



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE COMPREHENSIVE)	ORDER ESTABLISHING
ENERGY EFFICIENCY AND RENEWABLE)	PROCEDURAL SCHEDULE
ENERGY RESOURCE ANALYSIS FOR THE)	ISSUES TO BE ADDRESSED
2014 THROUGH 2017 CLEAN ENERGY)	
PROGRAM)	DOCKET NO. EO11050324V

Parties of Record:

Joe Gennello, Honeywell Utility Solutions
Diane Zukas, TRC Energy Services
Michael Ambrosio, Applied Energy Group
Lawrence Sweeney, Jersey Central Power & Light
Timothy White, Atlantic City Electric
Scott Markwood, Orange & Rockland Utilities
Bruce Grossman, South Jersey Gas Company
Susan Ringhoff, Public Service Electric & Gas Company
Tracey Thayer, New Jersey Natural Gas
Mary Patricia Keefe, Elizabethtown Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (EDECA or the Act) was signed into law. The Act established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge (SBC), at N.J.S.A. 48:3-60a(3). EDECA further directed the Board of Public Utilities (Board) to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs currently referred to as the comprehensive energy efficiency and renewable energy resource analysis. After notice, opportunity for public comment, public hearing, and consultation with the New Jersey Department of Environmental Protection (NJDEP), within eight months of initiating the proceeding and every four years thereafter, the Board would determine the appropriate level of funding for energy efficiency and Class I renewable energy programs (now called New Jersey's Clean Energy Program) that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999.

As required by the Act, in 1999 the Board initiated its first comprehensive Energy Efficiency ("EE") and Renewable Energy ("RE") resource analysis ("CRA") proceeding. At the conclusion of this proceeding, the Board issued its initial Order, dated March 9, 2001, Docket Nos. EX99050347 et al. (March 9th Order). The March 9th Order set funding levels for the years 2001 through 2003, established the programs to be funded and budgets for those programs. By Order dated July 27, 2004, Docket No. EX03110945 et al., the Board set the funding level for 2004 and established the programs to be funded and budgets for those programs.

By Order dated December 23, 2004, Docket No. EX04040276 (December 23, 2004 Order), the Board concluded its second CRA proceeding, set funding levels for the years 2005 through 2008, and approved 2005 programs and budgets. The Board approved funding levels of \$140 million (M) for 2005, \$165 M for 2006, \$205 M for 2007 and \$235 M for 2008.

On August 19, 2005, the New Jersey Department of the Treasury, Division of Purchase and Property (Treasury) issued, on behalf of the Board, Request for Proposal 06-X-38052 for NJCEP Management Services. Honeywell International, Inc. (Honeywell) was selected as the Market Manager for residential EE and RE programs and TRC Energy Services (TRC) was selected as the Market Manager for commercial and industrial EE programs. On October 19, 2006, Treasury issued a contract to Honeywell and to TRC to provide program management services.

On March 20, 2007, Treasury issued, on behalf of the Board, Request for Proposal.07-X-38468 for NJCEP Program Coordinator Services. Applied Energy Group was selected to provide program coordinator services and a contract for these services was issued by Treasury on July 10, 2007.

By Order dated September 30, 2008, Docket No. EO07030203, the Board concluded its third CRA proceeding, set funding levels for the years 2009 through 2012. The Board approved funding levels of \$235 million (M) for 2009, \$269M for 2010, \$319.5M for 2011, and \$379.25M for 2012.

As a result of the requirements in EDECA and the aforementioned Orders, the Board in its October 7, 2011 Order Docket No. EO11050324V (October 2011 Order), directed Office of Clean Energy (OCE) staff to initiate a fourth proceeding and to establish public hearings on program funding and funding allocations for the comprehensive energy efficiency and renewable energy resource analysis programs for years of 2013-2016. (CRA IV). The energy goals and issues identified in the October 7, 2011 Order are incorporated by reference as if fully set forth herein.

On December 6, 2011 Governor Christie's New Jersey Energy Master Plan (EMP) was approved. The EMP adopted the following overarching goals:

1. Drive down the cost of energy for all customers;
2. Promote a diverse portfolio of new, clean, in-State generation;
3. Reward energy efficiency and energy conservation and reduce peak demand;
4. Capitalize on emerging technologies for transportation and power production; and
5. Maintain support for the renewable energy portfolio standard of 22.5% of energy from renewable sources by 2021.

