



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 Board of Public Utilities was held on April 18, 2019, at the State House Annex, Committee Room 6, 125 West State Street, Trenton, New Jersey 08625.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press
Atlantic City Press
Burlington County Times
Courier Post (Camden)
Home News Tribune (New Brunswick)
North Jersey Herald and News (Passaic)
The Record (Hackensack)
The Star Ledger (Newark)
The Trenton Times

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

Joseph L. Fiordaliso, President
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner
Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on May 8, 2019 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

CONSENT AGENDA

I. AUDITS

A. Energy Agent and/or Energy Consultant Initial Registrations

EE19030298L	KOBIONA, LLC	I – EA
EE19030294L	ENERGYWATCH, LLC	I – EA/EC
GE19030295L		

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

EE19020245L	Consumer Sales Solutions, LLC	R – EA
EE19020206L	Electric Choice, Inc.	R – EA
EE19030299L	John Orr d/b/a Energy Management Services	R – EA
EE19020244L	Tobelmann Energy Brokers, Inc.	R – EA
EE19010057L	New Energy Concepts, LLC	R – EA/PA
GE19010058L		
EE19020228L	Affiliated Power Purchasers Int’l, LLC	R – EA/PA
GE19020229L	d/b/a APPI; APPI Energy	
EE19030322L	Electric Advisors, Inc.	R – EA/PA
GE19030323L		
EE19010052L	Choice! Energy Services Retail, LP	R – EA/PA/EC
GE19010053L	d/b/a Choice Energy Services	
EE19020273L	Global Energy, LLC	R – EA/PA/EC
GE19020274L	d/b/a Global Energy Electric and Gas	
EE19010064L	Luthin Associates, Inc.	R – EA/EC
GE19010065L		
EE19020269L	Advisors Energy Group, LLC	R – EA/EC
GE19020270L		
EE19030300L	Long Distance Consultants, LLC	R – EA/EC
GE19030301L	d/b/a LD Energy	

Electric Power and/or Natural Gas Supplier Initial Licenses

GE17111211L	United Metro Energy Services Corp.	I – GSL
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Electric Power and/or Natural Gas Supplier Renewal Licenses

EE18080946L	MidAmerican Energy Services, LLC	R – ESL
EE19020268L	Power Up Energy, LLC	R – ESL
EE17111209L	Liberty Power Holdings, LLC	R – ESL
EE19020249L	Morgan Stanley Services Group, Inc.	R – ESL
EE19010073L	Eligo Energy NJ, LLC	R – EGSL
GE19010072L		
EE19030297L	Interstate Gas Supply, Inc.	R - EGSL
GE19030296L	d/b/a IGS Energy	
GE19010120L	LPC Gas, LLC	R – GSL

BACKGROUND: The Board must register all energy agents and consultants, and the Board must license all third party electric power suppliers and gas suppliers. An electric power supplier, gas supplier, or clean power marketer license shall be valid for one year from the date of issue, except where a licensee has submitted a complete renewal application at least 30 days before the expiration of the existing license, in which case the existing license shall not expire until a decision has been reached upon the renewal application. An energy agent, private aggregator or energy consultant registration shall be valid for one year from the date

of issue. Annually thereafter, licensed electric power suppliers, gas suppliers, and clean power marketers, as well as energy agents, private aggregators and energy consultants, are required to renew timely their licenses in order to continue to do business in New Jersey.

Staff recommended that the following applicant be issued initial registrations as an energy agent, private aggregator and/or energy consultant for one year:

- Kobiona, LLC
- ENERGYWATCH, LLC

Staff also recommended that the following applicants be issued renewal registrations as an energy agent and/or energy consultant for one year:

- Consumer Sales Solutions, LLC
- Electric Choice, Inc.
- John Orr d/b/a Energy Management Services
- Tobelmann Energy Brokers, Inc.
- New Energy Concepts, LLC
- Affiliated Power Purchasers Int'l, LLC d/b/a APPI; APPI Energy
- Electric Advisors, Inc.
- Choice! Energy Services Retail, LP d/b/a Choice Energy Services
- Global Energy, LLC d/b/a Global Energy Electric & Gas
- Luthin Associates, Inc.
- Advisors Energy Group, LLC
- Long Distance Consultants, LLC d/b/a LD Energy

Staff further recommended that the following applicants be issued initial license as an electric power and/or natural gas supplier for one year:

- United Metro Energy Services, Corp.

Finally, Staff recommended that the following applicants be issued renewal licenses as an electric power and/or natural gas supplier for one year:

- MidAmerican Energy Services, LLC
- Power Up Energy, LLC
- Liberty Power Holdings, LLC
- Morgan Stanley Services Group, Inc.
- Eligo Energy NJ, LLC
- Interstate Gas Supply, Inc. d/b/a IGS Energy
- LPC Gas, LLC

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Docket No. TE19020196 – In the Matter of the Petition of ExteNet Asset Entity, LLC for Authorization to Provide Local Exchange and Interexchange Telecommunications Services in the State of New Jersey.

BACKGROUND: By letter dated February 7, 2019, ExteNet Asset Entity, LLC (Petitioner or EAE) filed a petition with the Board requesting authority to provide local exchange and interexchange telecommunications services throughout the State of New Jersey.

The Petitioner asserted that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey.

The Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

EAE stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. The Petitioner has submitted the professional biographies of its key personnel, who, they claim are well qualified to execute EAE's business plans and have extensive managerial and technical experience in the telecommunications industry.

The Petitioner stated that it has not been denied authority to provide telecommunications services; its authority has not been revoked in any jurisdiction; and it has not been subject of any civil or criminal proceedings.

