



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 January 7, 2021, via Teleconference: 1 312 626 6799 Webinar ID: 970 9206 7655 or watch online @ <https://youtu.be/XJ-Kyn3aGR0>

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 January 27, 2021 at 10:00 a.m. via teleconference with details to follow.

CONSENT AGENDA

I. AUDITS

There were no items in this category

II. ENERGY

A. Docket No. ER20120746 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief (12/2020).

BACKGROUND: On December 9, 2020, Atlantic City Electric Company (ACE or Company), filed a petition with the Board for approval of an increase in its current base rates for electric service of approximately \$71.8 million, including Sales and Use Tax, to be effective for electric service provided on or after January 8, 2021.

The Company also requested a return on equity of 10.30%. According to the petition, the primary reason for the requested increase is that the Company's current base rates do not: (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges, and maintain its financial viability; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

In the petition, ACE sought authority from the Board for the following:

1. Increase rates and charges for electric service that would result from the proposed amendments to the Company's tariff;
2. Implement an Economic Relief Rider to be in effect for four months to provide offsetting credits to mitigate the increase resulting from this base rate case;
3. Create a regulatory asset to record costs related to its solar hosting initiative, at a total cost of up to \$10 million over two years, to be recovered in a future base rate case;
4. Recover an under-recovery for the Company's PowerAhead program through the creation of a regulatory asset to be amortized over a period of three years;
5. Create a regulatory asset/liability to begin tracking Average Rate Assumption Method (ARAM) differences in customer' rates and the actual realized ARAM amounts;
6. Incorporate the results of its cost of service study and consider the unitized rate of return for each customer rate class in the allocation of overall revenue requirements among rate classes;
7. Modify certain charges, including monthly customer charges; and
8. Update its tariff for certain tariff modifications, including the addition of a new tariff for light emitting diode street lighting.

Since a review of this matter will not be complete prior to January 8, 2021, Staff recommended that the Board issue an order suspending the proposed rate increase until May 8, 2021, pending further action on this matter. Staff also recommended that this matter 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

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 October 28, 2020 Agenda Meeting.

BACKGROUND: Staff presented the minutes of the Regular Board Agenda meeting of October 28, 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.

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

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

A. Docket No. EM20070475 – In the Matter of the Petition of Atlantic City Electric Company for the Approval of the Sale of Transformers and Other Equipment Pursuant to the “RESTORE” Agreement.

This matter was deferred.

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

B. Docket No. ER20080515 – In the Matter of Atlantic City Electric Company's Certified Petition to Reconcile the Final Costs and Revenues Associated with its Residential Controllable Smart Thermostat Program for the Period from June 1, 2019 through May 31, 2020, and to Propose its Plan for the Return of All Excess Revenues Derived from the Program to its Customers.

BACKGROUND AND DISCUSSION: On August 5, 2020, Atlantic City Electric Company (ACE or Company) filed a petition with the Board seeking approval to reconcile costs associated with the Company's Residential Controllable Smart Thermostat Program (RCSTP or Program) for the period from June 1, 2019 through May 31, 2020 (August 2020 Petition). In the August 2020 Petition, the Company also proposed a plan to return all excess revenues, as of June 30, 2020 (a credit of \$5,416,267.00, plus any additional accrued interest), derived from the Program to its customers through its 2021 Non-Utility Generation Charge (NGC) filing. Additionally, the August 2020 Petition requested approval to terminate the Rider Regional Greenhouse Gas Initiative tariff reflecting the RCSTP rate component and eliminate the Rider RCSTP tariff.

According to ACE, by utilizing the NGC for purposes of refunding customers the excess revenues derived from the RCSTP program, ACE, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) would be afforded sufficient time to evaluate the Company's determination of the appropriate level of excess revenues to be refunded and would ensure that such revenues are returned to the customers that supported the RCSTP.

Following a review of the August 2020 Petition and discovery responses, the Parties executed a stipulation of settlement (Stipulation) requesting that the Board approve the method to refund the excess revenue related to the RCSTP program through the Company's NGC rate.

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

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

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

C. Docket No. ER20060394 – In the Matter of the Verified Petition of Jersey Central Power and Light Company Seeking Review and Approval of its Deferred Balances Relating to, and an Adjustment of, the Societal Benefits Charge Clause of its Filed Tariff (2019 SBC Filing).