As stated in the October 2011 Order the CRA IV funding levels will support and implement the goals and strategies of the 2011 EMP. In summary, the energy efficiency and renewable energy EMP goals are to:

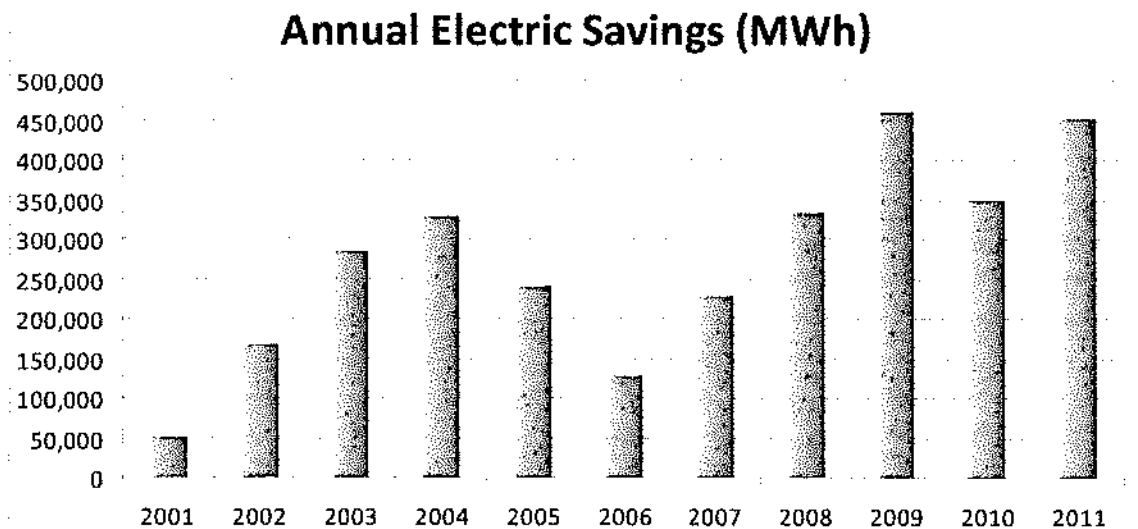
- Reduce electric consumption by 2020 to below 80,000 GWh (approximately 17% reduction);
- Produce 22.5% of electricity demand through renewable resources by 2020;
- 3,624 MW of demand response (DR) – 17% reduction; and
- 1,500 MW of combined heat and power (CHP).

The Board engaged Rutgers Center for Energy, Economic, and Environmental Policy (CEEPP) to perform a cost benefit analysis (CBA), preparation of a multi-year evaluation plan, and management of other evaluation activities performed by third party contractors of the Clean Energy Program. CEEPP performed EE and RE Market Potential Evaluations and a 2009 through 2012 CBA. The EE and RE Market Potential studies and the CBAs are available on the NJCEP website and are part of the overall Funding Level analysis.

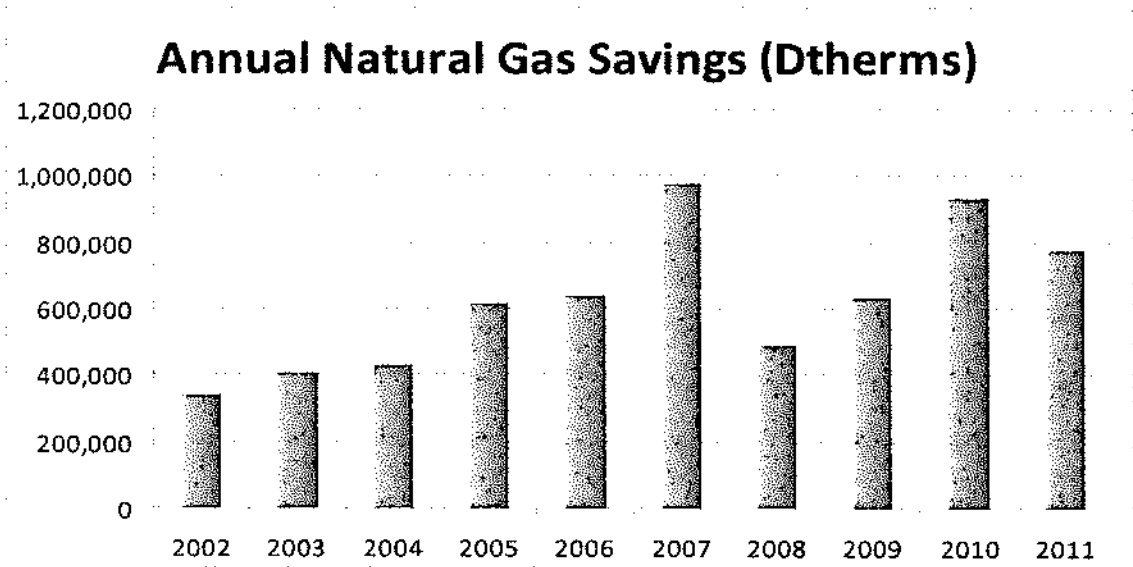
Energy Savings: 2001-2011

Since the establishment of the NJCEP, and as a means of tracking progress toward the goals established in 2004, a close record of energy savings and renewable energy generation has been kept. The following charts display the results of the Clean Energy Program over the years 2001 through 2011. During 2003-2007 when the NJCEP administrative functions were transitioning from the utilities to the Board, the number of program participants and related energy savings declined. The decline highlights the importance of effectively managing the transition to any new administrative model to avoid a significant drop off in program results.

