



**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 May 28, 2019, at the State House Annex, Committee Room 4, 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 June 12, 2019 at the State House Annex, Committee Room 4, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

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

EE19040494L	Integrated Energy Services, LLC	I – EA
GE19040495L	d/b/a Integrated Energy Services New Jersey, LLC	

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

EE19040452L	Avatar Management Inc. d/b/a Avatar Telecom & Energy	R – EA
EE19040432L	Gulf Stream Energy Consultants, LLC	R – EA
EE19040462L	PGP Energy Corp.	R – EA
EE19010075L	Premier Power Solutions, LLC	R – EA
EE18060664L	Progressive Energy Consultants, LLC	R – EA
EE19030378L	Achieve Energy Solutions, LLC	R – EA/PA
GE19030379L		
EE19030424L	Solution Energy, LLC	R – EA/EC
GE19030325L		

#### Electric Power and/or Natural Gas Supplier Renewal Licenses

EE19030324L	Tenaska Power Management, LLC	R – ESL
EE19040442L	Aggressive Energy, LLC	R – EGSL
GE19040441L		
EE19030389L	RPA Energy, Inc.	R – EGSL
GE19030388L	d/b/a Green Choice Energy	

**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:

- o Integrated Energy Services, LLC d/b/a Integrated Energy Services New Jersey, LLC

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

- o Avatar Management Inc. d/b/a Avatar Telecom & Energy
- o Gulf Stream Energy Consultants, LLC
- o PGP Energy Corp.
- o Premier Power Solutions, LLC

- Progressive Energy Consultants, LLC
- Achieve Energy Solutions, LLC
- Solution Energy, LLC

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

- Tenaska Power Management, LLC
- Aggressive Energy LLC
- RPA Energy, Inc. d/b/a Green Choice Energy

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

**B. Docket No. TE19020198 – In the Matter of the Application of Planet Networks, Inc. for Authorization to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey.**

**BACKGROUND:** By letter dated January 23, 2019, Planet Networks, Inc. (Petitioner or Planet) filed an application with the Board requesting authority to provide facilities-based and resold competitive local exchange access and non-dominant interexchange telecommunications services throughout the State of New Jersey except in small or rural Local Exchange Carriers that qualify for rural exemptions outlined in Section 251(f)(1) of the Federal Telecommunications Act of 1996.

Planet 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 submitted the professional biographies of its key personnel, who, they claim are well qualified to execute Planet's business plans and have extensive managerial and technical experience in the telecommunications industry.

The Petitioner requested a waiver of N.J.A.C. 14:1-4.3 which requires that books and records be maintained in accordance with the Uniform System of Accounts (USOA). For administrative efficiencies, the Petitioner requested permission to maintain its books and records in accordance with Generally Accepted Accounting Principles.

By letter dated April 11, 2019, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, Rate Counsel was satisfied that the verified petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. Accordingly, 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.

After review, 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-Competitive Local Exchange Carrier Services. Staff also recommended that the Board approve the request for waiver from its requirements that the Petitioner maintain its financial books and records in accordance with the USOA.

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

## II. ENERGY

### A. Docket No. ER19050552 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rate, its Tariff for Electric Service, and its Depreciation Rates; and for Other Relief.

**BACKGROUND:** On April 18, 2019, Rockland Electric Company (RECO or Company) filed a petition with the Board for approval of an increase in its operating revenues of approximately \$19.9 million, to be effective for electric service provided on or after June 2, 2019. The Company also sought Board approval to implement new depreciation rates. RECO's petition also requests a return on equity of 10.40%.

According to the petition, the Company's current electric distribution rates are not just and reasonable because they do not produce an adequate, reasonable return on the Company's invested capital and do not provide sufficient revenues to recover the Company's investment in rate base, operating expenses, financing costs and taxes.

The Company's petition also included the following requests:

- Approval to change its electric and general plant depreciation rates, including approval of an additional allowance for negative salvage costs and true up of existing net salvage allowance currently in rates;
- A finding that RECO's Storm Hardening Program investments were prudent;
- A finding that RECO's implementation of its Advanced Metering Infrastructure Program was prudent, including approval of its proposal for the recovery of the net book value of the legacy meters; and
- Relief from the obligation to file an Average and Peak Cost of Service Method in future base rate cases.

Since a review of this matter will not be complete prior to June 2, 2019, Staff recommended that the Board issue an order suspending the proposed rate increase until October 2, 2019, pending further action on this matter. In addition, Staff anticipated that this matter would be transmitted to the Office of Administrative Law for hearing.

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

## III. CABLE TELEVISION

### A. Docket No. CE19030302 – In the Matter of the Petition of Comcast of Garden State, LP for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Evesham, County of Burlington, State of New Jersey.

**BACKGROUND:** This matter involved a petition requesting a Renewal Certificate of Approval to Comcast of Garden State, LP (Comcast) for the Township of Evesham (Township) for a term of ten years.

On September 24, 2015, Comcast filed an application with the Township for renewal of municipal consent. On December 4, 2018, the Township adopted an ordinance granting renewal municipal consent to Comcast. On January 9, 2019, Comcast formally accepted the terms and conditions of the ordinance. On March 4, 2019, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. The certificate shall expire on June 27, 2026.

