



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 July 2, 2020, via Teleconference: 1 312 626 6799 – Webinar ID: 932 8116 1955 or Watch Online @ https://youtu.be/Mg_wKn6Pm0E

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 July 15, 2020 at 10:00 a.m. via teleconference.

CONSENT AGENDA

I. AUDITS

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

EE20030270L	Evolution Energy Partners, LLC	R – EA
EE20040293L	MSI Utilities, Inc.	R – EA
EE20020145L	Consumer Sales Solutions, LLC	R – EA
EE20030248L GE20030249L	Advisors Energy Group, LLC	R – EA/EC
EE19111470L GE19111471L	Avion Energy, Inc. d/b/a Avion Energy, d/b/a ectoPro, d/b/a Avion Business Services	R – EA/PA

BACKGROUND: The Board must register all energy agents, private aggregators, and consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a license renewal fee accompanied by an annual information update on a form prescribed by the Board. The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment. As such, any third party suppliers with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any third party supplier renewal application that was filed prior to July 9, 2019 has been, and will continue to, be processed by Board Staff for approval or denial.

The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. 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 and natural gas suppliers, as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations in order to continue to do business in New Jersey.

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

- o Evolution Energy Partners LLC
- o MSI Utilities, Inc.
- o Consumer Sales Solutions, LLC
- o Advisors Energy Group, LLC
- o Avion Energy, Inc. d/b/a Avion Energy, ectoPro, d/b/a Avion Business Services

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

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

There were no items in this category.

IV. TELECOMMUNICATIONS

There were no items in this category.

V. WATER

There were no items in this category.

VI. RELIABILITY AND SECURITY

There were no items in this category.

VII. CUSTOMER ASSISTANCE

There were no items in this category.

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of Minutes for the May 20, 2020 Agenda Meeting.

BACKGROUND: Staff presented the meeting minutes of May 20, 2020, 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

William Foley, Bureau Chief, Division of Audits, presented these matters.

- A. Docket No. EO20050367 – In the Matter of the Alleged Failure of Choose Energy, Inc. to Comply with Certain Provisions of N.J.S.A. 48:3-78 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:4-1.1 et seq.

Energy Agent Initial Registration

EE18030340L

Choose Energy, Inc.

EA

BACKGROUND AND DISCUSSION: This matter involved potential violations under the Electric Discount and Energy Competition Act, and N.J.A.C. 14:4-1.1 et seq. (the Regulations) by Choose Energy, Inc. (Company or Choose Energy), that had been operating as a private aggregator to provide services to residential, commercial and industrial customers in New Jersey.

As a result of correspondence and telephone conversations between Staff and Choose Energy, the Company submitted an Offer of Settlement (Offer) regarding its alleged violations. The Company made a monetary offer in the amount of \$8,100.00 to resolve all issues concerning the violations. Staff recommended that the Board issue an order accepting the Offer as it represents a reasonable settlement of the violations.

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

In addition, Staff recommended Choose Energy be issued an initial registration as an energy agent for one year from the period of July 2, 2020 through July1, 2021.

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

B. Docket No. EO20050358 – In the Matter of the Alleged Failure of Pyxis Energy Generation, LLC to Comply with Certain Provisions of N.J.S.A. 48:3-78 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:4-1.1 et seq.

Energy Agent Initial Registration

EE19101338L

Pyxis Energy Generation

EA

BACKGROUND AND DISCUSSION: This matter involved potential violations under the Electric Discount and Energy Competition Act, and N.J.A.C. 14:4-1.1 et seq. (the Regulations) by Pyxis Energy Generation, LLC (Company or Pyxis Energy Generation), that had been operating as an energy agent and private aggregator to provide services to residential, commercial, and industrial customers in New Jersey.

As a result of correspondence and telephone conversations between Staff and Pyxis Energy Generation, the Company submitted an Offer of Settlement (Offer) regarding its alleged violations. The Company made a monetary offer in the amount of \$350.00 to resolve all issues concerning the violations. Staff recommended that the Board issue an order accepting the Offer as it represents a reasonable settlement of the violations.

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

In addition, Staff recommended Pyxis Energy Generation be issued initial registration as an energy agent for one year from the period of June 26, 2020 through June 25, 2021.

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

2. ENERGY

Cynthia L. M. Holland, Esq., Director, Office of Federal and Regional Policy, presented these matters.

A. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. EL20-42 New England Ratepayers Association re: Petition for Declaratory Order.