EAE requested a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its financial books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated March 11, 2019, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Rate Counsel was satisfied that the verified petition met the regulatory requirements and is consistent with the public interest, convenience, and necessity. The Rate Counsel did not object to granting the waiver requests in connection with record-keeping by the Petitioner, and did not oppose the Petitioner's request to treat its financial information as confidential and placed under seal. Accordingly, the Rate Counsel did not oppose a grant of authority or approval of the Petitioner's request to provide local exchange and interexchange telecommunications services throughout the State of New Jersey.

Staff recommended that the Board grant the Petitioner authority to provide local exchange and interexchange telecommunications services throughout the State of New Jersey. Staff's recommendation does not pertain to Non-CLEC Services. Staff also recommended that the Board approve the request for waivers from its requirements that the Petitioner maintain its financial books and records in accordance with the USOA and within New Jersey.

Staff further recommended that the Board order EAE to provide the Board notice of its website link that contains the terms and conditions prior to commencing these services to end-users and notify the Board within 10 days from the date it begins providing such services to New Jersey customers.

DECISION: The Board adopted the recommendation of Staff as set forth above.

C. Non-Docketed Matter – In the Matter of Trenton Water Works Request for Extension of Time to File its 2018 Annual Report with the Board.

BACKGROUND: Pursuant to N.J.A.C. 14:3-6.3, every utility shall file with the Board, on or before March 31 of each year, an annual report summarizing its finances and operations for the preceding calendar year. A utility may file a request with the Board Secretary for an extension of up to 30 days for filing the annual report. Each additional 30-day extension, after the initial extension granted, requires the submission of a separate request for extension. Current policy requires the Board approval for an extension of time to file an annual report which extends the filing date by more than 30 days.

On March 27, 2019, the City of Trenton (the City), on behalf of Trenton Water Works, requested a three-month extension to file its annual report. The City alleged that it has an extreme shortage of personnel. With this extension, the annual report will be due on or before June 30, 2019.

Staff recommended that the Board waive the provision in N.J.A.C. 14:3-6.3, which requires that each 30-day extension be a separate submission. Staff recommended that the Board extend the deadline for three months until June 30, 2019.

DECISION: The Board adopted the recommendation of Staff as set forth above.

II. ENERGY

A. BPU Docket No. ER19010009 – In the Matter of (FERC) Items for 2019 – FERC Docket No. ER19-1251 PSEG Energy Resources and Trade LLC re: Requested Waiver.

BACKGROUND: This matter involved Staff, on behalf of the Board, filed a doc-less intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC) Rules of Practice and Procedure on March 15, 2019. The FERC e-filing rules allow for doc-less interventions, which serve to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the Board. If a substantive filing is necessary to advance Board policy, Staff will bring the matter to the Board’s regular agenda.

Staff recommended that the Board ratify this intervention.

DECISION: The Board adopted the recommendation of Staff as set forth above.

III. CABLE TELEVISION

There were no items in this category.

IV. TELECOMMUNICATIONS

A. Docket No. TF19020149 – In the Matter of BCM One, Inc. – Referred to as (BCM) Petition for Approval to Obtain Debt Financing.

BACKGROUND: BCM One is a corporation organized under the laws of the State of New York with its principal office located in New York, New York. BCM One, formerly known as McGraw Communications, Inc., was authorized to provide local exchange and interexchange telecommunications services. BCM One currently has one employee in New Jersey.

The Board previously approved a transfer of control petition and supplemental approval to obtain debt financing submitted by BCM One and BCM One Group Holdings, Inc. The debt financing approval was for an aggregate amount of \$105 million.

On February 5, 2019, BCM One filed a petition with the Board seeking approval and authority to obtain additional debt financing in the amount of \$50 million. Specifically, BCM One is wholly owned by BCM One Group Holdings, Inc., which will take on the additional indebtedness, the proceeds of which will be used to effect the acquisition of complementary entities engaged in similar business activities to BCM One. Should such complementary entities be regulated by the Board, approval of such acquisitions would be necessary and undertaken at a later time.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: The Board adopted the recommendation of Staff as set forth above.

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

A. BPU Docket No. WS19020163K et. al – In the Matter of Routine One Call Settlements Pursuant to N.J.S.A. 48:2-73 to -91

BACKGROUND: This matter involved settlements of alleged violations of the Underground Facility Protection Act (Act) by both excavators and operators of underground facilities. This matter does not contain settlements involving catastrophic situations, death or major property damage. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy seeks to establish appropriate disincentives for actions which violate the Act.

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations

involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 52 and total penalty of \$150,000.00.

Staff employed a single order to close multiple cases in order to create a more streamlined and effective enforcement process. Staff recommended that the Board approve all those cases in which offers of settlement and payment have been received.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. BPU Docket No. CS18060650K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 to -91 by Fullerton Landscape Architects.

BACKGROUND: This matter involved a settlement of an alleged violation of the Underground Facility Protection Act (Act) by an excavator. This matter does not include settlements involving catastrophic situations, death or major property damage. The infraction is for failure to provide proper notice. The case has been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy seeks to establish appropriate disincentives for actions which violate the Act.

The settlement for one case totaling \$3,000.00.

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

Staff recommended that the Board approve the settlement executed by the Company and the Board Staff.

DECISION: The Board adopted the recommendation of Staff as set forth above.

VII. CUSTOMER ASSISTANCE

A. BPU Docket No. EC17101069U and OAL PUC 04136-18 – In the Matter of Bernice T. Green v. Public Service Electric and Gas - Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Bernice Greene (Petitioner) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case.