BACKGROUND AND DISCUSSION: On June 10, 2020, Jersey Central Power & Light Company (JCP&L) filed a petition with the Board seeking review and approval of its deferred balances, and an adjustment to certain components of its Societal Benefits Charge (SBC) clause of its filed tariff for calendar year 2019 (2019 SBC Petition).

The 2019 SBC Petition sought review and approval of the deferred balances, and an adjustment to certain components of its SBC clause of its filed tariff to the extent accumulated from January 1, 2019 through December 31, 2019. In the 2019 SBC Petition, JCP&L proposed that no changes be made to the current Board approved Rider Nuclear Decommissioning Costs and Uncollectible Accounts Charge rates. JCP&L proposed that revenues collected through its Rider DSF rate be decreased by approximately \$3.6 million on an annual basis.

Following a review of the 2019 SBC Petition and discovery responses, JCP&L, Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) seeking Board approval of the requests provided in the 2019 SBC Petition. As a result of the Stipulation, a typical residential customer using 768 kWh monthly, will see a \$0.15 decrease in their monthly bills.

Staff recommended that the Board issue an order adopting the Stipulation of the Parties. Staff further recommended that the Board order JCP&L to file tariffs consistent with the Board's Order by February 1, 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

D. Docket No. GR20060384 – In the Matter of the Petition of Public Service Electric and Gas Company’s 2020 Annual Margin Adjustment Charge (MAC).

BACKGROUND AND DISCUSSION: On June 1, 2020, Public Service Electric Company and Gas (PSE&G or Company) filed a petition with the Board seeking authority to adjust its Margin Adjustment Charge (MAC) rate (June 2020 MAC Petition). The MAC was established to ensure margins from non-firm transportation customers are credited to firm gas customers in recognition that both firm and non-firm customers should contribute toward the cost of maintaining the Company’s distribution system. In the June 2020 MAC Petition, PSE&G projected that based upon actual data through April 2020, the net MAC balance, including cumulative interest, on September 30, 2020, would be an over-collected balance of \$16.81 million. This translated to a change in the MAC rate from the existing credit rate of \$0.009239 per therm to a credit rate of \$0.006951 per therm, an increase of \$0.002288 per therm.

On November 2, 2020, PSE&G updated the June 2020 MAC Petition with actual information through September 2020 (November Update). The November Update supported a MAC credit rate of \$0.006695 per therm, which resulted in a rate of increase of \$0.002544 per therm from the current MAC credit rate of \$0.009239 per therm. Based on the November Update, the Company’s actual over collected MAC balance was \$16.19 million. However, since the updated filing reflects a greater decrease in the MAC credit, that was not previously noticed, the Company did not request this adjusted rate.

Following a review of the June 2020 MAC Petition and the November Update, the Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) executed a stipulation of settlement (Stipulation) which would allow PSE&G to implement a MAC credit rate of \$0.006951 per therm. The Parties further agreed that the actual MAC data through September 2020 is approved and actual results for October 1, 2020 forward will be reviewed in the Company’s next MAC filing to be made by June 1, 2021.

Staff recommended that the Board approve the Stipulation of the Parties. Staff also recommended that the Board direct PSE&G to file revised tariff prior to February 1, 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

E. Docket No. ER20060454 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan I Program.

BACKGROUND AND DISCUSSION: On June 23, 2020, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval of a decrease in its electric tariff Solar Pilot Recovery Charge (SPRC) rate (2020 SPRC Petition). The 2020 SPRC Petition requested a decrease in the SPRC revenues of

approximately \$2.4 million for the period October 1, 2020 through September 30, 2021. The rates proposed for the SPRC were designed to recover approximately \$3.27 million in revenue on an annual basis.

Subsequently, PSE&G updated the revenue requirement to include actual data through September 30, 2020. Based upon this update, the total revenue to be recovered from ratepayers is approximately \$3.44 million.

PSE&G, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a stipulation of settlement (Stipulation) requesting that the Board approve the proposed decrease to the SPRC rate to \$0.000091 per kWh, including Sales and Use Tax (SUT).