BACKGROUND AND DISCUSSION: This matter involved Staff, on behalf of the Board, filing a protest with the Federal Energy Regulatory Commission (FERC). This matter was initiated by a petition for a Declaratory Order filed by the New England Ratepayers Association (NERA) at FERC. In the petition, NERA requested that the Commission (1) declare that the Commission possesses exclusive jurisdiction over net metering arrangements because the arrangements are sales for resale under the Federal Power Act (FPA), and (2) order that the rates for such sales be priced in accordance with the Public Utility Regulatory Policies Act of 1978 or the FPA.

The Board is a party to this case, having intervened on April 30, 2020. This matter is of significance to New Jersey because the requested relief could undermine the state's ability to continue its net metering programs. On April 30, the Board filed joint Comments in support of a Motion for an Extension of Time filed by National Association of Regulatory Utility Commissioners (NARUC). The New Jersey Attorney General's (AGs) office has been engaged in challenging the petition with a coalition of other AGs. The New Jersey Division of Rate Counsel engaged with a coalition of other consumer advocates. Staff worked as part of the NARUC drafting committee, supporting a NARUC filing. Staff also engaged with the Organization of PJM States, Inc. (OPSI) in an effort to support an OPSI filing. Staff recommended that the Board ratify the Comments at this time.

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

B. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket Nos. ER09-1256 and ER12-2708 Potomac-Appalachian Transmission Highline (PATH).

BACKGROUND AND DISCUSSION: This matter involved a return on equity (ROE) for the abandoned Potomac-Appalachian Transmission Highline (PATH) project. The PATH project was first identified in 2007 and planned as a 765 kV line running from West Virginia into Maryland, with an estimated cost of over \$2 billion. PJM assigned construction responsibility to Allegheny Power and American Electric Power, who formed a joint venture known as PATH. PATH proceeded with design, engineering, and procurement for the PATH Project until the Project was ultimately abandoned.

On September 28, 2012, PATH filed for abandonment costs associated with the project and the Board intervened in the proceeding, which continued until a decision in January 2017, where the Federal Energy Regulatory Commission (FERC) found that PATH's 10.4% base ROE was unjust and unreasonable. FERC further determined that a base ROE of 8.11% was just and reasonable for the PATH Project.

PATH was not in favor of FERC's decision and sought rehearing. But ultimately FERC denied rehearing, in part, maintaining that the 10.4% base ROE was unjust and unreasonable.

As to the methodology FERC used for determining that an 8.11% ROE was just and reasonable, FERC directed parties to submit supplemental briefs. In initial briefs, the joint parties with whom the Board filed applied FERC's precedent and arrived at a base ROE of actually 8.00%, but the Board acknowledged that FERC's 8.11% would be acceptable.

After initial briefs, FERC issued a new order revising its ROE methodology for the MISO, Transmission Owners. FERC granted an extension for parties in this PATH proceeding to file reply briefs regarding PATH's ROE. Staff joined with the joint parties that the Board previously briefed this proceeding with. And in reply brief, Staff determined that applying the changed methodology just confirms FERC's 8.11% ROE.

Therefore, Staff proceeded with this reply brief, and took this position to FERC, which was consistent with the Energy Master Plan and the Board's position on transmission ROEs overall.

Staff recommended ratification of Staff's action to join this brief on behalf of the Board.

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. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. EL16-49 Calpine Corporation, et al. v. PJM Interconnection, LLC.

Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket Nos. ER18-1314 and EL18-178 PJM Interconnection, LLC re: 206 Proceeding to Determine Just and Reasonable Replacement Rate.

BACKGROUND AND DISCUSSION: This matter involved Staff, on behalf of the Board, filing comments in response to PJM's second compliance filing to the December 19, 2019 Order issued by the Federal Energy Regulatory Commission (Commission or FERC). In the Order, the Commission substantially expands PJM's Minimum Offer Price Rule (MOPR), to cover all state-sponsored resources in PJM's capacity market. This MOPR expansion raises capacity prices and potentially excludes preferred resources from the market. The Order directly affects those resources most needed for achievement of the Energy Master Plan – new clean energy resources. As required by the December 19

Order, PJM submitted its first compliance filing on March 18, 2020, and its second compliance filing on June 1, 2020.

By order dated April 16, FERC denied rehearing to several parties including the Board. In denying the Board's rehearing request, FERC affirmed that definition of a state subsidy subject to MOPR included the default service auctions used by many restructured states like the Board's Basic Generation Service auction, or BGS auction.

