



**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 August 12, 2020, via Teleconference: 1 312 626 6799 Webinar ID: 982 6858 6613 or watch online @ <https://youtu.be/MObPO6PGI2g>

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 August 24, 2020 at 10:00 a.m. via teleconference.



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

- Precision Group LLC d/b/a Precision Group

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

- Grand Energy, LLC

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

## II. ENERGY

There were no items in this category.

## III. CABLE TELEVISION

**A. Docket No. CE19080893 – In the Matter of the Petition of Comcast of Central New Jersey II, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Franklin, County of Somerset, State of New Jersey.**

**BACKGROUND:** On March 11, 2014, Comcast of Central New Jersey II, LLC (Comcast) filed an application with the Township of Franklin (Township) for renewal of municipal consent.

On September 29, 2015, the Township adopted Ordinance No. 4118-15 granting renewal municipal consent to Comcast. On March 26, 2019, the Township adopted Ordinance No. 4275, which was an amendment to the municipal consent ordinance. On June 13, 2019, Comcast formally accepted the terms and conditions of the ordinance and the amending ordinance.

On August 7, 2019, Comcast filed a petition with the Board for a renewal of its Certificate of Approval for the Township. This Certificate shall expire on December 11, 2029.

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

#### IV. TELECOMMUNICATIONS

**A. Docket No. TM20060388 – In the Matter of the Verified Petition of Windstream Holdings, Inc., Windstream Services, LLC, A.R.C. Networks, Inc., ATX Licensing, Inc., Bridgecom International Inc., Broadview Networks, Inc., Broadview NP Acquisition Corp., Business Telecom, LLC., Cavalier Telephone Mid-Atlantic, LLC, Conversent Communications of New Jersey, LLC, CTC Communications Corp., Deltacom, LLC, Earthlink Business, LLC, Intellifiber Networks, LLC LDMI Telecommunications, LLC, Lightship Telecom, LLC, Talk America, LLC, Trucom Corporation, US Lec of Pennsylvania, LLC, Windstream Communications NTI, LLC, and Windstream Nuvox, LLC for Approval of the Transfer of Control of Windstream Holdings, Inc.**

**BACKGROUND:** On June 3, 2020, Windstream Holdings, Inc. (Windstream Holdings), a Delaware corporation, and Windstream Services, LLC (Windstream Services), a Delaware limited liability company (collectively, Windstream), on behalf of their subsidiaries active in New Jersey (the Windstream Licensees) (together with Windstream, Petitioners), submitted a petition to the Board requesting authority, to the extent it may be required, to complete the intracompany and reorganization transactions necessary for Windstream to emerge from a bankruptcy proceeding commenced in February 2019 (the Reorganization).

Following consummation of the Reorganization, the Petitioners represented that Windstream Licensees will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

On July 1, 2020, the Petitioners submitted a request for a waiver of certain notice requirements to municipalities and utilities under N.J.A.C. 14:1-5.14 (b) (12) to which the Board granted a limited waiver pursuant to an Order entered on July 15, 2020 under the above-referenced docket number.

The Petitioners provided to the Board the United States Bankruptcy Court for the Southern District of New York, Findings of Fact, Conclusions of Law, and Order Confirming the First Amended Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc. et al., Pursuant to Chapter 11 of the Bankruptcy Code, Case No. 1922312 (RDD) dated June 26, 2020.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board on July 8, 2020, stating that it did not object to approval of the proposed reorganization Plan. However, Rate Counsel raised a concern regarding the potential for diminished service and service quality based on post-transaction employment attrition, which would not be in the public interest.

The Rate Counsel proposed that any approval be conditioned upon a notification requirement to the Board and Rate Counsel if there is any net loss of jobs in New Jersey greater than 15% for a three-year period post-issuance of a Board order resolving this matter. In addition, Rate Counsel also proposed that the Board direct that the Petitioners certify that the reorganization Plan will not adversely affect or reduce New Jersey employees' existing rights in any retirement benefit plan currently offered by the Petitioners and/or Windstream Licensees post-consummation of the reorganization transaction.

After review, Staff did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe, adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market.

Therefore, Staff recommended that the Petitioners be allowed to proceed with the Reorganization.

