freezers with new digital scroll compressors. The Bridgewater office would install new controls for existing electric resistance heaters in eight exterior emergency generator enclosures. The Carteret office would convert its parallel water-side economizer to an integrated economizer in one (1) of chiller plants, install new controls for the existing electric resistance heaters in five exterior emergency generator enclosures, and install heat pumps to replace the electric resistance heaters as the primary heating source for eight indoor emergency generator enclosures, with the existing resistance heaters retained as backup source of heating. Annually, the project would conserve 1,633,966 kilowatt hours of electricity and reduce peak demand by an anticipated 183 kilowatts. The proposed project had an estimated annual energy cost savings of \$165,606.49.

Board Staff (“Staff”) recommend approval of the application for the total estimated incentive amount.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

H. Docket No. QO22080478 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Energy Efficiency Incentives Exceeding \$500,000 – Verizon New Jersey Inc.

Dustin Wang, Division of Clean Energy, presented this matter.

BACKGROUND: Verizon New Jersey Inc. (“Verizon”) submitted an application under the Large Energy Users Program requesting approval from the New Jersey Board of Public Utilities (“Board”) of a financial incentive of \$1,190,667.53 for chiller plant optimization and lighting replacements at 17 telecommunications facilities throughout New Jersey. The proposed project had a total cost of \$1,862,716.00. For one (1) facility, the application would cover the installation of variable frequency drives to the existing primary chilled water and condenser water pumps and upgrading the existing building management system with additional software to control the pumps in conjunction with the chillers and cooler towers. For the remaining 16 facilities, the application would cover the replacement of existing fluorescent, metal halide, and CFL fixtures with new, lower wattage LED fixtures. Annually, the project would conserve 3,608,083 kilowatt-hours of electricity and reduce peak demand by an anticipated 263.92 kilowatts. The proposed project had an estimated annual energy cost savings of \$409,454.82, as well as operational and maintenance savings of \$85,107.40.

Board Staff (“Staff”) recommended approval of the application for the total estimated incentive amount.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

I. Docket No. QW22030128 – In the Matter of a Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169;

Docket No. QO22090550 – In the Matter of the Verified Petition of Nicole Buck for Approval of a Waiver of the Requirement to Submit a Complete ADI Program Registration Package and Receive a Notice of Conditional Registration Prior to Beginning Construction on the Facility;

Docket No. QO22090552 – In the Matter of the Verified Petition of Rosalind Edman for Approval of a Waiver of the Requirement to Submit a Complete ADI Program Registration Package and Receive a Notice of Conditional Registration Prior to Beginning Construction on the Facility;

Docket No. QO22090560 – In the Matter of the Verified Petition of Freedom Forever New Jersey, LLC for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 4 Farview Road, Tenafly, NJ 07670;

Docket No. QO22090559 – In the Matter of Request for Determination of Eligibility in the Administratively Determined Incentive Program – David Guidarini;

Docket No. QO22080476 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program – Alexandra and Christian Hansis;

Docket No. QO22080508 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program Brian Henderson NJSTRE1546362567;

Docket No. QO22080541 – In the Matter of Dakshesh Patel Request for Inclusion into the Solar Renewable Energy Certificate (SREC) Program NJSRRE1544621473;

Docket No. QO22090570 – In the Matter of the Clean Energy Petition to BPU for ADI Registration NJADRE1548091176;

Docket No. QO22070457 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program Sean and Karen Lewis NJADRE1549659052;

Docket No. QO22080495 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program Marc Stahl NJADRE1549516539;

Docket No. QO22070456 – In the Matter of Request for Determination in the Administratively Determined Incentive Program – Christine Stevens;

Docket No. QO22070470 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program Vito Chiarella NJADRE1549664568;

Docket No. QO22090569 – In the Matter of the Request for Waiver of N.J.A.C. 14:8-11.5(k) in the Administratively Determined Incentive Program – Amando and Rachel Guerrero NJADRE1547927009;

Docket No. QO22090563 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 1609 Osprey Court, Point Pleasant Boro, New Jersey 08742;

Docket No. QO22050348 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive

Program Rules with Respect to the Solar Facility located at 769 Baltic Drive, Brick Township, New Jersey, 08723 – David Loffredo NJADRE1548227167;

Docket No. QO22050345 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 113 Shire Drive, Sewell, New Jersey 08080 – Yasmael Almanzar NJADRE1547723339;

Docket No. QO22040312 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 10 Mapletree Road, Toms River, New Jersey 08753 – NJADRE1548197963 Joseph Montalban, Jr.;

Docket No. QO22040311 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 22 Mountain Top Terrace, Woodland Park, New Jersey 07424 – NJADRE1547872981 Frankie Chow;

Docket No. QO22040314 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 332 Emberly Road, Brick Township, New Jersey 08723 – NJADRE1547937537 Sharon Donnelly;

Docket No. QO22040313 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 127 Magnolia Drive, Pennsville, New Jersey 08070 – NJADRE1547960424 Harry Smith;

Docket No. QO22040294 – In the Matter of Request for Determination of Eligibility in the Administratively Determined Incentive Program – Jeffrey Crawford;

Docket No. QO22040293 – In the Matter of Request for Determination of Eligibility in the Administratively Determined Incentive Program – Edward Mick;

Docket No. QO22090604 – In the Matter of the Verified Petition of Walter Winkler for Approval of a Waiver of the Requirement to Submit a Complete ADI Program Registration Prior to Beginning Construction on the Facility – NJADRE1549776133;

Docket No. QO22090607 – In the Matter of the Verified Petition of Trinity Solar Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 71 Kohlmeyer Drive, Pennsauken, New Jersey 08110;

Docket No. QO22090608 – In the Matter of Successor Solar Incentive Program Pursuant to P.L. 2021, c. 169 Request for Determination of Eligibility in the Administratively Determined Incentive Program – Maya Ollson; and

Docket No. QO22090614 – In the Matter of the Verified Petition of Trinity Solar, Inc. for Approval of a Waiver of the Administratively Determined Incentive Program Rules with Respect to the Solar Facility located at 1454 Division Avenue, Piscataway, NJ 08854 NJADRE1548367818.