Administrative Law Judge (ALJ) Gail M. Cookson filed an Initial Decision in this matter with the Board on March 20, 2019, approving the Stipulation of Settlement (Stipulation) of the Parties.

The Petitioner alleged that PSE&G incorrectly billed her account, and requested that the Board provide assistance in resolving this matter with the Company.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, PSE&G and the Petitioner agreed that the balance of \$10,664.97, be removed from her electric account ending in 706 and transferred to Lionel Greene PSE&G account ending in 8005. The remaining balance of \$1,770.42, as reflected in the October 2018 invoice is the responsibility of the Petitioner. The Petitioner entered into a six month deferred payment arrangement beginning with the November 2018 bill. The Petitioner agreed to pay her current gas and electric charges plus an additional \$228.00 for 5 consecutive months and the current bill plus \$230.42 on the sixth month.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Cookson. Staff recommended that the Board adopt the Initial Decision.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. BPU Docket No. EC18050493U and OAL PUC 08560-18 – In the Matter of LDR Equities, LLC v. Public Service Electric and Gas – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between LDR Equities, LLC (LDR) and Public Service Electric & Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Julio C. Morejon filed an Initial Decision in this matter with the Board on March 12, 2019, approving the Stipulation of Settlement (Stipulation) of the Parties.

LDR alleged that PSE&G incorrectly billed its account, and requested that the Board provide assistance in resolving this matter with the Company. In its petition, LDR stated that PSE&G refused to address what appeared to be excessive billing charges. LDR also stated that its bills are paid in full on the 15th of every month.

PSE&G, in its answer dated May 31, 2018, contended that services were supplied and billed in accordance with the terms and conditions and rate schedules set forth in its Board approved Tariff. The Company requested that the relief sought be denied on the basis that LDR failed to set forth a claim upon which relief may be granted.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, PSE&G agreed to credit LDR's account in the amount of \$5,353.00. LDR agreed to pay all bills rendered by PSE&G by the due date on the monthly bill.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Morejon. Staff recommended the Board adopt the Initial Decision.

DECISION: The Board adopted the recommendation of Staff as set forth above.

VIII. CLEAN ENERGY

A. Docket Nos. GO18101112 and EO18101113 – In the Matter of Petition of PSE&G for Approval of its Clean Energy Future-Energy Efficiency (CEF-EE) Program on a Regulated Basis – Motion for Reconsideration.

BACKGROUND: On March 8, 2019, Direct Energy, various affiliates, and several other energy efficiency market participants (collectively, the Market Participants) filed a motion for reconsideration of the Board’s February 27, 2019 Order which, among other actions, denied the Market Participants’ motion for intervention in I/M/O the Petition of Public Service Electric & Gas Company (PSE&G) for Approval of its Clean Energy Future-Energy Efficiency (CEF-EE) Program on a Regulated Basis.

On October 11, 2018, PSE&G filed its CEP-EE Petition with the Board, seeking approval to implement twenty-two sub-programs, including seven residential subprograms, seven commercial and industrial subprograms, and eight pilot subprograms (collectively, 2018 EE Programs) at a total cost of approximately \$2.8 billion. On November 16, 2018, Market Participants moved for intervention.

The Market Participants asked the Board to reconsider its denial of their motion for intervention. Market Participants contend that the Board failed to properly consider several cogent rationales for granting Market Participants the status and rights of parties to this proceeding: EDECA’s policy preference for competitive markets, the Market Participants’ “critical perspective” on the proposed energy efficiency programs, and the fact that the Keystone Energy Efficiency Alliance cannot adequately represent the interests or perspective of the Market Participants.

Staff recommended that the Board approve the issuance of a Secretary’s letter to the parties informing them of the Board’s decision to review and act upon the motion for reconsideration beyond the 60-day time limit.

DECISION: The Board adopted the recommendation of Staff as set forth above.

IX. MISCELLANEOUS

A. Approval of the Minutes for the March 13, 2019, Agenda Meeting.

BACKGROUND: Staff presented the minutes of March 13, 2019, and recommended that they be accepted.

DECISION: The Board adopted the recommendation of Staff as set forth above.

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

A. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. EL19-47 Independent Market Monitor for PJM v. PJM Interconnection, LLC.

Cynthia L. M. Holland, Esq., Director, Office of Federal and Regional Policy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff, on behalf of the Board, filed Comments with the Federal Energy Regulatory Commission in support of the Independent Market Monitor's (IMM's) Complaint. The Complaint alleged that the Market Seller Offer Cap (MSOC) in PJM's Capacity Market is unjustly and unreasonably inflated. The IMM's Complaint echoed many arguments previously made by the Board during the Capacity Performance Proceeding. Staff's Comments provide further support for the IMM's argument that the MSOC must be reduced. Staff asserted that the IMM's Complaint was not a collateral attack. Consistent with the Board's position, Staff argued that the IMM is within its rights and, in fact, the appropriate entity to file the Complaint. Staff recommended that the Board ratify the Comments.

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 Chivukula	Aye
	Commissioner Gordon	Aye

Stacy Peterson, Director, Division of Energy, presented these matters.

B. Docket No. GR18050586 – In the Matter of Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2019.

BACKGROUND AND DISCUSSION: On May 29, 2018, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board seeking authority to: 1) maintain its current periodic Basic Gas Supply Service (BGSS) rate of \$0.3646 per therm; 2) increase the Company's balancing charge rate from \$0.0681 per therm to \$0.0855 per therm; and 3) revise its Conservation Incentive Program (CIP) rates.