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

**B. Docket No. TF20060472 – In the Matter of the Verified Petition of Level 3 Communications, LLC for Approval to Participate in a Financing Arrangement.**

**BACKGROUND:** On June 29, 2020, Level 3 Communications, LLC (Level 3 LLC or Petitioner), filed a petition with the Board requesting approval to participate in a financing arrangement in connection with the issuance of \$1.2 billion aggregate principal amount of 4.250% Senior Notes due 2028 by its parent company, Level 3 Financing, Inc. (Financing), for the intended purpose of permitting Financing to redeem \$1.2 billion aggregate principal amount of other debt. The Petitioner stated that this request is a refinancing in part of transactions previously approved by the Board in 2014 and 2015.

Specifically, the Petitioner requested approval to act as guarantor for the Senior Notes upon receipt of the required regulatory approvals, including from the Board. Additionally, Level 3 LLC issued an intercompany demand note to Financing as part of this financing. Level 3 LLC stated that this action is consistent with prior financing arrangements previously approved by the Board. The Petitioner requested Board approval to permit the Intercompany Demand Note used in exchange for the proceeds of the Senior Notes to remain unpaid for more than 12 months from the date of issuance.

The Petitioner stated that the financing arrangement will enable Financing and Level 3 Parent to take advantage of lower interest rates and more favorable maturity terms, thereby significantly reducing interest expenses. According to Level 3 LLC, the financing arrangement will provide the Petitioner with the financial flexibility to maintain and expand its networks and services. The Petitioner further stated that the financing arrangement will enable it to continue delivering services to new markets, thus allowing more consumers to benefit from its competitive services.

The New Jersey Division of Rate Counsel reviewed this matter and, by letter dated July 30, 2020, stating that it did not oppose the Board's grant of the Petitioner's requests.

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

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

**V. WATER**

**A. Docket No. WF20060391 – In the Matter of the Request of SUEZ Water New Jersey, Inc. for Approval of Certain Amendments to the Currently Effective Money Pool and Affiliated Sector Agreements, and Approval for Reorganization.**

This matter was deferred.

**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 July 2, 2020 Agenda Meeting.**

**BACKGROUND:** Staff presented the minutes of the Regular Board Agenda meeting of July 2, 2020 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

There were no items in this category.

### 2. ENERGY

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

#### **A. Docket No. ER20030263 – 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 – March 2020 Joint Filing.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a filing made by the electric distribution companies requesting authorization to pass through transmission costs related to Federal Energy Regulatory Commission (FERC) approved cost reallocations.

By petition dated March 25, 2020, Atlantic City Electric Company (ACE), Jersey Central Power & Light Company (JCP&L), Public Service Electric and Gas Company (PSE&G) and Rockland Electric Company (Rockland) (collectively, EDCs) filed a petition with the Board requesting recovery of FERC approved changes in firm transmission service related charges (March 2020 Petition). The EDCs requested that the changes in rates, if approved, be effective for service rendered on and after January 1, 2020.

By Order dated January 22, 2020, the Board approved transmission charges resulting from the FERC-approved changes, effective February 1, 2020. In the January 2020 Order, the Board approved PSE&G's Derived Network Integration Transmission Service (NITS) rate and associated allocations.

On August 19, 2019, FERC issued an Order in Docket No. ER18-614-006, allowing for charges to flow between PJM and the Midcontinent Independent System Operator (MISO) (NIPSCo Order). The NIPSCo Order allowed charges to now flow from MISO to PJM for Targeted Market Efficiency Projects effective January 1, 2020. The NIPSCo Order is not yet final.

On February 3, 2020, FERC issued an Order in Docket No. ER19-1501-001 approving a new cost allocation methodology applicable to stability projects impacting the Artificial Island (AI) projects (AI Reallocation) (Silver Run Order). Changes to the PJM Open Access Transmission Tariff (OATT) associated with the AI Reallocation now include a new cost methodology using the stability deviation method and limited clarifying revisions to Schedule 12 necessary for implementation. The Silver Run Order is not yet final.

PJM implemented the changes from the NIPSCo and Silver Run Orders effective January 1, 2020. As a result of the NIPSCo and Silver Run Orders, PSE&G modified its' NITS rate to reflect the reallocations in those Orders.