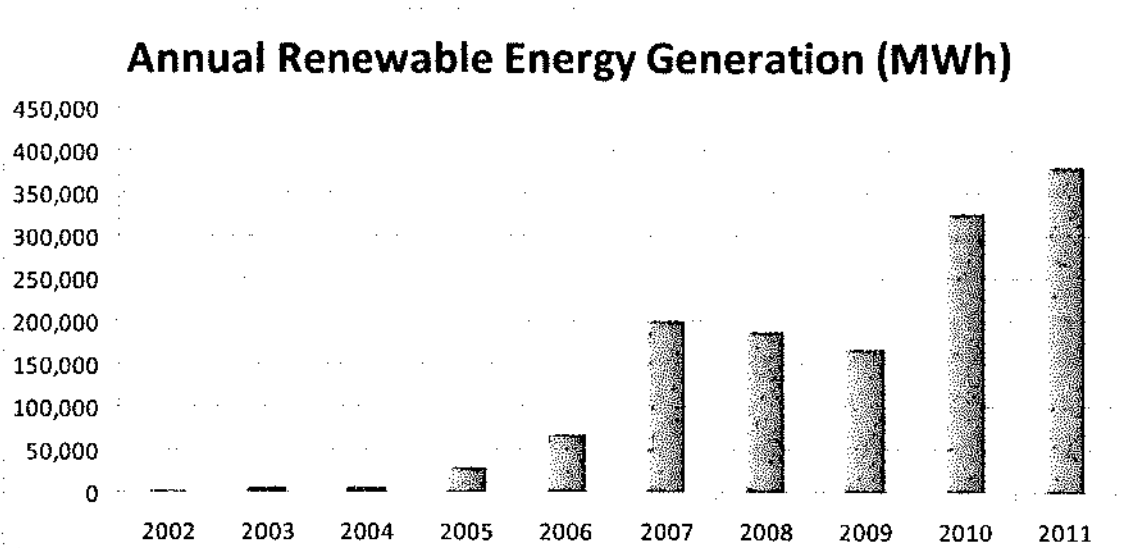
With regard to electricity saved:



With regard to natural gas saved:

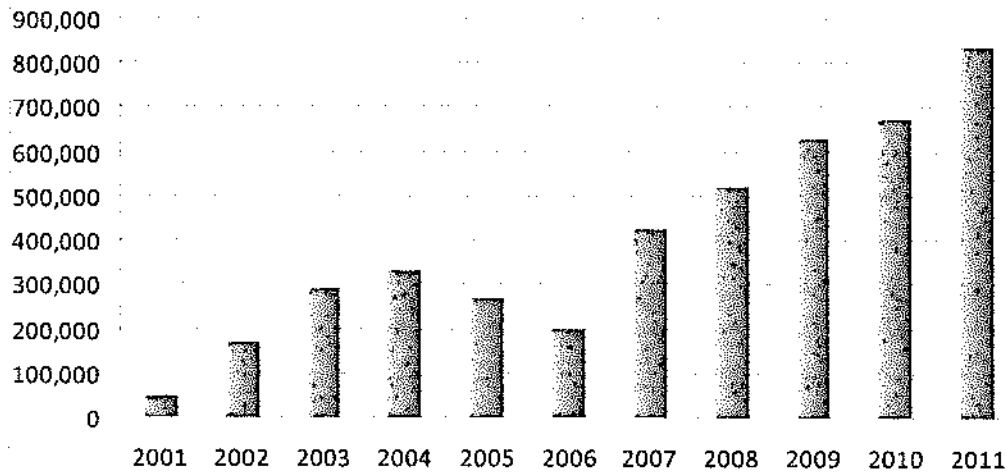


With regard to the renewable energy generated:



With regard to both electricity saved and clean energy generation:

EE Savings + RE Generation



Since 2001 NJCEP has achieved the following annual and cumulative lifetime savings or renewable energy generation. The following chart presents the average annual savings/generations as well as the maximum and minimum annual savings/generation:

2001 through 2011 Clean Energy Program Results

	Electric Savings	Natural Gas Savings	Renewable Energy Capacity	Renewable Energy Generation
	MWh	Dtherms	kW	MWh
2001 – 2011	3,031,942	6,506,447	647,382	1,298,400
Annual Average	275,631	591,495	58,852	118,036
Maximum	462,162	979,662	318,387	382,066
Minimum	50,683	243,146	8	11
Cumulative Lifetime 2001 -2011	34,900,301	111,761,215	647,382	18,048,279