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

**B. Docket No. CE19010074 – In the Matter of the Petition of Comcast of Central New Jersey, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Plainsboro, County of Middlesex, State of New Jersey.**

**BACKGROUND:** This matter involved a petition requesting a Renewal Certificate of Approval to Comcast of Central New Jersey, LLC (Comcast) for the Township of Plainsboro (Township) for a term of ten years.

On July 27, 2017, Comcast filed an application with the Township for renewal of municipal consent. On November 7, 2018, the Township adopted an ordinance granting renewal municipal consent to Comcast. On November 28, 2018, Comcast formally accepted the terms and conditions of the ordinance. On January 22, 2019, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on April 27, 2028.

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

#### **IV. TELECOMMUNICATIONS**

**A. Docket No. TO18121350 – In the Matter of the Joint Petition of United Telephone Company of New Jersey, Inc., d/b/a Centurylink and Peerless Network of New Jersey, LLC for Approval of an Interconnection Agreement.**

**BACKGROUND:** This matter involved the Board's approval of an Interconnection Agreement (Agreement). The Board is required to act on this Agreement pursuant to the federal Telecommunications Act of 1996.

By separate letter dated December 19, 2018, United Telephone Company of New Jersey, Inc. d/b/a CenturyLink and Peerless Network on New Jersey, LLC (collectively, Petitioners) filed a joint petition with the Board, pursuant to Section 252 (e) (1) of the Federal Telecommunications Act of 1996 (Act) for the approval of a negotiated Interconnection Agreement. The Agreement sets forth the terms, conditions and prices under which the Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other.

Section 252(e) (1), requires that:

Any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission. A State commission to which an agreement is submitted shall approve or reject the agreement, with written findings as to any deficiencies.

On March 6, 2019, the New Jersey Division of the Rate Counsel submitted comments to the Board regarding the agreement, and did not object to the approval of the Agreement.

After review, Staff recommended approval of the Agreement.

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

**B. Docket No. TO19030304 – In the Matter of the Petition by Verizon New Jersey, Inc. to Discontinue Billing Telecommunications Relay Service Charges.**

**BACKGROUND:** On January 29, 2019, Verizon New Jersey, Inc. (Verizon) filed a Petition with the Board seeking removal of the Board's requirement that Verizon provide the billing invoices to other telecommunications carriers within the State for funding of the State's Telecommunications Relay Service (TRS). Verizon suggested that the billing function should be performed by either the TRS Vendor or Board Staff.

TRS is a form of operator assistance that provides translator service between speech and/or hearing impaired individuals with Text Telephones and the general body of telephone users, allowing access to telecommunications services for those with speech, hearing and visual impairments.

Following the inception of the State TRS program and selection of the TRS provider, in 1992, the Board issued an Order determining the funding mechanism for TRS services, which designated that local exchange and interexchange carriers operating within the State would contribute to funding TRS. The funding would be based on a formula applied to the carriers' annual revenues.

Since its inception, the TRS provider issues a preliminary bill to Staff based upon its monthly expenses to provide TRS services. After verification of the billed amounts, Staff calculates and apportions the amount of each carrier's share of the monthly TRS costs. Staff's calculations are then forwarded to Verizon, and pursuant to the Board's Order, Verizon is responsible for rendering the bills to each carrier for its respective portion of the approved monthly cost. All payments are forwarded directly to the TRS provider.

In its Petition, Verizon requested to discontinue providing the billing service for TRS, stating that: 1) since Verizon is not the State's TRS provider, the burden of TRS billing should be borne by the TRS service provider; 2) being the billing agent for TRS has become unduly burdensome because the number of carriers assessed TRS charges has increased from 5 to 21 since the Board initially assigned this role to Verizon; and 3) Verizon's role as a billing agent for TRS charges is confusing to carriers, often resulting in the mistaken belief that Verizon can address and resolve billing inquiries.

Following Verizon's petition, Board Staff notified the current TRS provider, Sprint Accessibility (Sprint), of Verizon's request to discontinue providing billing service for TRS and offered Sprint as the TRS vendor the opportunity to directly provide billing to the carriers. This would allow Sprint complete control of the billing and collection process and the ability to more closely monitor the carrier's payments. However, Sprint declined based on the following: 1) as a national TRS provider in many states, Sprint does not ever act as the direct billing agent to recover TRS charges; 2) the billing and collection functionality is not required as part of the current contract with the Board, and can therefore not be imposed upon Sprint; and 3) since Board Staff currently calculates the amounts to be billed to carriers, it is more logical for the Board to issue the TRS bills to the carriers.

Staff recommended approval of the Petition, and modification of the TRS funding mechanism to allow Staff to issue the TRS billing invoices.

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

**V. WATER**

There were no items in this category.

**VI. RELIABILITY & SECURITY**

There were no items in this category.