On August 15, 2018, the Company updated the discovery response related to its Balancing Charge to account for the impact of the 2017 Tax Cut and Jobs Act on the inventory portion of the Balancing Charge. The revised Balancing Charge of \$0.0848 per therm, would result

in an overall increase in after-tax revenue of approximately \$11.0 million to the current estimated Balancing Charge revenue of \$45.0 million.

On September 17, 2018, the Board issued an Order (September 2018 Provisional Order) in this docket approving a stipulation for provisional rates executed by the NJNG, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (collectively, Parties). The September 2018 Provisional Order authorized NJNG to implement the proposed Balancing Charge and CIP rates, as well as maintain the current Periodic BGSS rate on a provisional basis.

On November 4, 2018, this matter was transferred to the Office of Administrative Law as a contested case and was assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman. A telephonic pre-hearing conference was held on November 28, 2018. ALJ Gertsman issued a Prehearing Order dated December 18, 2018, establishing the procedural schedule.

On December 28, 2018, NJNG submitted a notice to the Board and the Rate Counsel of its intent to self-implement a BGSS rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective February 1, 2019. That self-implementing adjustment increased the BGSS rate from \$0.3646 to \$0.4129 per therm.

On March 20, 2019, the Parties executed a Stipulation for Final Rates (Stipulation) in which the Parties agreed that the adjusted provisionally approved rates should be made final. On March 25, 2019, ALJ Gertsman issued his Initial Decision recommending Board approval of the Stipulation, finding that the Parties voluntarily agreed to the Settlement and that it fully disposed of any issues in controversy and was consistent with the law.

Staff recommended that the Board issue an Order approving the Initial Decision and Stipulation. Staff further recommended that the Board direct NJNG to file revised tariff prior to May 1, 2019.

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 Chivukula	Aye
	Commissioner Gordon	Aye

C. Docket No. ER19040428 – In the Matter the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2020.

BACKGROUND AND DISCUSSION: Two-thirds of the State’s Basic Generation Service (BGS) requirements for Residential and Small Commercial Pricing (RSCP) customers are under contract for the period of June 1, 2020 through May 31, 2021. The Board needs to determine how the remaining one-third of the State’s BGS requirements for RSCP customers, as well as the State’s annual BGS requirements for Commercial and Industrial Energy Pricing (CIEP) customers should be procured beginning June 1, 2020. In addition, the Board needs to determine how Rockland Electric Company (Rockland) will procure the annual BGS capacity requirements for its non-PJM, Interconnection, LLC (PJM) service area within New Jersey for the period beginning June 1, 2020.

Staff recommended that the Board initiate a transparent and public proceeding, consistent with that employed for the past 18 years, to determine what type of process should be used for the procurement of BGS-RSCP and BGS-CIEP supply, and the capacity needs of Rockland’s non-PJM service area within New Jersey. To initiate this proceeding, Staff also recommended that the Board approve a preliminary procedural schedule that would result in a Board decision on the process in November 2019, and would permit a BGS procurement process in February 2020.

Staff further recommended that the Board direct the electric distribution companies to make a BGS filing by July 1, 2019, describing how they intend to procure the remaining BGS-RSCP and BGS-CIEP requirements. This shall also include Rockland filing a proposal as part of its July 1, 2019 BGS filing for procuring the capacity requirements for its non-PJM service area within New Jersey. In addition, Staff recommended that the Board invite all other interested stakeholders to file any alternative BGS procurement processes with the Board by July 1, 2019.

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 Chivukula	Aye
	Commissioner Gordon	Aye

D. Docket No. EO18020196 – In the Matter of Atlantic City Electric Company for Approval of an Infrastructure Investment Program, and Related Cost Recovery Mechanism, Pursuant to N.J.A.C. 14:3-2A.1 et seq.

BACKGROUND AND DISCUSSION: On March 1, 2018, Atlantic City Electric Company (ACE or Company) filed a petition (IIP Petition) with the Board seeking approval of an Infrastructure Investment Program (IIP or Program) and an associated cost recovery mechanism. ACE proposed a total IIP investment of approximately \$338.2 million over the four year program. According to ACE, the Program is designed to support and enhance the ACE distribution system’s reliability, resiliency, and safety.

By Order dated March 26, 2018, the Board retained the IIP Petition and designated Commissioner Dianne Solomon as the presiding officer authorized to rule on all motions that arise during the pendency of the proceedings and modify any schedules. On June 6, 2018, Commissioner Solomon issued a Prehearing Order in this matter, which approved a procedural schedule and granted the motions to participate filed by Public Service Electric and Gas Company and Jersey Central Power & Light Company.

Following discovery and several conferences, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation) resolving this matter.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties.

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 Chivukula	Aye
	Commissioner Gordon	Aye

E. Docket No. GR18080860 – In the Matter of the Petition of Elizabethtown Gas Company to Revise its Energy Efficiency Program Rider Rate.

BACKGROUND AND DISCUSSION: On August 9, 2018 Elizabethtown Gas Company (Elizabethtown or Company) filed a petition (August 2018 Petition) requesting authorization to modify its Energy Efficiency Program Rate (EEP Rate).

The August 2018 Petition sought to reconcile EEP costs and cost recoveries for the period commencing July 1, 2017 through June 30, 2018 and to recover forecast revenues for the July 1, 2018 through June 30, 2019. During the discovery process, Elizabethtown updated its schedules and associated revenue requirements to reflect actual data through February 28, 2019.

The Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) engaged in discovery and discussed the issues in this matter. As a result of those discussions, the Parties executed a stipulation of settlement (Stipulation) on April 8, 2019 that recommended approval of the originally requested EEP Rate of \$0.0051 per therm, including Sales and Use Tax.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties. Staff further recommended that the Board order Elizabethtown to file revised tariffs conforming to the terms of the Stipulation by May 1, 2019.