Board Staff, along with many other state commissions, identified numerous problems with the first compliance filing and submitted comments to FERC. The Board's comments indicated that PJM's auction timeline is no longer workable. Board staff plans to file comments to PJM's second compliance filing on or before the June 22 deadline. Staff recommended ratification of those 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

3. CABLE TELEVISION

A. Docket No. CM20030211 – In the Matter of the Joint Petition of CSC TKR, LLC and Service Electric Cable T.V. of New Jersey, Inc. for the Approval of the Transfer of Certificates on Approval of Service Electric Cable T.V. of New Jersey, Inc.

Lawanda R. Gilbert, Esq., Director, Office of Cable Television and Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: On March 5, 2020, CSC TKR, LLC (CSC TKR or Altice) and Service Electric Cable T.V. of New Jersey, Inc. (Service Electric) (together, the Petitioners), filed a petition with the Board requesting approval of the transfer of Certificates of Approval, and approval of the sale of assets from Service Electric to Altice, with regard to Service Electric's related authorizations and the accompanying cable systems from Service Electric to Altice (Transfer).

CSC TKR, a Delaware Corporation, and wholly-owned subsidiary of Altice, currently serves residential and business video customers in approximately 178 New Jersey communities, and offers broadband as well as fixed and mobile voice to New Jersey residents and businesses as well. Altice USA is a broadband communications and video service provider, serving through its various subsidiaries approximately 4.9 million residential and business customers across 21 states.

Service Electric, headquartered in Sparta, NJ, is a provider of cable TV, broadband and voice service, in Sussex, Warren, and Morris Counties, serving over 19,000 subscribers in the twenty-eight communities.

The amount of the purchase price for Service Electric's assets to be transferred pursuant to the Purchase Agreement, dated February 12, 2020, is \$150 million in cash purchase according to Altice of: 1) the physical assets used to distribute cable and non-cable services to Service Electric customers; and 2) the franchises and other cable television authorizations. Altice asserted Telecommunications authorizations play no role in this transaction, since Altice already holds all Board, Federal Communications Commission and other necessary authorizations to offer telecommunications services in New Jersey.

The Petitioners asserted that the Transaction would bring substantial benefits to the public in New Jersey, including advanced and Innovative Service Offerings "without any harm to customers or competition in New Jersey such as (1) the suite of video tiers available in other portions of Altice's NJ service territory and make available Altice One in the subject communities, and (2) A suite of broadband, telephone, mobile services and news channels, (3) bring Altice's advanced networks, faster broadband speeds, pro-consumer mobile offerings and more local news to the residents and businesses in New Jersey currently serviced by Service Electric.

By Order dated March 27, 2020 (March 27 Order), the Board designated Commissioner Upendra J. Chivukula as the presiding officer in this matter. The March 27 Order authorized Commissioner Chivukula to rule on all motions and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification. Within the Order, the deadline of April 14, 2020 was set for motions to intervene and pro hac vice. No motions to intervene were received.

Commissioner Chivukula subsequently issued a pre-hearing order on May 14 establishing a discovery schedule and setting a public comment period concluding on July 1, 2020.

Subject to the procedural schedule, the Petitioners provided written responses to two rounds of written requests by Staff and the New Jersey Division of Rate Counsel (Rate Counsel), and public comments were accepted through July 1, 2020.

By email dated June 18, 2020, in response to a proposed modification of the procedural schedule, Rate Counsel expressed a request to Presiding Commissioner Chivukula to convene a status conference in this matter so that any remaining settlement issues may be discussed. Following the status conference, the original schedule was maintained. Consistent therewith a second Discovery settlement conference was held on June 23 to further discuss the progress of the case and outstanding discovery issues.

In addition to the proposed standard conditions in the Order typically included in system sales and mergers and other transfer related conditions, the following specific conditions are recommended requiring: 1) Altice forbear from implementing its failure to prorate policy on Service Electric customers until the end of the pending State and Federal Court appeals; 2) Altice provide reports on the implementation of the physical upgrade of the system; and address pending line extension requests; 3) Altice provide a plan for addressing currently expired franchises in the Service Electric system; and 4) Altice report to the Board should a 15% reduction in staff in the Service Electric system occur.

Altice's voluntary commitments regarding Broadband rollout, Low Income Internet Services, Network Expansion, and Franchise Renewal management will also be included as conditions in the Order.

The Rate Counsel submitted comments recommending approval of the transaction subject to certain conditions.