The EDCs proposed tariff sheets reflect changes to the Basic Generation Service (BGS) Residential/Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes to the PJM OATT made in response to revised cost reallocations resulting from the Silver Run and NIPSCO Orders.

No comments were received from Rate Counsel or any other party.

In the Order dated November 21, 2017 in Docket No. ER17040335, the Board found that the current construct provides a balance between the protection of ratepayers and the concerns of BGS suppliers regarding risk, while allowing the Board discretion on a case by case basis. In its November 13, 2019 Order, Staff was directed to work with the parties prior to the filing of the 2021 BGS Auction proposals in an attempt to find a resolution to issues related to transmission payments.

Staff recommended that the EDCs' request to pay suppliers at this time be approved for the reallocations associated with the NIPSCO and Silver Run Orders subject to the terms and conditions of the SMAs.

Staff also recommended that the Board approve the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes resulting from the NIPSCO and Silver Run Orders, effective September 1, 2020.

Staff recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings by September 1, 2020.

**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. ER20060446 – 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 – June 22, 2020 Filing.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a filing made by the electric distribution companies requesting authorization to pass through transmission costs related to FERC approved cost reallocations.

By petition dated June 22, 2020, Atlantic City Electric Company (ACE), Jersey Central Power & Light Company, Public Service Electric & Gas Company and Rockland Electric Company (collectively, EDCs) filed a joint petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges (June 2020 Petition). The EDCs request that the changes in rates, if approved, be effective for service rendered on or after September 1, 2020.



The EDCs' proposed tariff changes reflect changes to the Basic Generation Service (BGS) Residential and Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM Interconnection, LLC Open Access Transmission Tariff (OATT) made in response to:

- (i) The annual formula rate update filings made by:
  - (a) PPL Electric Utilities Corporation in FERC Docket No. ER09-1148;
  - (b) by Baltimore Gas and Electric Company in FERC Docket No. ER09-1100;
  - (c) by PECO Energy Company in FERC Docket No. ER17-1519;
  - (d) by Trans-Allegheny Interstate Line Company in FERC Docket No. ER07-562; and
  - (e) by Commonwealth Edison Company in FERC Docket No. ER07-583.
  
- (ii) The formula rate update filings made by the public utility affiliates of:
  - (a) Pepco Holdings LLC in FERC Docket No. ER08-1423; and
  - (b) The respective utility affiliate compliance filings for formula rate updates made by ACE in FERC Docket No. ER09-1156, Delmarva Power and Light in FERC Docket No. ER09-1158, and Potomac Electric Power Company in FERC Docket No. ER09-1159.

No comments were received from Rate Counsel or any other party.

Pursuant to Section 15.9 of the Supplier Master Agreement (SMA), the EDCs are permitted to recover increases in Firm Transmission Service charges from BGS customers subject to Board approval. Thereafter, the 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. The EDCs requested that BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the updates from formula rates effective June 1, 2020 and indicated that any difference between the payments to BGS suppliers and charges to customers flowing through each EDC's BGS Reconciliation Charge.

The Board's December 22, 2006 Order stated, "Upon receipt of Board approval for the increase in the rates charged to BGS Customers, the EDCs would begin collecting the increase from BGS Customers, tracking that portion of the rates charged to BGS Customers attributable to the rate increase, and retaining such tracked amounts for the ultimate benefit of the BGS Suppliers. Upon approval by the FERC of a proposed rate increase, in a Final FERC Order not subject to refund, the EDCs would increase, by the amount approved by the Board, the BGS-FP auction price paid to BGS-FP Suppliers, and the BGS-CIEP Transmission Charge paid to BGS-CIEP Suppliers, and would pay each BGS Supplier, in proportion to its BGS Supplier Responsibility Share, the amounts tracked and retained for the benefit of BGS Suppliers until the date final FERC approval was received."

There are several allocations included in the Transmission Enhancement Charges (TECs) charges that have not received a Final FERC Order, including 1) the Con-Ed Wheel Reallocation and 2) Hudson Transmission Partners' and Linden Variable Frequency Transformer Project. Accordingly, Staff recommended that the Board approve the

changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs and ACE derived Network Integration Transmission Service rate in the June 2020 Petition, effective September 1, 2020.