**VII. CUSTOMER ASSISTANCE**

**A. Docket Nos. BPU EC18111223U and OAL PUC 01197-19 – In the Matter of Robert Grewe, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Robert Grewe (Petitioner) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Margaret M. Monaco filed an Initial Decision (dated April 17, 2019) in this matter with the Board on April 26, 2019, approving the Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, PSE&G agreed to credit the Petitioner's account ending in 3400 the amount of \$3,000.00. This credit will reduce the Petitioner's current balance, as documented on the March 2019 bill for this account, from \$6,667.69. The remaining balance of \$3,667.69 will be subject to a deferred payment arrangement (DPA), beginning with the April 2019 bill. The Petitioner will pay the current monthly gas and electric charges, plus the DPA amount of \$61.00, for 59 consecutive months. On the 60<sup>th</sup> month, the Petitioner will pay the current monthly charges plus \$68.69 to complete the DPA.

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

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

**B. Docket Nos. BPU EC17101068U and OAL PUC 01125-19 – In the Matter of Sharon Veitz, Petitioner v. Atlantic City Electric, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Sharon Veitz (Petitioner) and Atlantic City Electric (ACE). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Tama B. Hughes filed an Initial Decision in this matter with the Board on May 7, 2019, approving the Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, ACE agreed to credit the Petitioner's account in the amount of \$296.42, which represented approximately 50% of the disputed bill. The Petitioner agreed to withdraw her petition.

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

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

**C. Docket Nos. BPU WC16060488U and OAL PUC 11835-16 – In the Matter of Corrado de Gioia v. SUEZ Water New Jersey – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on April 26, 2019; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on June 10, 2019. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until July 25, 2019.

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Executive Session Minutes of May 19, 2015–item 2N, June 17, 2015–item 2G, July 22, 2015–item 2E, August 19, 2015–item 2M and September 11, 2015–item 2P; and approval of the Regular Agenda minutes of April 18, 2019.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. Staff presented the executive session minutes of May 19, 2015–item 2N, June 17, 2015–item 2G, July 22, 2015–item 2E, August 19, 2015–item 2M and September 11, 2015–item 2P Board meeting.

Staff presented the regular agenda minutes of April 18, 2019, and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

#### A. Docket No. EO17060687 – In the Matter of the Department of Community Affairs' State Fiscal Year 2018 Universal Service Fund Administrative Cost Budget.

William Foley, Bureau Chief, Division of Audits, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter concerned the administrative costs submitted by Department of Community Affairs (DCA) for State Fiscal Year 2018 (FY18) for the Universal Service Fund (USF) program.

On March 14, 2019, DCA submitted a detailed USF administrative report for FY18, which listed expenditures of \$6,350,103.00, with a remaining balance of \$163,510.00 from a budget authorization of \$6,513,613.00.

The 2018 actual expenses were \$163,510.00 or 2.5% below budget. The primary reason for the favorable variance to budget was as follows:

• Salaries/Fringes	\$ 11,939.00
• Subgrantee Monitoring	27,588.00
• Printing	30,177.00
• Postage	86,744.00
• Other	<u>7,062.00</u>
Total	\$163,510.00

These under expenditures were primarily the result of over budgeted printing costs and monitoring costs which were pushed into FY 2019.

The FY 2018 expenses are as follows:

DCA	\$ 1,214,219.00
Subgrantees-	
County Welfare Organizations	\$ 221,520.00
Community Based Organizations	<u>\$ 4,914,364.00</u>
<b>Total</b>	<b>\$ 6,350,103.00</b>

As indicated above, the budget includes USF administration costs incurred by county welfare and Community Based Organizations that provide services at the local level.

After review, Staff recommended that the Board find that DCA has adequately justified its FY 2018 USF administrative expenditures.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

## 2. ENERGY

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

### A. Docket No. ER19020146 – In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of its Non-Utility Generation Charge and its Societal Benefits Charge (2019).

**BACKGROUND AND DISCUSSION:** On February 4, 2019, Atlantic City Electric Company (ACE or Company) filed a petition (February 2019 Petition) with the Board seeking approval for changes in its Non-Utility Generation Charge (NGC), and two components of its Societal Benefits Charge (SBC): 1) the Clean Energy Program (CEP) component; and 2) the Uncollectible Accounts (UNC) component. Based on the February 2019 Petition, the net impact of adjusting the NGC and the SBC rates [including Sales and Use Tax (SUT)] was an overall annual rate increase of approximately \$18.420 million.

Through the course of the proceeding, ACE updated the petition to include actual information through March 31, 2019 (March 2019 Update). According to the March 2019 Update, the net impact of adjusting the NGC and the CEP and UNC components of the SBC rates (including SUT) would result in an overall annual rate increase of approximately \$15.610 million.

On May 7, 2019, ACE, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation) requesting that the Board approve changes in the NGC and SBC on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the February 2019 Petition and the proposed rates and costs.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties which sought to implement provisional rates subject to refund with interest on any net over-recovered balance in the Company's CEP and UNC components of the SBC and the NGC to be effective as of June 1, 2019. Staff also recommended that the Board order ACE to file tariffs consistent with the Order by June 1, 2019.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

### B. Docket No. ER19040440 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – April 2019 Joint Filing.

**BACKGROUND AND DISCUSSION:** On April 1, 2019, Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company (collectively, the EDCs) filed a joint petition (April 2019

Petition) with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges.