After review of the proposed Transfer, Staff found that Altice to possess the financial resources, and technical qualifications to ensure the Board of its ability to provide safe, adequate and proper service to its cable television subscribers. In addition, the Board has continuing authority to regulate both systems' service quality and customer service provisions and enforce Altice's franchise obligations. Therefore, Staff recommended that the Board approve the transfer of Certificates of Approval and assets from Service Electric to Altice, subject to the conditions set forth in the Board's Order of Approval.

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

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

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

There were no items in this category.

6. RELIABILITY AND SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket No. AX19060729 – In the Matter of Adopting Amendments of the New Jersey Administrative Code (N.J.A.C.) 14:3-3A.

Julie Ford-Williams, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a request for the Board approval to file the adoption of amendments to the Board's rule New Jersey Administrative Code (N.J.A.C.) 14:3-3A. The amendments covered by the adoption provide greater clarity in the regulations that all utilities regulated by the Board are prohibited from discontinuing service to customers using life-sustaining equipment upon the utility receiving proper verification that life-sustaining equipment is in use in the customer's premises. Further,

the amendments require that utilities develop customer outreach plans which educate the public and customers on the procedures and guidelines to qualify and apply for medical certification status to be distributed to all customers quarterly.

These amendments were proposed on December 2, 2019. The primary issue involved in this adoption concerns the Board's rules limiting utility shutoffs when a medical emergency exists and also broadens the requirements for restoring service when an unknown account or master meter is disconnected and there is an existence of a medical emergency. Commenters both for and against the changes were vocal.

Governor Murphy signed into law, "Linda's Law" P.L.2019 c.154, on July 5, 2019, which prohibits electric public utilities from discontinuing service to customers using life-sustaining equipment with verification of use of equipment. The adoption of these amendments will further prevent any future potential adverse situations for customers utilizing medical equipment or experiencing medical conditions which require utility service. These amendments set forth the circumstances in which a utility may discontinue residential service for nonpayment when a medical emergency exists, as well as notice requirements for discontinuance of service for residential and special customers.

In addition, the amendments broaden the requirements for restoring service when an unknown account or master metered account is disconnected and a medical emergency exists. The amendments also require that utilities solicit information quarterly instead of annually from their residential customers in order to determine the presence of life-sustaining equipment.

The amendments will help ensure that residential customers are further protected from discontinuance of service when an emergent medical situation exists within their premises. Therefore, Staff recommended that the Board approve the filing of the adoption with Office of Administrative Law for publication in the New Jersey Register and become effective on August 17, 2020.

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

Kelly Mooij, Director, Division of Clean Energy, presented these matters.

A. Docket No. QO19030306 – In the Matter of the State Energy Program for Program Year July 1, 2019 – June 30, 2020 – Extension: July 1, 2019 – June 30, 2021.

BACKGROUND AND DISCUSSION: This matter is to extend the United States Department of Energy (USDOE) 2019–2020 State Energy Program (SEP) for a period of one year, changing the end date from June 30, 2020 to June 30, 2021.

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 in accordance with 10 C.F.R. § 420.14.

The USDOE may approve or disapprove funding through the SEP within 60 days from the date of a timely filed application packet; and request, if necessary, additional documents or an amended State Plan to reflect changes in the activities the State is planning to undertake for the fiscal year concerned. 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 was \$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 ending year (e.g., FY 2020 starts July 1, 2019 and ends June 30, 2020), DOE views program years by the beginning year (e.g., July 1, 2019 through June 30, 2020 is considered PY 2020).

On April 18, 2019, the Board approved Staff request to submit its SEP Proposal to USDOE. On May 29, 2019, USDOE approved Staff's April 24, 2019 proposal, and the programs commenced on July 1, 2019. On March 30, 2020, Staff submitted an extension request to USDOE requesting a one year extension to the SEP FY19 Program. On May 5, 2020, USDOE approved this request and extended the program to June 30, 2021.

Staff recommended the Board approve the extension of the SEP Program by one year in accordance with the USDOE approval.

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

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

B. Docket No. QO19050645 – In the Matter of Fiscal Year 2020 Clean Energy Budget – Extension.

BACKGROUND AND DISCUSSION: The Board approved the New Jersey Clean Energy Program’s (NJCEP’s) Fiscal Year 2020 (FY20) budget through a June 21, 2019 Board Order, which was tried up and revised through a January 8, 2020 Board Order and revised for a second time through an April 6, 2020 Board Order.