In the Order dated November 21, 2017, the Board found that the current construct provides a balance between the protection of ratepayers and the concerns of BGS suppliers regarding risk, while allowing the Board discretion on a case by case basis. In its November 13, 2019 Order, Staff was directed to work with the parties prior to the filing of the 2021 BGS Auction proposals in an attempt to find a resolution to issues related to transmission payments.

Based upon those discussions and the filing of the 2021 BGS Auction proposals, Staff recommended that the EDCs' request to pay suppliers at this time be approved subject to the terms and conditions of the SMAs. Staff also recommended that the Board direct the EDCs to file revised tariffs and rates consistent with the Board's findings by September 1, 2020.

**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. ER20010088 – 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 (2020).**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Atlantic City Electric Company's (ACE) 2020 Non-Utility Generation Charge and Societal Benefits Charge rates.

On January 31, 2020, ACE filed a 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 (2020 NGC/SBC Petition). Pursuant to the 2020 NGC/SBC 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 \$18.570 million.

Through the course of the proceeding, ACE updated the 2020 NGC/SBC Petition to include actual information through March 31, 2020 (March 2020 Update). According to the March 2020 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 \$16.801 million.

ACE, Board Staff (Staff), and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) requesting that the Board approve changes in the NGC and SBC, which will result in a monthly increase of \$1.34 for the typical residential customer using 679 kWh monthly.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board order ACE to file tariffs consistent with the Order by September 1, 2020.

**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. ER20050344 – In the Matter of the Petition of Atlantic City Electric Company Concerning the Initial Setting of the Regional Greenhouse Gas Initiative Recovery Charge (Rider RGGI) Associated with the New Jersey Solar Transition Incentive Program.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a proposal by Atlantic City Electric Company’s (ACE or Company) proposal to recover costs associated with the Transitional Renewable Energy Certificate Program as a new component of its existing Regional Greenhouse Gas Initiative Recovery Charge.

On May 7, 2020, ACE filed a petition with the Board seeking approval to recover revenues associated with the Transitional Renewable Energy Certificate Program (TREC Program) (2020 TREC Petition). In the 2020 TREC Petition, the Company sought recovery of an initial to recover a revenue requirement of approximately \$4.47 million associated with the TREC Program from July 1, 2020 through August 31, 2021. ACE proposed to recover this amount through a new component of its Regional Greenhouse Gas Initiative Recovery Charge (Rider RGGI). ACE stated that its proportionate share of retail electric sales is currently 12.36% based on the period January 2019 through December 2019. ACE is projecting 8,537,043-megawatt hours sold between September 2020 and August 2021.

The TREC costs include the Company’s share of: (a) payments for the procurement of TRECs, (b) the TREC Administrator’s Fee, and (c) any other direct costs associated with its’ obligations for participation in the TREC Program. The Company proposed to update the TREC costs on an annual basis incorporating a true-up for actuals and an estimate of the revenue requirement for the upcoming recovery period in future Rider RGGI cost recovery filings.

Following the review of the 2020 TREC Petition, ACE, the New Jersey Division of Rate Counsel and Board Staff (Staff), (collectively, Parties) executed a stipulation of settlement (Stipulation) resolving all of the issues related to the 2020 TREC Petition. The Stipulation would allow the Company to recover an initial revenue requirement of approximately \$4.47 million. If approved, the request will result in an increase in the monthly bill of a typical residential customer of \$0.38.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct ACE to file tariffs consistent with its Order by September 1, 2020.

**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>

**E. Docket No. ER20050351 – In the Matter of Jersey Central Power and Light Company’s Verified Petition to Establish a New Rate Component of its Rider RRC – RGGI Recovery Charge (Rider RRC) for Costs Incurred Pursuant to the Mandated Transition Renewable Energy Credit Incentive Program.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a proposal by Jersey Central Power & Light Company’s (JCP&L or Company) to recover costs associated with the Transitional Renewable Energy Certificate Program under its existing Rider RGGI Recovery Charge.