Through a series of Orders, the Board has authorized the EDCs to modify their BGS-Residential/Small Commercial Pricing and Basic Generation Service- Commercial and Industrial Energy Pricing rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the TECs resulting from changes in the PJM Interconnection, LLC Open Access Transmission Tariff.

On May 31, 2018, FERC issued the Seventh Circuit Order approving a Contested Settlement (Seventh Circuit Settlement) concerning the regional cost allocation methodology applicable to 11 large transmission projects (500kV and above) approved between the years 2005 and 2013. The Seventh Circuit Settlement was submitted to FERC on June 15, 2016. The Board is identified in the Seventh Circuit Settlement as a “non-opposing” party. The Seventh Circuit Settlement was contested at FERC by the merchant transmission owners. Due to a number of procedural delays, and then the lengthy period of non-quorum at FERC, the Seventh Circuit Settlement remained pending for nearly two full years. Despite the unanticipated and significant time lag, the time period effected by the Seventh Circuit Settlement began January 1, 2016.

Under the Supplier Master Agreement, specifically Section 15.9, the EDCs are permitted to recover increases in Firm Transmission Service charges from BGS customers subject to Board approval. Thereafter, EDCs are required to remit payment of the increased charges to suppliers upon, among other things, the issuance of a “FERC Final Order” approving the Firm Transmission Service increase.

Staff recommended that the Board issue an order approving the changes to the Basic Generation Service Residential/Small Commercial Pricing and Commercial and Industrial Energy Pricing rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the Transmission Enhancement Charges effective as of July 1, 2019.

Staff also recommended that the Board approve the EDCs’ request to pay suppliers at this time and authorize the EDCs to collect from BGS customers, the costs associated with the Seventh Circuit Order subject to the terms and conditions of the Supplier Master Agreements. Staff further recommended that the Board direct the EDCs to file revised tariffs prior to July 1, 2019.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**C. Docket Nos. ER18070688 and GR18070689 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Green Programs Recovery Charge and its Gas Green Programs Recovery Charge (2018 PSE&G Green Programs Cost Recovery Filing).**

**BACKGROUND AND DISCUSSION:** On June 29, 2018, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting approval to modify the electric and gas components of its Green Programs Recovery Charge (GPRC).

The proposed rates for the combined components of the electric and gas GPRCs for the period October 1, 2018 through September 30, 2019 were designed to recover approximately \$65.210 million (electric) and \$6.182 million (gas) in revenues on an annual basis. As filed, the resulting net combined annual revenue impact on the Company's electric customers is an increase of \$23.6 million and a decrease of \$10.0 million for the Company's gas customers.

On May 9, 2019, PSE&G, the New Jersey Division of Rate Counsel, and Board Staff (collectively, Parties), executed a stipulation of settlement (Stipulation) requesting that the Board approve the Company's electric and gas GPRC rates.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties. Staff further recommended that the Board order PSE&G to file tariffs consistent with the Board's Order by July 1, 2019.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**D. Docket No. EM19010033 – In the Matter of Public Service Electric and Gas Company – Notice of Intercompany Title Transfer of MGP Property Block 1083, Lot 30, 246-250 Passaic Street, Passaic, New Jersey.**

**BACKGROUND AND DISCUSSION:** On January 4, 2019, Public Service Electric & Gas Company (PSE&G, Company) filed a Notice of Intercompany Title Transfer (Notice) with the Board in compliance with N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.

The Notice asserted that the transaction, represents a transfer of an asset from the wholly owned subsidiary New Jersey Properties, Inc. (NJP) to its parent, PSE&G, which must be recorded at book value. As such, NJP and PSE&G executed an Intercompany Agreement to Transfer Legal Title to Real Property (Contract) for the vacant property known as Block 1083, Lot 30 in the City of Passaic, County of Passaic and State of New Jersey known as 246-250 Passaic Street (Property) at a book value of \$559,791.08. According to the Notice, the Company will use the Property to construct, operate and maintain a new 69 kilovolt (kV) electrical substation, immediately adjacent to an existing 26 kV substation. The existing 26 kV substation will be retired due to its old age.

The Property was part of the former Passaic Gas Works and is contiguous to PSE&G's existing Passaic Substation. NJP acquired the Property as part of its remedial requirements pursuant to its Manufactured Gas Plant program. The Property was purchase in December 2016 at a purchase price of \$550,000.00. PSE&G stated that following the completion of remediation of contaminated soil at the property, Company will prepare a Remedial Action Report for the Property according to New Jersey Department of Environmental Protection (NJDEP) regulations and guidelines. No legal transfer of the Property can take place between parties until the report is submitted and approved by the NJDEP.