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties, which sought to implement an SPRC rate of \$0.000091 per kWh, including SUT. Staff also recommended that the Board order PSE&G to file tariffs consistent with the Board's Order by February 1, 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

F. Docket No. EO18101115 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Cloud (CEF-EC) Program on a Regulated Basis.

BACKGROUND AND DISCUSSION: On October 11, 2018, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval of a five-year Infrastructure Investment Program (Program) and an associated cost recovery mechanism. Through the Program, the Company sought to deploy Advanced Metering Infrastructure (AMI) throughout its electric service territory, including the installation of approximately 2.2 million smart meters.

By amended petition dated April 1, 2020, PSE&G proposed an estimated investment level of approximately \$714 million, plus an additional \$71 million for operations and maintenance costs. PSE&G also sought to defer the undepreciated costs of legacy meters, which were approximately \$216 million as of December 31, 2019, as a regulatory asset and recover these stranded costs over five-year periods following the Company's subsequent base rate case(s).

By Order dated October 29, 2018, the Board retained the petition and designated Commissioner Holden as the Presiding Officer. On April 1, 2020, Commissioner Holden issued a Prehearing Order setting forth a procedural schedule and ruling on all motions to intervene and participate.

Following discovery, the filing of testimony, and several settlement conferences, the Company, Board Staff, the New Jersey Division of Rate Counsel, the New Jersey Large Energy Users Coalition, Landis+Gyr Technology, Inc., and a group of entities consisting of Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, NJR Retail Services Company, Centrica Business Solutions, NRG Energy Inc., and Just Energy Group, Inc. (the Market Participants) (collectively, the Parties) executed a stipulation of settlement (Stipulation) resolving this matter.

The Stipulation authorized PSE&G to invest in the accelerated deployment of AMI over an approximately four-year period, with all costs being deferred as a regulatory asset for review in the Company's subsequent base rate case(s).

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct Staff to address the data access issues associated with AMI in Docket No. EO20110716.

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

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

G. Docket No. GR20110726 – In the Matter of the Petition of South Jersey Gas Company to Implement an Infrastructure Investment Program (IIP) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A.

BACKGROUND AND DISCUSSION: On November 19, 2020, South Jersey Gas Company (SJG or Company) filed a petition with the Board seeking approval of its proposed Infrastructure Investment Program (IIP), including an associated cost recovery mechanism.

According to SJG, the proposed IIP is a five-year program designed to modernize and enhance the safety and reliability of its gas distribution system by replacing its vintage, at-risk facilities, including the replacement of 825 miles of vintage, at-risk coated steel main installed prior to the 49 CFR 192 code adoption (~~pre-code~~), and vintage plastic mains in SJG's distribution system and the installation of 43,500 excess flow valves on new service lines. The projected total expenditures associated with the proposed IIP total approximately \$742.5 million, excluding Allowance for Funds Used During Construction, and the cost of an independent IIP monitor, which SJG proposed to recover under a proposed IIP Rider over the five-year IIP.

Staff recommended that the Board retain this matter for hearing at the Board, and designated Commissioner Dianne Solomon as the Presiding Officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Staff also recommended that any entity seeking to intervene or participate in

this matter file the appropriate application with the Board on or before January 27, 2021. Also, any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

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**

There were no items in this category.

4. **TELECOMMUNICATIONS**

There were no items in this category.

5. **WATER**

A. Docket Nos. BPU WR20090617 and OAL PUC 10007-2020S – In the Matter of the Petition of Atlantic City Sewerage Company to Increase the Level of its Purchased Sewerage Treatment Adjustment Clause.

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

BACKGROUND AND DISCUSSION: On September 24, 2020, Atlantic City Sewerage Company (Company or Petitioner) filed a petition with the Board seeking approval to increase the level of its Purchased Sewerage Treatment Adjustment Clause (PSTAC). The Company serves approximately 7,600 customers in Atlantic City. The Petitioner does not treat the wastewater that it collects. The Company purchases its sewerage treatment from the Atlantic County Utilities Authority (ACUA).