On May 11, 2020, JCP&L filed a petition with the Board seeking approval to recover revenues associated with the Transitional Renewable Energy Certificate Program (TREC Program) (2020 TREC Petition). In the 2020 TREC Petition, the Company sought to recover an initial revenue requirement of approximately \$11.56 million associated with the TREC Program from June 1, 2020 through September 30, 2021. JCP&L proposed to recover this amount through a new component of the Company’s existing Rider RGGI Recovery Charge (Rider RRC). JCP&L’s proportionate share of retail electric sales is currently 28.37% based on the period January 2019 through December 2019. JCP&L is projecting 22,118,184-megawatt hours sold between September 1, 2020 and September 30, 2021.

The TREC costs include the Company’s share of: (a) payments for the procurement of TRECs, (b) the TREC Administrator’s Fee, and (c) any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations. The Company proposed to update the TREC costs on an annual basis incorporating a true-up for actuals and an estimate of the revenue requirement for the upcoming recovery period in future Rider RRC cost recovery filings. JCP&L would defer any over/under recovery of the monthly actual revenue requirement compared to actual revenues.

Following the review of the 2020 TREC Petition, JCP&L, the New Jersey Division of Rate Counsel and Board Staff (Staff), (collectively, Parties) executed a stipulation of settlement (Stipulation) resolving all of the issues related to the 2020 TREC Petition. If approved, the request will result in an increase in the monthly bill of a typical residential customer of \$0.43.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct JCP&L to file tariffs consistent with its Order by September 1, 2020.

**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. ER20040324 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program (TREC Program).**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a proposal by Public Service Electric and Gas Company's (PSE&G or Company) to recover costs associated with the Transitional Renewable Energy Certificate Program through a new component of its Green Program Recovery Charge.

On April 30, 2020, PSE&G filed a petition with the Board seeking approval to recover revenues associated with the Transitional Renewable Energy Certificate Program (TREC Program) (2020 TREC Petition). In the 2020 TREC Petition, the Company sought to recover an initial revenue requirement of approximately \$23 million associated with the TREC Program from July 1, 2020 through September 30, 2021. PSE&G proposed to recover this amount through a new component of the Company's existing electric Green Programs Recovery Charges (GPRC). PSE&G stated that its proportionate share of retail electric sales is currently 57.12% based on the period January 2019 through December 2019. PSE&G is projecting 43,704,016-megawatt hours sold between September 2020 and September 2021.

The TREC costs include the Company's share of: (a) payments for the procurement of TRECs, (b) the TREC Administrator's Fee, and (c) any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations. The Company proposed to update the TREC costs on an annual basis incorporating a true-up for actuals and an estimate of the revenue requirement for the upcoming recovery period in future GPRC cost recovery filings. PSE&G would defer any over/under recovery of the monthly actual revenue requirement compared to actual revenues.

Following the review of the 2020 TREC Petition, PSE&G, the New Jersey Division of Rate Counsel and Board Staff (Staff) (collectively, Parties) executed a stipulation of settlement (Stipulation) resolving all of the issues related to the 2020 TREC Petition. The Stipulation would allow the Company to establish a new component of its electric GPRC to recover an initial revenue requirement of \$23 million. If approved, the request will result in an increase in the monthly bill of a typical residential customer of \$0.42.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct PSE&G to file tariffs consistent with its Order by September 1, 2020.

**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>

**G. Docket No. ER20050363 – In the Matter of the Verified Petition of Rockland Electric for the Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program (TREC Program).**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a proposal by Rockland Electric Company’s (RECO or Company) to recover costs associated with the Transitional Renewable Energy Certificate Program under its existing Regional Greenhouse Gas Initiative Recovery Charge.

On May 20, 2020, the Company filed a petition with the Board seeking approval to recovery revenues associated with the Transitional Renewable Energy Certificate Program (TREC Program) (2020 TREC Petition). In the 2020 TREC Petition, the Company sought recovery of an initial revenue requirement of \$456,718.00 associated with the TREC Program from July 2020 through May 2021. RECO proposed to recover this amount through a new component of its Regional Greenhouse Gas Initiative (RGGI) Recovery Charge. RECO’s proportionate share of retail electric sales is currently 2.14% based on the period January 2019 through December 2019. RECO is projecting 1,029,125–megawatt hours sold between September 2020 and May 2021.

The TREC costs include the Company’s share of (a) payments for the procurement of TRECs, (b) the TREC Administrator’s Fee, and (c) any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations. The Company proposed to update the TREC costs on an annual basis incorporating a true-up for actuals and an estimate of the revenue requirement for the upcoming recovery period in future RGGI Recovery Charge cost recovery filings. RECO would defer any over/under recovery of the monthly actual revenue requirement compared to actual revenues.