PSE&G will be responsible to complete any remaining remediation work. The Company requested that reimbursement of its costs to remediate the property, as well as its non-remediation costs, flow through the Remediation Adjustment Clause (RAC). PSE&G's remediation costs are partially recovered through claims against its Associated Electric & Gas Insurance Services insurance policies, and those recoveries are credited to ratepayers through the RAC in the period they are recovered. PSE&G filed for recovery of the \$550,000.00 purchase price of the Property through its RAC 25 filing, covering the period from August 1, 2016 to July 31, 2017 with rates effective November 1, 2018 and recovery over a prospective seven year period. Upon completion of the soil remediation, PSE&G must record a Deed Notice and a Ground Water Classification Exception Area on the Property, indicating areas of residual soil and groundwater contamination, as required by the NJDEP. PSE&G estimated that the cost of placing and maintaining the soil cap, Deed Notice and Ground Water Classification Exception Area is about \$231,000.00. PSE&G will assume the long-term responsibility to maintain those engineering and institutional controls and will request recovery of those costs through the RAC process.

On March 28, 2019, the New Jersey Division of the Rate Counsel (Rate Counsel) filed comments with the Board indicating that it did not object to the transfer of the Property from NJP to PSE&G. However, Rate Counsel recommended that the accounting for the remediation and non-remediation costs of the Property, including but not limited to PSE&G's recovery of costs from insurers and from parties potentially responsible for the contamination, be reviewed in PSE&G's next RAC filing or other appropriate proceeding. Rate Counsel further recommended that the \$559,791.08 price from the sale of the Property be credited to ratepayers through the RAC and, if PSE&G should decide in the future to sell any portion of the property, any gain from such sale above the purchase price be credited to ratepayers through the RAC.

Staff recommended that the Board approve the Property transfer subject to certain conditions.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**Joseph DeLosa, Office of Federal and Regional Policy Division**, presented these matters.

**E. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. EL19-58 PJM Interconnection LLC re: Revisions to Operating Agreement, Reserve Market Enhancements; and**

**Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. ER19-1486 PJM Interconnection LLC re: Revisions to Tariff, Reserve Market Enhancements.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, in conjunction with other customer interests and state commissions, filing a Protest of PJM's Enhanced Price Formation in Reserve Markets proposal (PJM Proposal) on May 15, 2019. The PJM Proposal would fundamentally alter the way energy and reserve market prices are formed in PJM, and would result in substantial increases in energy and ancillary service prices for PJM customers. Estimates of the cost of PJM's Proposal range from ~\$550M to ~\$1.5B annually across the PJM footprint. A substantial portion of this revenue increase will accrue to inflexible units, such as nuclear generators. In response, Staff and the Division of Law have joined customer interests, and other state commissions, in a Joint Litigation Agreement (JLA). The Parties to the JLA actively collaborated on the joint Protest of PJM's proposed reforms. Staff recommended ratification of the joint Protest at this time.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**F. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. EL19-63 Joint Consumer Advocates v. PJM Interconnection LLC.**

**BACKGROUND AND DISCUSSION:** On May 6, 2019, Staff on behalf of the Board, filed an Intervention and Comments with the Federal Energy Regulatory Commission (FERC) in support of the Joint Consumer Advocate's (JCA) Complaint against PJM Interconnection LLC (PJM) (the JCA Complaint). The JCA Complaint is substantially similar to the Complaint filed by the Independent Market Monitor (Market Monitor or IMM) on February 21, 2019. The JCA Complaint alleged that the Market Seller Offer Cap (MSOC) in PJM's Capacity Market is unjustly and unreasonably inflated. This Complaint echoed many arguments previously made by the Board during the Capacity Performance Proceeding.

Staff's Comments support the argument that the MSOC must be reduced and for the Complaint to be consolidated with the IMM's Complaint to increase administrative efficiency. Without conceding that the IMM lacks the right to file complaints, Staff supports the JCA Complaint because it ensures that the MSOC will remain the focus of

FERC's action in this proceeding. At this time, Staff recommended that the Board ratify the Intervention and Comments.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

### 3. CABLE TELEVISION

There were no items in this category.

### 4. TELECOMMUNICATIONS

There were no items in this category.

### 5. WATER

#### **A. Docket No. WR18121351 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.**

**Michael Kammer, Director, Division of Water**, presented this matter.

**BACKGROUND AND DISCUSSION:** On December 21, 2018, Aqua New Jersey, Inc. (Aqua, Company or Petitioner), filed a petition with the Board seeking, among other things, to increase rates for water service and to make other tariff changes. Specifically, the Company requested the following relief: 1) to increase rates by approximately \$7,201,793.00, or approximately 18.7%, above the adjusted annual level of revenues for the test year ending April 30, 2019; 2) to reset its current Distribution System Improvement Charge to zero at the conclusion of this proceeding; 3) to authorize the acquisition adjustments associated with the Company's purchase of the water systems formerly owned by the Byram Homeowners Association Water Company, Inc. and Cliffside Park Associates, Inc.; 4) to implement a new depreciation rate for certain transportation equipment; 5) to revise the Company's tariff, including the elimination of the Rider ED-Economic Development program; to implement a new program to assist the Company's low-income residential customers with paying their water and wastewater bills; 6) and to authorize the Company to make the Tax Repair election and implement flow-through accounting.

On January 4, 2019, the Company's petition was transmitted to the Office of Administrative Law, and Administrative Law Judge (ALJ) Tricia M. Caliguire was assigned to hear the case. By Order dated January 17, 2019, the Board suspended the implementation of changes the Company sought to make to its tariffs until May 21, 2019.