Scott Hunter, Division of Clean Energy, presented this matter.

BACKGROUND: This item related to the Administratively Determined Incentive (“ADI”) Program and the petitions of 26 residential solar owners for waivers of one of three provisions of the ADI rules. The petitioners sought a waiver of one of the two requirements within the administrative code Title 14, Chapter 8, Subchapter 11.4(b) or a waiver of the rule in the New Jersey Administrative Code (“Administrative Code”) in Title 14, Chapter 14, Subchapter 11.5(k). The New Jersey Board of Public Utilities (“Board”) received seven (7) petitions for residential solar owners whose projects had commenced commercial operations prior to the opening of the ADI registration portal. The Board also received seven (7) petitions from residential solar owners who commenced construction prior to receiving a notice of conditional registration in the ADI Program; and 12 residential solar owners, or the installer on their behalf, submitted petitions for a waiver of the rule which prohibits installing the solar electric generation facility which exceeds the capacity contained in the initial registration by 10 percent or 25 kilowatts, whichever is smaller. The rule prohibitions against commencing commercial operations prior to the opening of the program and against starting construction prior to receiving notice of conditional registration are designed to ensure that solar incentives go only to projects that need incentives. Additionally, these provisions, as well as the rule limiting an increase in system size after initial registration were designed to clearly establish incentive eligibility and register capacity of projects, which is particularly important prior to the impending closure of a market segment in the ADI Program when a megawatt block approaches full subscription.

Board Staff (“Staff”) had four (4) recommendations to address the 26 petitions that sought a waiver of the ADI rules. First, with respect to the seven (7) projects that were constructed before receiving notice of conditional registration, Staff recommended that the Board waive the prohibition against commencing construction prior to the receipt of the ADI Program notice of conditional registration. Second, with respect to the seven (7) petitions where projects commenced commercial operations before the opening of the ADI registration portal, Staff recommended that the Board find good cause to grant the petitions waiving the rule and stipulating that the qualification life and the start date for Solar Renewal Energy Certificate II creation for each of these projects begins on August 28, 2021, which is the date that the program started. Third, with respect to the 12 projects that installed system capacities that exceeded their initial registration amounts by more than 10 percent, Staff recommended that the Board waive the relevant rule provision and allow their certification of the fully installed capacity. Finally, Staff recommended that the Board direct Staff to monitor the incidence of projects installing systems exceeding the 10 percent limit on system size increases, report back to the Board with findings and recommendations on the rule’s effectiveness, and advise market participants that this waiver of the Administrative Code, Title 14, Chapter 8, Subchapter 11.5(k) for these petitions should not be presumed to reflect the Board’s position on future petitions.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

J. Docket No. EO20110730 – In the Matter of the Petition of Rockland Electric Company for Approval of an Electric Vehicle Program, Establishment of an Electric Vehicle Surcharge, and for Other Relief (RECO EV).

Cathleen Lewis, Division of Clean Energy and Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On November 23, 2020, Rockland Electric Company (“RECO”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of its electric vehicle (“EV”) program. The parties executed a stipulation wherein the parties agreed that the RECO’s EV program would consist of four (4) individual subprograms with a total budget of up to \$7.6 million. The incentives for make ready only account for \$5.8 million of the budget including up to 1,448 level two residential chargers, up to 413 level two commercial chargers, and up to 30 fast commercial fast chargers. The program would also include demand charge solution, which would include a declining demand charge rebate. RECO’s EV programs, as detailed in the stipulation, contained a variety of offerings, including residential and multiunit dwelling, workplace, and public charging. RECO’s EV program as revised in the stipulation aligns with the policy initiatives of the Board and the EV law. All EV related program investments would be deferred and placed in a regulatory asset to earn a rate of return at RECO’s most recently approved weighted average cost of capital, which would be reviewed for prudence in a future base rate case. Incremental EV program related operation and maintenance expenses would be deferred in a separate regulatory asset at the prior month’s two-year treasury rate, plus 60 basis points, which would be reviewed for prudence in a future base rate case. All costs incurred in connection with the program remain subject to a prudence review in RECO’s next base rate case.

The stipulation included residential time of use rate options, a rate parity solution for multiunit dwellings, and demand charge rebate program. RECO would submit a filing to the Board for a managed charging program that is aimed at developing customer off-peak charging behavior with a budget by December 31, 2022. As a result of the stipulation, there would be no immediate impact on a residential customer’s bill. Any changes in rates related to the costs of the program would be addressed in a future RECO base rate case proceeding.

Board Staff (“Staff”) recommended that the Board adopt the stipulation in its entirety and incorporate its terms and conditions as been fully stated in the Board order, ratify the decisions made by Commissioner Gordon during the pendency of the proceeding, and order RECO to file revised tariff sheets conforming to the terms of the stipulation prior to October 31, 2022.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

9. MISCELLANEOUS

There were no items in this category.

There being no further business before the Board, the meeting was adjourned.



SHERRIL L. GOLDEN
BOARD SECRETARY

Date: September 18, 2023