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 Chivukula	Aye
	Commissioner Gordon	Aye

F. Docket No. EF18121340 – In the Matter of the Petition of Atlantic City Electric Company for Approval to Issue up to \$350 Million of Long-Term Debt Securities Pursuant to NJSA 48:3-9 (2019 – 2020).

Benjamin Witherell, Chief Economist, Office of the Economist, presented this matter.

BACKGROUND AND DISCUSSION: On December 18, 2018, Atlantic City Electric Company (Company or Petitioner) filed a petition with the Board requesting authority to: (i) not later than December 31, 2020, at its option, issue and sell in one or more series up to \$350 million in aggregate of debt securities (Debt Securities) to finance a portion of its 2019–2020 construction program and convert a portion of its short-term debt expected to be incurred in

connection with its capital expenditure program to permanent financing and (ii) take any other action which may be necessary or desirable in connection therewith. The Order requested herein continues the long-term debt authority issued by the Board on December 19, 2017.

According to the petition, the proceeds of the financing will be used to finance a portion of the Company's 2019–2020 construction program and to convert a portion of its short-term debt expected to be incurred in connection with its capital expenditure program to permanent financing. There are no bonds scheduled to mature during 2019-2020. The Petitioner stated that it is engaged in a construction program with estimated expenditures of \$1 billion during the years 2018–2020, designed to improve and extend its facilities so as to enable it to better serve the public. The Company sought the flexibility to issue long-term debt to permanently finance up to \$350 million of short-term debt anticipated to be incurred for outlays associated with its 2019–2020 construction program.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

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 Chivukula	Aye
	Commissioner Gordon	Aye

G. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 - FERC Docket No. EL15-95 – Delaware Public Service Commission and Maryland Public Service Commission v. PJM Interconnection, LLC et al – See Executive Session.

This matter was discussed in executive session pursuant to attorney-client privilege exception to the Open Public Meetings Act. The Board will make the contents of its discussion of the above matter public at the earliest appropriate time.

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

There were no items in this category.

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC16100995U and OAL PUC 18763-2016 – In the Matter of Joseph A. Canning Sr., Petitioner v. Atlantic City Electric Company, Respondent.

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Joseph A. Canning, Sr. (Petitioner) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Elia A. Pelios filed an Initial Decision (dated March 7, 2019) in this matter with the Board on March 8, 2019. No exceptions to the Initial Decision have been received by the Board.

ALJ Pelios, in his Initial Decision concluded that while no finding of fact was made to determine whether the Petitioner was the individual who tampered with the meter, the record is sufficient to support a determination that the Petitioner is within the contemplation of the tariff the “responsible party”. ALJ Pelios further concluded that the tariff, which governs the relationship between the Petitioner and ACE, explicitly permits the company to estimate the level of usage, as they have in this matter, when tampering occurs. Absent any competent evidence challenging the accuracy of the meters or disputing the test, calculations or methods employed by ACE, beyond speculation, hypothesizing, and conjecture, ALJ Pelios concluded that the Petitioner had not met his burden of proof in demonstrating that ACE has erred in adjusting his account. Therefore, ALJ Pelios ruled that the petition of the Petitioner be dismissed and the adjustment affirmed.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Pelios. Staff recommended the Board adopt the Initial Decision.

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 Chivukula	Aye
	Commissioner Gordon	Aye

8. CLEAN ENERGY

Sara Bluhm, Director, Division of Clean Energy, presented these matters.

A. Docket No. QO19030319 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Merck & Co. Inc.

BACKGROUND AND DISCUSSION: President Fiordaliso and Commissioner Gordon noted that they were recusing themselves due to a potential conflict of interest and did not participate in this matter. Commissioner Chivukula presided over this matter. Merck & Co., Inc. (Company) submitted an application under the Fiscal Year 2018 Large Energy Users Program (LEUP) pursuant to the New Jersey Clean Energy Program Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2018. The Company requested Board approval of a financial incentive of \$772,023.34 for installation of energy efficiency upgrades at Merck’s Rahway campus, located at 126 E. Lincoln Ave, Rahway, NJ. The total cost of the proposed upgrades is \$1,061,969.00.

Merck's Rahway campus consists of approximately 85 buildings used primarily for research and pharmaceutical production served by a central steam system. The project involves efficiency improvements to the campus-wide steam distribution system via the installation of pressure transmitters, valve actuators, and positioners to improve the efficiency of the system and reduce steam demand. The implementation of these measures would reduce the steam produced by approximately 40% while maintaining the needs of the facilities and lab equipment therein.

This project is anticipated to save 214,188.00 therms of natural gas per year. The proposed project will also have an estimated annual energy cost savings of \$93,065.00. The payback period without incentives is 11.41 years; when factoring in the incentives, the payback period is reduced to 3.12 years. Implementation of these measures will also assist in compliance with P.L. 2018, c. 17, § C.48:3-87.10, which requires the owner or operator of commercial buildings over 25,000 square feet to benchmark the building’s energy and water use. The required inspection of sites that receive funding through the LEUP following the installation of energy efficient measures will not only help to ensure adherence to agreed-upon performance and energy savings baselines, but will also allow for a more defined pathway for commercial building owners to report their energy usage.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$772,023.34 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

Roll Call Vote:	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

B. Docket No. QO19030306 – In the Matter of the State Energy Program for Program Year July 1, 2019 – June 30, 2020.

BACKGROUND AND DISCUSSION: This matter involved Staff seeking Board approval to submit the Fiscal Year 2019-2020 State Energy Program (SEP) Plan to the United States Department of Energy (USDOE) with a budget level of \$1,320,460.00, including \$264,092.00 in new state matching funds. The majority of the federal allocation will be used to implement the Market Title “Energy Efficiency Programs for Non-Investor Owned Utility (IOU) Customers,” while portions of funds will be allocated to develop and implement an Electric Vehicle Incentive Program and \$7,500.00 will be reserved for Staff travel.