Following the review of the 2020 TREC Petition, RECO, the New Jersey Division of Rate Counsel and Board Staff (Staff), (collectively, Parties) executed a stipulation of settlement (Stipulation) resolving all of the issues related to the 2020 TREC Petition. The Stipulation would allow the Company to recover an initial revenue requirement of \$456,718.00. If approved, the request will result in an increase in the monthly bill of a typical residential customer of \$0.31.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct RECO to file tariffs consistent with its Order by September 1, 2020.

**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>

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

**H. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. ER20-2308 PJM Interconnection LLC re: Joint Stakeholders’ Amendments to Operating Agreement.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering ratification of the intervention and comments filed in this docket regarding projects at the end of their service life. This filing was made by PJM in early July in response to a vote of PJM stakeholder membership, notwithstanding opposition from the PJM transmission owners. This filing stands in stark juxtaposition with the transmission owners' filing that the Board protested in early July.

Staff intervened in this proceeding on behalf of the Board. In evaluating this proposal Staff has understood strong opinions on both proposals from PJM, from the transmission owners, and the stakeholders. Staff identified that the joint stakeholders' proposal seems to be consistent with Order 1000 principles of competition; consistent with Order 890; and Order 1000 principles of transparency; and consistent with Order 1000 cost causation principals.

Staff acknowledged that the transmission owners' proposal and PJM's concerns regarding the legal implications presented, notably the interaction of the transmission owners' authority under the consolidated transmissions agreement and the members' authority under the operating agreement.

Staff recommended ratification of 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>

**I. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. ER20-2046 PJM Interconnection LLC re: Transmission Owners’ Amendments to Attachment M-3.**

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering the ratification of the Motion to Leave for Answer and Answer filed in this docket about revisions to the PJM Tariff regarding projects at the end of their useful life. Staff, on behalf of the Board, filed a Motion for Leave to Answer and Answer (Answer) in the above captioned docket at the Federal Energy Regulatory Commission on August 4, 2020.

Exercising their rights under the Consolidated Transmission Owners' Agreement, the transmission owners (TO) filed revisions to the PJM Tariff under Section 205 of the Federal Power Act. These revisions to the tariff concern what the TOs consider to be "asset management projects." These are the same projects that were discussed in item 2H, which are the transmission projects at the end of their useful life.

The proposed revisions to the Tariff would establish a process for the transmission owners to coordinate with PJM on planning for these end of useful life projects, but retain much of the control over those projects for the TOs themselves. Staff prepared an Answer responding to arguments made in the Transmission Owners’ Answer. Staff recommended that the Board ratify the Motion to Leave for Answer and Answer.

**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**

There were no items in this category.

**6. RELIABILITY AND SECURITY**

There were no items in this category.



**7. CUSTOMER ASSISTANCE**

There were no items in this category.

**8. CLEAN ENERGY**

**A. Docket No. QO20060447 – In the Matter of City of Newark – Pay for Performance and Combined Heat and Power Applications – Request Relief and Extension.**

**Benjamin Goldstein, Program Specialist, Division of Clean Energy,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering whether to grant the City of Newark additional time to submit final paperwork for thirteen Pay for Performance applications and one Combined Heat and Power application.

On March 31, 2020, Honeywell Energy Services Group (Honeywell or Petitioner) filed a petition (Petition) with the Board on behalf of the City of Newark (Newark). The Petitioner sought additional time to submit final paperwork for thirteen Pay for Performance (P4P) energy efficiency projects and a combined heat and power (CHP) project.

The Petitioner submitted the initial Energy Reduction Plans (ERP) for 13 P4P projects to New Jersey Clean Energy Program's (NJCEP) in March 2016. TRC Environmental Corporation (TRC) approved the ERPs on various dates between August and December 2016, with initial expiration dates ranging from August 2017 to December 2017. The first incentive installment was paid in late 2016. Honeywell was subsequently granted four extensions for each project; the fourth extension for all thirteen applications expired on November 30, 2019.