On October 21, 2020, the matter was transmitted to the Office of Administrative Law (OAL) for review and disposition. On November 19, 2020, the OAL assigned the case to Administrative Law Judge (ALJ) Tricia Caliguire. A telephone status conference was held on November 20, 2020 before ALJ Caliguire. Two public comment hearings were scheduled for December 17, 2020, and all requisite notices were given, including notice by publication in the Atlantic City Press on November 25, 2020. On December 17, 2020, two virtual public comment hearings were presided over by ALJ Caliguire, the one at 4:30 p.m. and the other at 5:30 p.m., at which no members of the public appeared. The Petitioner, New Jersey Division of Rate Counsel and Board Staff (the Parties) entered into a Stipulation of Settlement (Stipulation) that resolved all issues that emanated from this proceeding. The ALJ, in her Initial Decision recommended that the Board approve this Stipulation of the Parties.

The Stipulation stated that the Petitioner's current rates should be adjusted to arrive at the net amount for recovery from customers through the 2021 PSTAC of \$8,155,476.00. This amount includes estimated ACUA costs for 2021; under-recovery of revenues from the 2020 PSTAC resulting from casino and other business closures due to COVID-19 pandemic, COVID-19 related customer credits resulting from decreased usage, and the costs of this proceeding. For the average residential customer, the PSTAC rate will increase from \$22.889 per thousand cubic feet of metered water to \$25.850 per thousand cubic feet of metered water, an increase of \$2.961 per thousand cubic feet of metered water, or approximately 12.94%. The parties have further agreed that the Petitioner's current PSTAC rates on file with the Board should be increased. For the average residential customer, the PSTAC rate will increase from \$22.889 per thousand cubic feet of metered water to \$25.850 per thousand cubic feet of metered water, an increase of \$2.961 per thousand cubic feet of metered water, or approximately 12.94%. The bill for the average residential customer using approximately 9.3 thousand cubic feet of water will increase from \$541.18 to \$568.72, which is an increase of \$27.54, or approximately 5.09% annually.

Staff recommended that the Board adopt the Initial Decision of the ALJ Caliguire.

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

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. EO12090832V – In the Matter of the Implementation of L.2012, c. 24, the Solar Act of 2012;

Docket No. QO19010068 – In the Matter of the New Jersey Solar Transition Pursuant to P.L. 2018, c. 17; and

Docket No. QO20060460 – Mount Olive Solar Farm, LLC – Application for Subsection (T), Block 4100, Lot 10.

B. Scott Hunter, Renewable Energy Program Administrator, Office of Clean Energy, Division of Economic Development & Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board considering the Mount Olive Solar Farm, LLC petition requesting Transition Renewable Energy Certificates (TRECs) eligibility for its Combe Fill North Landfill Subsection (t) application.

On April 9, 2020, Mount Olive Solar submitted an application to the Board to have its project certified as being located on a properly closed sanitary landfill pursuant to Subsection (t) of the Solar Act. Applicant's 28.20564 MWdc project is proposed to be located on 65 acres of land controlled by Gold Mine Road Solar LLC (Gold Mine Road Solar) at Block 4100, Lot 10 (formally Block 12, Lot 54.1) at 149 Gold Mine Road in Mount Olive Township, Morris County, New Jersey.

On October 14, 2020, in reliance upon the information provided by New Jersey Department of Environmental Protection (NJDEP) and on Staff's recommendation, the Board issued an Order conditionally certifying the Subsection t application submitted by the Mount Olive Solar Farm LLC for the Combe Fill North Landfill in the Township of Mount Olive.

Subsequent to the issuance of the Board's October 14, 2020 Order, the developer and NJDEP identified inaccuracies in the conditions adopted by the Board for the project to attain TREC eligibility. Specifically, NJDEP informed the Board that its advisory memorandum of August 26, 2020, incorrectly assigned responsibility for the assessment and maintenance of methane venting systems, renewal of air permits, and payment of outstanding renewal fees to the developer.

On December 8, 2020, NJDEP issued a revised memorandum to Staff that corrected the erroneously assigned responsibilities from the earlier memorandum. Based on the revised memorandum, Staff recommended that the Board issue an Order that incorporates the revised NJDEP condition that the developer comply with the terms and conditions of the June 9, 2020 Administrative Consent Order that was entered into between the developer and the NJDEP.

Staff recommended that the Board remove the developer from the responsibility for assessment and maintenance of methane venting systems, renewal of air permits, and payment of outstanding renewal fees as NJDEP confirms that it has assumed those responsibilities.