Two telephone Pre-Hearing Conferences were convened by ALJ Caliguire on February 11, and 28, 2019, and a procedural schedule was agreed to by the Parties. ALJ Caliguire issued a PreHearing Order on March 14, 2019. On May 8, 2019, the Board entered an Order further suspending, until September 21, 2019, the implementation of changes the Company sought to make to its tariffs.

Subsequent to the public hearings, the Company, the New Jersey Division of Rate Counsel and Board Staff (the Parties) engaged in numerous settlement negotiations. As a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and subsequently executed a Stipulation of Settlement (Stipulation).

On May 23, 2019, ALJ Caliguire issued an Initial Decision in this matter recommending adoption of the Stipulation executed by the Parties, finding that the Parties voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

The Parties stipulated to a total revenue requirement increase for the Company of \$5,000,000.00. The Parties recommended that this increase be deemed an appropriate result of this matter. The Parties recommended that the Board consider the above stipulated revenue increase and all remaining agreed-upon issues embodied in this Stipulation at its next public agenda meeting. The Parties further acknowledged that any increase or issue contained in this Stipulation and approved by the Board will become effective on a date to be determined by the Board. The Parties agreed that this settlement resolves all issues and represents a level of revenue necessary to ensure that Aqua will continue to provide safe, adequate, and proper water/wastewater service to customers.

Staff recommended that the Board approve the Order Adopting the Initial Decision/Stipulation which approves an overall increase in revenues in the amount of \$5,000,000.00.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

## 6. RELIABILITY & SECURITY

There were no items in this category.

## 7. CUSTOMER ASSISTANCE

**Eric Hartsfield, Director, Division of Customer Assistance**, presented these matters.

### **A. Docket Nos. BPU WC18070710U and OAL PUC 11917-18 – In the Matter of Richard and Jill Mueller, Petitioners v. SUEZ Water New Jersey, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Richard and Jill Mueller (Petitioners) and SUEZ Water New Jersey (SWNJ or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Ernest M. Bongiovanni filed an Initial Decision in this matter with the Board on April 12, 2019. On April 25, 2019, the Petitioners filed exceptions to the Initial Decision and on April 30, 2019, SWNJ issued a reply.

The Petitioners stated that they received a high bill for excessive water usage in the amount of \$2,506.09 from SWNJ. They claimed that the bill was the result of a leak. They also claimed SWNJ refused to negotiate a mutually agreeable settlement.

SWNJ, in its answer dated August 7, 2018, stated that the Petitioners failed to properly maintain the water service lines and/or plumbing system in their premises. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. SWNJ requested that the relief sought be denied on the basis that the Petitioners failed to set forth a claim upon which relief may be granted.

ALJ Bongiovanni, in his Initial Decision, concluded that the spike in water usage was solely the result of a water leak located at a sump pump which is on the Petitioners' side of the water meter. The Petitioners noticed water gushing from the sump pump in mid-June 2018. The Petitioners did not shut the water off running to the pump until a leak detection company on June 25, 2018, inspected the property and shut the water off to the sump pump on July 7, 2018.

ALJ Bongiovanni stated that the Petitioners cited no legal basis, and there appears to be none, to require adjustment of a bill, given that they admitted the water leak was the cause of the increased usage, and the leak occurred on their side of the meter, under their ownership and control, and as provided for under the terms and Conditions of SWNJ Tariff. ALJ Bongiovanni concluded that the Petitioners are responsible for paying the outstanding balance owed which the parties agreed is \$2,506.09. Therefore, ALJ Bongiovanni ruled that the petition of the Petitioners be dismissed.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Bongiovanni. Staff recommended the Board adopt the Initial Decision. Staff also recommended that the Board direct Suez to discuss a payment plan with the Petitioners.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**B. Docket Nos. BPU WC18040368U and OAL PUC 06705-18 – In the Matter of Musa Z. Abdelhady, Petitioner v. Suez Water New Jersey, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Musa Z. Abdelhady (Petitioner) and SUEZ Water NJ (SUEZ 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 (dated April 25, 2019) in this matter with the Board on April 25, 2019. No exceptions to the Initial Decision have been received by the Board.

The Petitioner initiated a billing dispute challenging SUEZ's efforts to recover an alleged debt. SUEZ and the Petitioner agreed to settle the matter during the August 29, 2018 settlement conference. SUEZ then prepared a stipulation of dismissal, but the Petitioner never signed the stipulation. On January 30, 2019, SUEZ requested that the matter be dismissed because of the Petitioner's failure to execute the stipulation and to make timely payments according to the payment plan.

ALJ Cookson, in his Initial Decision concluded that the Petitioner's petition be dismissed with prejudice for failure to prosecute. ALJ Cookson further concluded that there was just cause, under all the circumstances, to dismiss the appeal with prejudice because of lack of communications and cooperation from the Petitioner.