The Petitioner submitted the initial application for its 100 kilowatt CHP project on May 7, 2015. TRC approved the application on December 11, 2015, with an initial expiration date of June 10, 2017. This project was subsequently granted two one-year extensions, the final of which expired on June 10, 2019.

Staff recommended that the Board grant the Petitioner's extension request for the P4P applications. The Petitioner attributed much of the delay resulting in the previous extensions to the complexity of Newark's public contracting process, and the record reflects that labor disputes also contributed to delay. NJCEP's Program Administrator granted the previous extensions after reviewing the explanations and documentation provided. TRC found that the circumstances were unusual and extenuating: the project was unusually complex, it was under active construction, and it had encountered a number of unexpected and unavoidable delays.

The Petitioner advised that at the time the fifth extension was requested, construction was complete. Accordingly, Staff recommended that the Board grant Honeywell 60 days to complete P4P requirements in order to qualify for the second stage incentive payments. The Petitioner had indicated that it seeks a similar extension for its CHP project as it does for its P4P projects. However, the Petitioner did not provide the same documentation of the CHP project's history as it had for the other projects.

No explanation was provided for the Petitioner's failure to complete installation within the original eighteen months or within the two one-year extensions, nor have any program records been provided. As a result, Staff could not recommend an extension at this time. Staff recommended that the Board decline to rule upon this request because of the absence of a record and direct the Petitioner to submit additional documentation within 45 days to substantiate the grounds for the relief requested.

**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. QO20060389 – In the Matter the Clean Energy Act of 2018 and Energy Efficiency Transition – New Jersey Cost Test.**

This matter was deferred.

**9. MISCELLANEOUS**

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

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

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Staff's request for authorization to issue a Request for Quotation to procure a consultant to assist Staff in evaluating nuclear power plant applications, as well as assessing whether the Zero Emission Certificates (ZEC) charge should be reduced in the second eligibility period of the ZEC program. The Board also considered issuing the ZEC application form and due date, designating a presiding Commissioner, and setting deadlines for notices of intent to file and requests to review confidential information.

The ZEC program, which is currently in its first three-year eligibility period. The ZEC Act requires that, every three years, the Board shall complete a proceeding to certify applicant nuclear power plants as eligible for the program and to establish a rank-ordered list of the nuclear power plants eligible to be selected to receive ZECs.

The second eligibility period begins on June 1, 2022 and concludes on May 31, 2025, and the Board will make its eligibility determinations as required by April 2021.

Staff issued a draft application for the second eligibility period on July 1, 2020 and accepted written comments through July 20. Staff presented to the Board for its consideration a revised application for the second eligibility period based on stakeholder comments. Staff recommended that the Board authorize Staff to publish the application, set an application fee of \$250,000.00, and set an application deadline of October 1, 2020.

Staff further recommended that the petition be retained by the Board for hearing and designated President Joseph Fiordaliso as the presiding officer with authority to rule on all motions that arise during the pendency of final Board action as required under the Act and to modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. The Presiding Commissioner will issue a decision on all requests for access to confidential information on the basis of whether a party requesting such access is deemed essential to aiding the Board in its determinations. The Presiding Commissioner will also provide specific instructions to applicants relating to the service of applications and associated nondisclosure agreements in this matter.

Staff also recommended that applicants submit notices of intent to file by August 19, 2020. Staff further recommended that persons or entities who seek access to information submitted on a confidential basis under this proceeding must submit such requests to the Board by August 26, 2020, and any opposition to such request be submitted by September 2, 2020.

In addition, Staff recommended Board approval to issue a Request for Quotation for a consultant to assist Staff in the review of applications in the second eligibility period. The consultant will also assist Staff in the review of the ZEC charge.

Finally, Staff recommended to expand on the initial review process by providing much greater transparency and opportunity for stakeholder input regarding the review and evaluation of nuclear power plant applications during the second eligibility period.

**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>

## EXECUTIVE SESSION

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

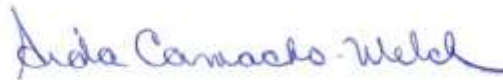
### 9. MISCELLANEOUS

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

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

After appropriate motion, the Board reconvened to Open Session.

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



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AIDA CAMACHO-WELCH  
SECRETARY OF THE BOARD

Date: October 14, 2020