The above savings have been delivered by the following participants in the energy efficiency and renewable energy programs:

NJCEP Participants¹

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	total
Residential EE ²	23,388	28,873	55,109	50,227	50,227	41,498	43,375	70,073	68,797	144,260	188,350	774,689
Low Income C&I EE	5,848	5,937	6,661	6,706	6,403	8,552	8,484	7,239	7,779	6,814	7,054	77,477
Renewable Energy ³	6	46	58	284	496	1,005	838	1,852	875	2,439	6,127	14,046
Total	30,892	44,019	66,037	73,562	59,513	53,149	53,837	80,565	79,414	156,649	205,141	901,105

1 - Number of NJCEP rebates or grants issued to NJ electric and natural gas customers

2 -- Does not include CFL but does include Energy Star Product rebates

3 -- Does not include Clean Power Market program

NJCEP Fiscal Year and CRA IV Period

The October 2011 Order defined CRA IV as NJCEP calendar years (CY) 2013-2016. Since then, however, the Board determined that it is prudent to align the NJCEP CY with the State fiscal year (FY). The State fiscal year operates July 1st through June 30th. To make this shift, the Board has extended the 2012 funding levels until June 30, 2013, as amended by Supplemental Appropriations Act, P.L. 2012 c.12 and the State Appropriations Act for FY 2013. The six-month period running from January 1, 2013, through June 30, 2013, is now called the NJCEP FY 2013. The NJCEP FY 2014 will begin on July 1, 2013 and expire on June 30, 2014, and so on. CRA IV will run from July 1, 2013 through June 30, 2017, and will cover NJCEP FY 2014-2017.

See the Board's November, 16, 2012 Order Docket Nos.EO07030203 and EO11100631V Revised 2012 Programs and Budgets; and Initial 2013 Programs and Budgets, for a full description of how the 2012 Supplemental Appropriations Act and the 2013 Appropriations Act impacted the NJCEP for CY 2012 and NJCEP FY 2013.

Request for Public Comments

In its October 2011 Order, the Board requested comments on a number of issues that may impact NJCEP funding levels and programs for CRA IV. As stated above, the funding level timeframe as set forth in the October 2011 Order is now defined as 2014 through 2017. Likewise, the annual NJCEP budget year will follow the State's FY from July 1st to June 30th.

Interested parties were directed to comment on any issue related to this proceeding, but to also consider the issues noted in the Order. The Board encouraged any party with interest in the issues in the October 7, 2011 Order to provide their input.

Anyone wishing to provide comments should submit comments by e-mail to publiccomments2njcleanenergy.com with the subject heading "2014 – 2017 Funding Allocation for CEP" or in hard copy to:

Michael Winka
NJBPU - Office of Clean Energy
P.O. Box 350
Trenton, NJ 08625-0350
Subject: 2014 – 2017 Funding Allocation for CEP

Comments may be submitted up through and including the last Public Hearing date listed below. All submitted comments will be posted on the NJCEP and NJBPU website. Reply comments can be presented at the hearing or to the same above address prior to the hearing. All written comments should be provided in a Word document format to help facilitate postings to the website.

As directed in the October 2011 Order, Staff has developed an initial straw proposal for the 2014 through 2017 funding levels; allocations of funding levels for EE, and RE; and rate, and bill impacts. On August 22, 2012 Staff's 2014 through 2017 funding level straw proposal was distributed via the NJCEP EE and RE Committee list serves as well as posted on the NJCEP and NJBPU websites. The comment period was open through and including October 22, 2012. Staff is reviewing the comments and based on the evaluation will, if necessary, issue a revised final straw proposal for the 2014 through 2017 funding levels.

In accordance with the foregoing, the Board **HEREBY DESIGNATES** President Hanna as the Hearing Officer to oversee the CRA hearing proceedings and modify the procedural schedule as necessary. The Board **HEREBY ADOPTS** the following procedural schedule:


December 3, 2012	Issue the final staff straw proposal for the 2014 through 2017 funding levels.
January 14, 2013	Hearing on Funding Levels and Allocation for Clean Energy Programs for the years 2014 – 2017 44 S. Clinton Ave Trenton, NJ 08625-0350, 1 st floor Merit System Conference Room, 1:00 PM.


The Board **HEREBY AUTHORIZES** Staff to cause a public notice of these hearings to be posted on the NJCEP and NJBPU website, distributed widely and published in newspapers of wide circulation. The Board **DIRECTS** Staff to post any changes to the above schedule on the NJBPU website and on the Clean Energy Program website.


DATED: 11/20/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

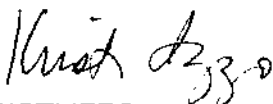

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

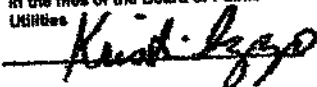

NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
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ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



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