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

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**8. CLEAN ENERGY**

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

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

**Docket No. QO18121302 – In the Matter of Approval of Contract for Energy Efficiency Technologies Research and Studies – Completion of the Energy Efficiency Market Potential Study.**

**BACKGROUND AND DISCUSSION:** The Clean Energy Act of 2018 (P.L. 2018, c. 17) includes electric and natural gas energy efficiency and demand reduction requirements including provisions where the Board is required to complete a study to determine energy savings targets and quantitative performance indicators for electricity and natural gas usage reduction, as well as the potential for peak demand reductions, for each utility in the state.

Toward fulfilling the statutory requirements at N.J.S.A. 48:3-87.9(b), on December 18, 2018, the Board approved the Division of Clean Energy to enter into a contract with Optimal Energy, Inc. (Optimal or consultant) to complete a study and develop recommendations consistent with the law. Since the contract kickoff on January 25, 2019, the consultant worked with Staff and stakeholders through a series of four stakeholder meetings to develop the draft Energy Efficiency Market Potential Study which was issued on May 9, 2019.

Staff recommended that the Board accept the Energy Efficiency Market Potential Final Report from Optimal Energy, Inc. and authorize Staff to issue the report to the Legislature via Secretary's letter announcing the Notice of Availability.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

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

**Docket No. QO19050547 – In the Matter of the Clean Energy Act of 2018 – Energy Efficiency and Peak Demand Reduction Programs and the Energy Efficiency Advisory Group.**

**BACKGROUND AND DISCUSSION:** The Clean Energy Act of 2018 (Act) requires the Board establish electricity and natural gas reduction programs based on the results of an Energy Efficiency Potential Study as well as consultation with public stakeholders and an independent advisory group. The Board commissioned a consultant to complete an

energy efficiency market potential study which will have been fully completed prior to the one year anniversary of the Act. Stakeholders have been engaged by staff toward the fulfillment of the law's various provisions since a request for public comment was issued in January. Staff convened four meetings between the consultant and stakeholders to review the data, methods and best practices for developing the energy savings targets and quantitative performance indicators described in the law.

Staff recommended that the Board authorize the establishment of an Energy Efficiency Advisory Group as required by law. Staff also recommended the Board define the advisory group's role in working with Staff and stakeholders to use the results of Potential Study as a framework for the requisite programs and processes. Staff recommended the Board direct Staff to convene the Advisory Group as soon as practicable toward preparing a recommendation for the Board's consideration in late summer or early fall on individual utility program filing requirements and methodologies.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

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

**Docket No. QO19050536 – In the Matter of Energy Usage Reduction Targets and Quantitive Performance Indicators.**

**BACKGROUND AND DISCUSSION:** The Clean Energy Act of 2018 (P.L. 2018, c. 17) mandates that the Board require each electric public utility to develop an energy efficiency programs to “achieve annual reductions in the use of electricity of two percent of the average annual usage in the prior three years within five years of implementation of its electric energy efficiency program” and each gas public utility to develop energy efficiency programs which “achieve annual reductions in the use of natural gas of 0.75 percent of the average annual usage in the prior three years within five years of implementation of its gas energy efficiency program.” N.J.S.A. 48:3-87.9(a).

The statute at N.J.S.A. 48:3-87.9(b) requires the Board to complete a study to determine the energy savings targets for full economic, cost effective potential for energy efficiency and peak demand reductions and a timeframe for achieving the reductions. The Board approved Staff entering a contract for an Energy Efficiency Market Potential Study (EE Study or Study) in December 2018. Following extensive stakeholder input, the Study has been finalized and Staff recommended in an earlier agenda item that the Board accept the Study as complete.

The statute at N.J.S.A. 48:3-87.9(f) requires the Board to establish a stakeholder process to evaluate the energy efficiency and demand reduction market potential, rate adjustments, quantitative performance indicators (QPIs), and the process for evaluating utility programs.

Staff recommended the Board adopt the QPIs as set forth in the EE Study as preliminary and direct Board Staff to initiate a stakeholder proceeding with regards to the QPIs. Staff further recommended the Board direct staff to work with the Advisory Group to develop a methodology for program implementation and to study the evaluation, management, and verification process for the programs, as well as incentives and penalties as prescribed in the Act and to conduct a stakeholder process to receive comments and recommendations from interested parties on the proposed methods to develop the program.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**D. Docket No. EO19040499 – In the Matter of the New Jersey Board of Public Utilities – a Study to Determine the Optimal Voltage for use in the Distribution Systems of each Electric Public Utility in the State.**

**Kevin Nedza, Office of Chief of Staff,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved Staff informing the Board on the implementation of the optimal voltage study required by the Clean Energy Act (CEA). The CEA was signed into law by Governor Murphy on May 23, 2018. Section 4 of this law requires the Board to direct each electric public utility in the State to undertake a study to determine the optimal voltage for use in their respective distributions systems, including a consideration of voltage optimization.

The CEA does not contain any language outlining the goals of determining an optimal voltage, and it is further unclear if meaningful results can be achieved. Conversations with the electric distribution companies (EDCs) revealed that there are potential drawbacks to an optimal voltage and that the matter should be carefully considered. Staff recommended that this study be conducted one stage at a time, if and as each stage is deemed necessary, to limit ratepayer exposure and ensure that resources are being invested in a prudent matter.