The SEP was established in 1996 by consolidating two existing programs: the State Energy Conservation Program (SECP) and the Institutional Conservation Program (ICP). The SECP provided funding to the states for a variety of energy efficiency and renewable energy activities. ICP provided schools and hospitals with a technical analysis of their buildings and identified the potential savings from proposed energy conservation measures.

USDOE currently provides federal financial assistance and technical support to states for energy programs by means of the SEP. Federal laws and regulations provide the criteria for participation, and define how funds may be used. To be eligible for financial assistance, a State must submit an annual application to the USDOE, executed by the Governor, or his/her designee. The USDOE reviews state applications and amended State Plans Using a formula designed by USDOE, New Jersey is allocated federal monies each year in support of its USDOE-approved SEP. New Jersey’s 2019-2020 SEP allocation is \$1,320,460.00.

New Jersey is required to match this amount either in cash, through in-kind contributions, or both, in an amount totaling not less than 20% of the federal allocation. The required match of 20%, or \$264,092.00, will come from Clean Energy Program administrative costs associated with implementing the Plan, including Staff salaries associated with management of the Plan. The Board numbers fiscal years by the year ending (e.g. FY 2020 starts July 1, 2019 and ends June 30, 2020), DOE views program years by the year beginning (e.g. July 1, 2019 through June 30, 2020 is considered PY 2020).

The SEP Plan, as proposed, attempts to utilize the funds primarily to assist residential, commercial, and industrial customers who do not contribute to the Societal Benefits Charge, and therefore, cannot participate in the New Jersey Clean Energy Program (NJCEP). The SEP Plan, as proposed, is a continuation of the Market Title that was approved in the 2019-2020 SEP Plan. The following Programs are included in the Market Title “Energy Efficiency Programs for IOU Customers”:

- The Home Performance with ENERGY STAR Program,
- The HVAC Program, and
- The Direct Install Program.

The proposed program amounts are composed of new funds. The SEP Plan, as proposed, will supplement or expand these programs to allow non-IOU electric customers, oil customers, and propane customers to participate by using the SEP funding mechanism. The incentives provided for these customers will be identical to those provided by the NJCEP for similar equipment.

In addition to the programs mentioned above, this year the SEP Plan will allocate \$200,000.00 of its new SEP funds to develop and implement an Electric Vehicle Incentive Program.

Under the SEP Plan, the Market Title will be managed by the Clean Energy Program's Administrator. No staff salaries will be paid from federally-allocated SEP funds; however, the State's 20% match will come from the NJCEP administrative costs, including Board staff salaries, required to deliver these programs to customers not eligible for NJCEP funding. Staff recommended that \$7,500.00 of federal funds be set aside for traveling expenses, in part to facilitate participation in the National Association of State Energy Officials and various other regulatory and industry associations.

As part of the application package, the grantee is required to submit the Certifications and Assurances Form regarding Lobbying; Debarment, Suspension, and Other Responsibility Matters; and Drug-Free Workplace Requirements, as well as Assurance of Compliance on Nondiscrimination in Federally Assisted Programs. The President of the Board signed these documents in previous program years, including the 2019-2020 Program Year. Staff reviewed the Certifications and Assurances Forms and detected no material differences from the versions signed in previous years, including Program Year 2019-2020. Staff requested the President's review and signature of the Certifications and Assurances Forms.

Staff recommended that the Board approve the proposed 2019-2020 SEP Plan with a budget of \$1,320,460.00 in new SEP funds, \$264,092.00 in new state matching funds. Furthermore, Staff shall also undertake development of alternate uses of SEP funds for future program years.

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 Chivukula	Aye
	Commissioner Gordon	Aye

Scott Hunter, Manager, Division of Clean Energy, presented these matters.

C. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, c. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87(t) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO16100958 – In the Matter of EPP Renewable Energy LLC – Application for Solar Act Subsection (t) Landfill Pollution Central Financing Authority of Camden County.

BACKGROUND AND DISCUSSION: On February 11, 2019, EPP Renewable Energy, LLC (EPPRE or Petitioner) submitted a letter to the Board requesting a waiver of the Board's requirement that it file a Solar Renewable Energy Credit Registration Program

(SRP) application within 14 business days of the effective date of the Board's order granting conditional certification pursuant to Subsection (t) of the Solar Act of 2012.

The Petitioner sought a waiver, which included, in part, the requirement that a solar electric generating facility shall submit an initial registration package within 14 business days from the effective date of an order granting approval, conditional certification, or designation. EPPRE requested an extension of time to register its grid-supply 3 MWdc solar project in the SRP. The project has been built and was granted permission to operate by PSEG on December 20, 2017.

The Board's prior SRP rules required a solar electric generation project to submit a registration within 10 days of executing a contract to install a solar system or purchase panels for the system. The SRP also required the project to construct within one year because the SRP registration number expired, with only one six-month extension. In an Order dated June 18, 2014, the Board waived those requirements and set an amended schedule for Subsection (t) applications. Accordingly, the Board directed Subsection (t) applicants to register with the SRP within 14 days of the Board's order approving conditional or full certification of a project. In addition, the Board extended the construction period from one to two years.