Staff also recommended the Board direct Mt. Olive Solar to submit an initial Transition Incentive program registration package within 14 days of the effective date of this order, in accordance with the rules for the SREC registration and the TREC registration programs.

Staff further recommended that the Board direct Staff to issue a full certification to the project upon the Applicant's demonstration that all requirements for full certification, including all NJDEP requirements and all TREC eligibility requirements for full certification, are met and have been satisfied, provided that the project commences commercial operation within two years of acceptance into the Transition Incentive Program.

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. QO20020184 – In the Matter of a Solar Successor Incentive Program Pursuant to P.L. 2018, c.17;

In the Matter of New Jersey’s Solar Transition Capstone Report Prepared Pursuant to Clean Energy Act of 2018 at N.J.S.A. 48:3-87.9(b).

Ariane Benrey, Program Administrator, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board considering the Capstone Report prepared on New Jersey’s Solar Transition pursuant to the Clean Energy Act of 2018. The Clean Energy Act of 2018 (Act) requires the Board to complete a study for the Governor and Legislature that evaluates how to replace or modify the Solar Renewable Energy Certificates Registration Program to encourage the continued efficient and orderly development of solar renewable energy generating resources throughout the State.

In coordination with Cadmus Group, LLC (Cadmus), the Board's consultant and Board Staff engaged stakeholders in a public proceeding consistent with the provisions of the Act, convening 14 stakeholder meetings, issuing two surveys and several staff straw proposals, and conducting a series of focus groups to discuss and gather input on alternative solar incentive program design options, successor program goals and objectives, New Jersey Class I Renewable Portfolio Standard cost cap implications, data availability, representative project level financial model assumptions and inputs, representative project level financial needs, and preliminary results and findings.

On August 11, 2020, Staff released the draft Capstone Report produced by Cadmus documenting its findings from the stakeholder discussions, focus groups, data collection, cost cap analysis, and modeling of representative project level and aggregate market financial requirements. Stakeholders were requested to provide written comments on the draft Capstone Report by September 8, 2020, and invited to participate in two virtual

meetings to ask questions of the consultants and learn about the data and modeling underlying the recommendations. That stakeholder feedback was reviewed and incorporated into the final Capstone Report by Cadmus where relevant.

Staff recommended that the Board authorize the release of the final Capstone Report. If so authorized, Staff will post the report to the Board's website and the New Jersey Clean Energy Program's website, and the Board Secretary will send a copy of the Report to Governor Murphy and to the legislature.

The Capstone Report and underlying analysis should be considered as guidance only, and that it does not bind the Board in any way on the development of the Successor Program or related incentives. All results should be considered within the context of the Report, and taking into consideration the many assumptions that were used in modeling.

Staff also recommended that the Board direct Staff to initiate further stakeholder proceedings on the design and implementation of the Successor Program, informed by, but not bound by, the conclusions of the Capstone Report, as well as accounting for the recent extension of the federal Investment Tax Credit at 26%, which will be prove, we anticipate, cost advantageous for New Jersey ratepayers.

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. QO20120750 – In the Matter of Clean Energy Request for Qualifications of Offshore Wind Transmission Consulting Services for PJM State Agreement Approach Process.

James Ferris, Bureau Chief of New Technology, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a request by Staff from the Board for authorization to release a request for quotations developed by Staff to retain a consultant to assist Staff in working with PJM as part of the Regional Transmission Expansion Plan (RTEP) process through the State Agreement Approach (SAA) for offshore wind transmission solutions.

In conjunction with the Board's approval of the offshore wind transmission initiative in its November 18, 2020 order, Staff has been engaging with PJM Interconnection, LLC (PJM) to develop potential transmission upgrades to support the injection of 7,500 megawatts of offshore wind into the New Jersey transmission grid as part of an SAA.

To accomplish this goal, PJM will be incorporating New Jersey's offshore wind public policy requirements into its 2021 RTEP and will work with Staff and transmission developers to recommend a suite of options for the Board to formally consider.

Staff sought to retain a consultant for the following tasks related to these goals:

1. Assist Staff in the preparation and review of documents required for the RTEP process and the SAA;
2. Assist Staff in stakeholder engagement; and
3. Assist Staff by conducting an independent review of all submitted proposals and provide recommendations to Staff on the most efficient or cost effective transmission solutions resulting from the RTEP process and the SAA, if any.