Following the submittal of the initial report, which will survey data that is already available, the Board will make a determination on whether or not some or all of the EDCs should continue further into determining an optimal voltage. The Board may at that point order specific utility testing to be performed, or a pilot program. This will allow the Board to make informed decisions at each juncture and not waste utility resources or ratepayer dollars.

Staff conducted several meetings with staff from the EDCs and the New Jersey Division of Rate Counsel and devised a strategy for implementing this law. Staff recommended that the study be conducted in stages, and that the additional stages of the study only be undertaken if they are found necessary by earlier stages.

Staff recommended that for the first stage of the study that the EDCs collectively draft an Request for Proposal (RFP), which will also encompass the system of Butler Power and Light, subject to Staff approval, and use one common consultant. This consultant will analyze the existing literature and studies that have already been conducted on this issue. This information will be compared against the distribution systems of the EDCs to see if further studies are needed and if the development an optimal voltage should be pursued by the EDCs.

Staff further recommended that Board authorizes the EDCs to engage a consultant to perform the study and then issue individual reports. In addition, Staff recommended that the EDCs be ordered to submit an RFP for a joint study by June 28, 2019 for Staff review and that the studies be submitted to the Board on or before December 15, 2019, while also allowing each utility to request an extension of up to 30 days.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

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

**E. Docket No. ER18040356 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2019; and**

**Docket No. EO18111250 – In the Matter of the Provision of Basic Generation Service – Renewable Portfolio Allocation.**

**BACKGROUND AND DISCUSSION:** On January 14, 2019, the Mid-Atlantic Renewable Energy Coalition (MAREC) filed a motion for reconsideration of the Board’s December 18, 2018 Order which addressed implementation of provisions of the Clean Energy Act of 2018 (CEA). The CEA increased the solar Renewable Portfolio Standard (RPS) obligation, exempts Basic Generation Service (BGS) supply with existing supply contracts and requires non-exempt BGS supply to account for the increase Solar Renewable Energy Certificates retirement.

MAREC requested the Board to reconsider its decision to change the RPS compliance policy making the solar obligation a true carve out of the NJ Class I obligation for non-exempt supply. MAREC also requested the Board to clarify that the carve out rule, if retained, applies only to the 2019 BGS auction, and does not apply without Board action to any future BGS auction, or any other proceedings the Board convenes implementing the relevant provisions of the CEA.

On March 13, 2019, the Board authorized the Secretary to issue a notice to MAREC that it intended to extend the deadline for addressing MAREC’s petition, and will act on it beyond the 60-day time limit set forth in N.J.A.C. 14:1-8.7(c). N.J.A.C. 14:1-8.7(c) provides, with respect to motions for rehearing or reconsideration, that “[a]ny motion hereunder which is not granted or otherwise expressly acted upon by the Board within

60 days after the filing thereof, shall be deemed denied.” Due to the timing of the Board’s agenda meetings as well as the pending review of your motion, a decision cannot be issued within the 60 day time period.

Staff recommended that the Board deny MARECs petition for reconsideration of the December Order in light of the provisions of the Clean Energy Act, which require allocation of the increase in the solar RPS avoided by exempt BGS providers and the anticipated constraints posed by the law’s cap on the cost of solar and NJ Class I renewable energy.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

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

**Docket No. EO12090862V – In the Matter of the Implementation of P.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. QO18060658 – Lakehurst Solar, LLC – Joint Base Mcguire-Lakehurst.**

**BACKGROUND AND DISCUSSION:** Subsection (t) of the Solar Act of 2012, 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 New Jersey Department of Environmental Protection (NJDEP) to develop an application.

On June 19, 2018, Lakehurst Solar, LLC submitted its application with the Board to have its project certified as being located on a brownfield pursuant to N.J.S.A. 48:3-87(t) (Subsection (t)) of the Solar Act. The 13.8 MWdc project is proposed to be constructed on property which is owned by US Naval Station JBMD Lakehurst located at Block 70, Lots 18, in Manchester Township, Ocean County, New Jersey. Following review of the application and the advisory memorandum provided by the New Jersey Department of Environmental Protection, Staff recommended that the Board deny conditional certification based on the NJDEP determination that the project proposed by Lakehurst Solar, LLC is not located on property defined as a “brownfield” consistent with the Solar Act of 2012.

Staff consulted with NJDEP on Lakehurst Solar, LLC’s request for conditional certification of its potential solar generation facility pursuant to Subsection (t) of the Solar Act. The applicant seeking certification submitted the required documentation to enable

NJDEP to determine whether the proposed site was a “brownfield” as defined by the Solar Act. NJDEP reviewed the application and supplied an advisory memorandum to Staff on the land use classification of the proposed site. On the basis of NJDEP’s determination, information contained in the application, and other relevant factors, Staff recommended that the Board deny certifying the applicant’s project as a “brownfield” pursuant to Subsection (t). NJDEP determined that the 68 acre area on which the solar electric power generation facility would be located does not constitute as a “brownfield” pursuant to the Solar Act.

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

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**9. MISCELLANEOUS**

There were no items in this category.

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

  
AIDA CAMACHO-WELCH  
SECRETARY OF THE BOARD

Date: June 21, 2019