EPPRE's submission details a series of regulatory compliance actions that evidence its pursuit of full certification of its solar generation Subsection (t) project. Staff recommended that, in this case, the Board waive the 14-day registration deadline and grant the Petitioner five days from the effective date of this Order, or by May 3, 2019, to submit a complete registration package to the Board's SRP team.

Staff also recommended that any extension for the registration deadline recognize that the Petitioner failed to fulfill an obligation set forth in a Board Order, the satisfaction of all SRP requirements prior to receiving a New Jersey Certification Number. Pursuant to N.J.S.A. 48:2-42, the Board can impose a penalty of up to \$100 per day for the violation of a Board Order. In this case, Staff believed that lesser amount would be appropriate and recommended that the penalty be set at \$10 per day for the 539 days between when the SRP registration should have occurred and the date the Petitioner submitted its online SRP application. This results in a proposed penalty of \$5,390.00 and represents a balance between the societal benefits inherent in the proposed project, the need for parties to respect and abide by Board Orders, and the need for transparency in the solar market.

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 Chivukula	Aye
	Commissioner Gordon	Aye

D. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, c. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87(t) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO19010034 – In the Matter of Toms River Merchant Solar – LLC Subsection (t) Application.

BACKGROUND AND DISCUSSION: On December 31, 2018, Toms River Merchant Solar, LLC submitted its application to the Board to have its project certified as being located on a brownfield facility pursuant to N.J.S.A. 48:3-87(t) (Subsection (t)) of the Solar Act. Toms River Merchant Solar, LLC 28 MWdc project is proposed to be constructed on the property, located at Block 411, Lots 6.02 & 6.03, at 227 Oak Ridge Parkway, in Toms River Township, Ocean County, New Jersey. Following review of the application and the advisory memorandum provided by the New Jersey Department of Environmental Protection (NJDEP).

Subsection (t) of the Solar Act of 2012, P.L. 2012, c. 24, enacted July 23, 2012, codified in part at N.J.S.A. 48:3-87 (t), provides for Board establishment of a certification program for approval of certain grid supply solar electric power generation facilities located on properly closed landfills, brownfields, and areas of historic fill that seek eligibility for Solar Renewable Energy Certificates. On January 23, 2013, after conducting a public proceeding that the Board commenced on October 4, 2012, the Board established a certification program and directed staff to work with NJDEP to develop an application.

Staff received advisory recommendations from NJDEP for the application and recommended that the Board grant conditional certification to Toms River Merchant Solar, LLC for its proposal to build a 28 MWdc solar facility project located at Ciba Specialty Chemical Corp in Toms River Township, New Jersey.

Staff recommended that the Board grant conditional certification based on the NJDEP determination that the project proposed by is located on property defined as a “brownfield” consistent with the Solar Act of 2012.

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 Chivukula	Aye
	Commissioner Gordon	Aye

E. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, c. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87(t) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO18121328 – In the Matter of Public Service Electric and Gas Company Subsection (t) Application – Kinsley’s Landfill.

BACKGROUND AND DISCUSSION: On December 13, 2018, Public Service Electric & Gas (PSE&G) submitted its application to the Board to have its project certified as being located on a properly closed sanitary landfill facility pursuant to N.J.S.A. 48:3-87(t) (Subsection (t)) of the Solar Act. PSE&G 5 MWdc project is proposed to be constructed on property owned by Kinsley’s Landfill, Inc. and located at Block 387.01, Lots 55, 57, 65, and 66, at Hurffville Road in Deptford Township, Gloucester County, New Jersey. Following review of the application and the advisory memorandum provided by the New Jersey Department of Environmental Protection (NJDEP).

Subsection (t) of the Solar Act of 2012, P.L. 2012, c. 24, enacted July 23, 2012, codified in part at N.J.S.A. 48:3-87 (t), provides for Board establishment of a certification program for approval of certain grid supply solar electric power generation facilities located on properly closed landfills, brownfields, and areas of historic fill that seek eligibility for Solar Renewable Energy Certificates. On January 23, 2013, after conducting a public proceeding that the Board commenced on October 4, 2012, the Board established a certification program and directed Staff to work with NJDEP to develop an application.

Staff received advisory recommendations from NJDEP for the application and recommended that the Board grant conditional certification to PSE&G for its proposal to build a 5 MWdc solar facility project proposed to be located at Kinsley’s Landfill located in Deptford Township, New Jersey.

Staff recommended that the Board grant conditional certification based on the NJDEP determination that the project proposed by PSE&G is located on property defined as a “properly closed sanitary landfill” consistent with the Solar Act of 2012.

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 Chivukula	Aye
	Commissioner Gordon	Aye

9. MISCELLANEOUS

A. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants;

Docket No. EO18121338 – Application for Zero Emissions Certificates of Salem 1 Nuclear Power Plant;

Docket No. EO18121339 – Application for Zero Emissions Certificates of Salem 2 Nuclear Power Plant;

Docket No. EO18121337 – Application for Zero Emissions Certificates of Hope Creek Nuclear Power Plant;

Docket No. EO18091002 – In the Matter of Jersey Central Power and Light Company for Review and Approval of a Zero Emission Certificate Recovery Charge; Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program Dated 8/29/18;

Docket No. EO18091003 – In the Matter of the Application of Atlantic City Electric Company for Approval to Implement a Zero Emission Certificate (ZEC) Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program Dated 8/29/18;

Docket No. EO18091004 – In the Matter of Public Service Electric and Gas Company's Request for Approval of a Zero Emission Certificate Recovery Charge;

Docket No. EO18091005 – In the Matter of Rockland Electric Company's Filing for Review and Approval of the Zero Emission Certificate Recovery Charge; and

Docket No. EO18091018 – In the Matter of the Application of Butler Electric Utility for Approval to Implement a Zero Emission Certificate (ZEC) Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program, Dated August 29, 2018 – See Executive Session.