On April 14, 2020, Governor Murphy signed into law a bill that extended the State’s current FY20 to September 30, 2020. In order to align the NJCEP’s fiscal year with the State’s fiscal year, Staff is proposing to extend the NJCEP FY20 for an additional three months through September 30, 2020 and is developing recommendations for a 5th quarter FY20 extension order for the Board’s consideration at the July 15 agenda meeting.

The Division of Clean Energy recommended that the Board approve a no-cost extension of FY20 programs and budget for the period between July 1 and July 15, 2020 to allow for the programs to continue until the Board considers the third revision of FY20 programs and budget on July 15, 2020.

After analysis and communication with Program Administrator TRC and other potentially impacted consultants and contractors, Staff forecasts that there will be sufficient funds in existing budget lines to continue programs uninterrupted until anticipated Board action on July 15. This extension will allow Staff to defer spending and will provide opportunities for contractors and customers to apply for program incentives that would have expired on June 30, 2020.

Staff recommended that the Board approve a two week, no-cost extension to provide Staff an opportunity for release a proposed 5th quarter FY20 NJCEP budget, including a request for comments, program compliance filings, and the Comprehensive Resource Analysis. This two week, no-cost extension will afford Staff the opportunity to better align with the State of New Jersey Budget adopted June 30, 2020, and will also allow for the collection of stakeholder input, comment review, and ultimate recommendation of an austere 5th quarter budget which continues critical clean energy programs.

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. Non-Docketed Matter – In the Matter of Agera Energy, aka Me Energy v. New Jersey Board of Public Utilities Claim Nos. 32, 247 (Objection Docket Nos. 647, 648, 654) – Executive Session.

Brandon Simmons, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in executive session, and it involved Staff requesting that the Board ratify its consent to the recommendation given in executive session.

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

LATE STARTER A

MISCELLANEOUS

Docket No. AO20060471 – In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic.

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

BACKGROUND AND DISCUSSION: Governor Murphy and the Board have taken a number of unprecedented actions since the World Health Organization declared the coronavirus disease of 2019 (COVID-19) to be a public health emergency of international concern in January 2020. In response to the COVID-19 pandemic, Governor Murphy issued a number of Executive Orders, which were intended to limit the spread of COVID-19 by, among other things, requiring that the State’s business community allow their employees to work from home. The Board requested that the State’s gas and electric utilities suspend service shutoffs due to the public health emergency and issued a joint statement with the Department Environmental Protection and the Department of Community Affairs asking that the State’s water utilities suspend service shutoffs due to the public health emergency. Additionally, the Board issued an Order temporarily suspending non-essential construction.

The State’s gas, electric, investor owned water and wastewater utilities are potentially incurring increased expenses in response to the Governor’s and the Board’s directives relative to COVID-19. Examples of such expenses include increased overtime by field employees, the purchase of personal protection equipment, increased security costs, the purchase of computers and additional software licenses that allow employees to work from home, and increased treatment expenses by the water and wastewater utilities.

Board policy is to allow utilities to include in rates only those expenses that are known and measurable at the time of a base rate case. Given the extraordinary nature of the COVID-19 pandemic and the unprecedented actions taken by both Governor Murphy and the Board in response to the pandemic.

Staff recommended that the Board issue an Order, which authorizes the affected utilities to create a regulatory asset by allowing them to defer on their books and records any incremental costs that directly attributable to COVID-19. Allowing the deferral of incremental COVID-19 related costs will allow the utilities to seek recovery of these deferred incremental COVID-19 related expenses in a future base rate case.

The Board has previously allowed the creation of a regulatory asset and deferred accounting treatment of certain expenses for possible future rate recovery due to extraordinary circumstances, such as the aftermath of Superstorm Sandy.

Staff also recommended that each utility that establishes a COVID-19 regulatory asset account be directed to file quarterly reports of the COVID-19-related costs and offsets and that all affected intending to seek recovery of any deferred COVID-19 related expenses be directed to file a petition with the Board by December 31, 2021, or within 60 days of the close of the regulatory asset period, whichever is later.

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 matter, which involved attorney/client privilege and contract negotiation pursuant to the Open Public Meetings Act at N.J.S.A. 10:4-12(b)7 were discussed in Executive Session. This matter also falls within the exceptions for pending litigation.

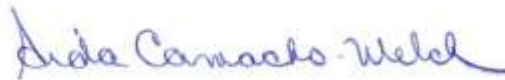
9. MISCELLANEOUS

A. Non-Docketed Matter – In the Matter of Agera Energy, aka Me Energy v. New Jersey Board of Public Utilities Claim Nos. 32, 247 (Objection Docket Nos. 647, 648, 654).

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: August 12, 2020