Thomas Walker, Director, State Energy Services Division, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in Executive Session. This matter involved the Zero Emission Certificate (ZEC) program, which involved the main program and docket numbers for three applications that were received to be reviewed under the program. The applications were requesting eligibility to receive the certificates. Those three applications were for Salem Nuclear Unit 1, Salem Nuclear Unit 2, and Hope Creek Nuclear Unit. All three are owned by Public Service Electric & Gas (PSEG). In part, Salem 1 and 2 are also co-owned by Exelon.

Governor Murphy signed the ZEC Act in May of 2018. With that, the Board created a program based on the orders that were approved by the Board in August and November 2018. This program encompassed a process to review any applications received, how the

applications were to be received, the application itself, as well as the process going forward the two teams: The eligibility team; the ranking team. The Act also gave the Board a deadline of 330 days to make a determination, whether any units would be eligible for ZECs. During the process, three applications were received on December 19, 2018.

The eligibility team and the ranking teams were separate but working concurrently. The eligibility team had the primary focus of reviewing completeness of all the applications and also to review whether the applications met the five main criteria in the act. The five main criteria in the Act were: whether the unit would still be eligible to operate as of 2030; whether the unit contributed significant and materially to the air quality in New Jersey; whether the unit was at financial risk of shutdown without a material change; whether the unit was receiving any other state, federal subsidies; and the fifth requirement being did they pay the application fee.

The eligibility team went through all three applications individually. The team comprised of Board staff, staff from New Jersey Department of Environmental Protection (NJDEP), and staff from Levitan, who was a hired consultant approved by the Board. Comments were allowed and received on each individual application. They were due January 31 and several parties, including the PJM Independent Market Monitor, New Jersey Division of Rate Counsel, P3, also known as the PJM Power Providers Group, and the New Jersey Large Energy Users Coalition submitted comments.

In summation, most of those comments revolved around whether the cost submitted by PSE&G for the applications concerned high costs and low revenues. A lot of the commenters had mentioned that no subsidies were required based on their own individual analysis. They were questioning whether the company had met the obligation to demonstrate an environmental impact of the units. Some commenters also indicated the Board's authority to modify parts of the Act, especially the subsidy amount, and there was a lot of concerns about extreme risks and cost to ratepayers without an assumed risk to the company.

The eligibility team's determination primarily came down to whether the applicant unit was going to provide a significant and material contribution in New Jersey air quality, as well as the financial status and viability of the unit.

The eligibility team determined that there would be impact to the emissions if these units were to shut down. However, it would leave it to the Board's discretion whether that would be considered significant and material. There's really no industry standard to do so. Even in conjunction with the aid, it can be said that there will be an impact. The significance of it would be debated.

The Act says that the application should be made and the financial analysis should be done in one of the two ways, for the applicant unit to cover its costs and its risks and it defines risks as the market and operational risks or the unit applying and trying to cover its costs and its risks adjusted cost of capital. PSE&G put their applications in under the former, which would just be costs and risks, and that's what the team evaluated it on.

President Fiordaliso proposed that the Board award the ZECs to Salem 1, Salem 2, and Hope Creek and direct the EDCs to implement tariffs consistent with the statutory requirement.

DECISION: After discussion, the Board adopted the proposed recommendation from the Bench.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	No
	Commissioner Gordon	Aye

B. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants – See Executive Session.

Paul Flanagan, Executive Director, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in executive session and it involved staff recommending that the Board deny the motion for interlocutory review filed by Public Service Electric & Gas Nuclear due to legal insufficiency. Staff also recommended that the Board adopt the ranking of eligible nuclear units as determined.

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 Chivukula	Aye
	Commissioner Gordon	Aye

EXECUTIVE SESSION

After appropriate motion, the following matters, which involved pending litigation attorney/client privilege and contract negotiations to the Open Public Meetings Act at N.J.S.A. 10:4-12(b)7 was discussed in Executive Session.

2. ENERGY

- G. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. EL15-95 – Delaware Public Service Commission and Maryland Public Service Commission v. PJM Interconnection, LLC et al.**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

9. MISCELLANEOUS

- A. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants;**

Docket No. EO18121338 – Application for Zero Emissions Certificates of Salem 1 Nuclear Power Plant;

Docket No. EO18121339 – Application for Zero Emissions Certificates of Salem 2 Nuclear Power Plant;

Docket No. EO18121337 – Application for Zero Emissions Certificates of Hope Creek Nuclear Power Plant;

Docket No. EO18091002 – In the Matter of Jersey Central Power and Light Company for Review and Approval of a Zero Emission Certificate Recovery Charge; Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program Dated 8/29/18;

Docket No. EO18091003 – In the Matter of the Application of Atlantic City Electric Company for Approval to Implement a Zero Emission Certificate (ZEC) Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program Dated 8/29/18;

Docket No. EO18091004 – In the Matter of Public Service Electric and Gas Company's Request for Approval of a Zero Emission Certificate Recovery Charge;

Docket No. EO18091005 – In the Matter of Rockland Electric Company's Filing for Review and Approval of the Zero Emission Certificate Recovery Charge; and

Docket No. EO18091018 – In the Matter of the Application of Butler Electric Utility for Approval to Implement a Zero Emission Certificate Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program, Dated August 29, 2018.

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

B. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants.

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

After appropriate motion, the Board reconvened to Open Session.

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



AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

DATE: May 28, 2019