Staff expects the consultant, or a team of consultants, to have experience in:

- The offshore wind generation industry; Onshore and offshore wind transmission;
- Coordinated offshore wind, or "transmission first," transmission solutions, including offshore "backbone" transmission facilities, shared interconnection facilities, and other similar options;
- The PJM RTEP process; The Federal Energy Regulatory Commission Order 1000 process;
- Transmission expansion and development in PJM;
- Engineering and technical considerations related to PJM RTEP planning, including power-flow modeling and analysis of RTEP base cases and solicitation window cases;
- Cost development and estimation for large-scale competitive transmission projects; Environmental and constructability analyses for transmission projects, including state and federal permitting expertise; and Stakeholder engagement.

Staff recommended that the Board authorize the release of the Request for Qualifications for an offshore wind transmission consultant.

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

Ariane Benrey, Program Administrator, Office of Clean Energy, presented these matters.

D. Docket No. QO18060646 – In the Matter of the Community Solar Energy Pilot Program; and

Docket No. QO20080556 – In the Matter of the Community Solar Energy Pilot Program Year 2 Application Form and Process – Motion of Reconsideration.

BACKGROUND AND DISCUSSION: This matter involved the Board considering Gabel Associates' motion for reconsideration of several aspects of the Order approving the

application and process for Pilot Year 2 of the Community Solar program. In its motion, Gabel sought reconsideration of the Order's actions concerning municipal ownership of solar projects, the ability of a municipality to implement subscriber "opt-out" provisions, the treatment of consolidated billing, and the preference given to certain floating solar projects in the Pilot Program's evaluation.

The Clean Energy Act of 2018 (the Act) directed the Board to adopt rules and regulations establishing the Community Solar Energy Pilot Program (Pilot Program). The Board launched the three-year Pilot Program in February 2019. On March 29, 2019, the Board approved and released the Program Year 1 (PY1) Application Form, and the Board conditionally approved 45 community solar projects, representing almost 78 MWdc, on December 20, 2019.

On July 9, 2020, the Board issued a request for comments regarding lessons learned from Program Year 1. Designed to supplement Staff's assessment of the PY1 Application process, the request for comments resulted in comments being filed by 24 stakeholders, including two sets of comments by the Movant. An all-day public stakeholder meeting was held on July 27, 2020.

On October 2, 2020, the Board issued the PY2 Order, which approved an application form and process for PY2 of the Community Solar Pilot Program. On October 19, 2020, Gabel Associates filed a Motion for Reconsideration regarding several elements of the order. Atlantic County Utilities Authority (ACUA) filed a letter in support of this motion on November 24, 2020.

On December 16, 2020, the Board approved an extension to the review of the Motion. Staff recommended that the Board act on the motion, which raises three issues that pertain to the pending proposed rule amendment on the potential automatic enrollment of community solar subscribers. Staff noted that this rule proposal is currently open to public comments through January 15, 2021.

Therefore, Staff recommended that the Board deny this portion of the motion and that these issues would be more appropriately considered in the context of the pending rule amendment. Staff also recommended that the Board direct Gabel Associates to file comments following the normal rulemaking procedure.

The motion details a fourth issue that pertains to the Electric Distribution Companies' (EDCs) ongoing study of consolidated billing in the context of the Pilot Program.

Staff recommended that the Board approve in part and deny in part the Movant's request. While Staff recommended that the Board deny the Motion's request that the EDCs study one specific type of consolidated billing, described in the motion, Staff also recommended that the Board clarify its directive to the EDCs to ensure that the EDCs lead a robust stakeholder proceeding that considers all types of consolidated billing, and not solely a consolidated billing model based on Third Party Suppliers.

The fifth and final point in the motion sought clarification on how the Program Year 2 Evaluation Criteria for floating solar at former sand and gravel pits that have little to no established floral and faunal resources will be scored. Staff has consulted with the New Jersey Department of Environmental Protection on this question, and recommended that the Board approve this portion of the motion, specifically that the Board direct that this

type of project receive higher preference in the Evaluation Criteria's siting category, rather than medium preference as is currently suggested.

Staff recommended that the Board approve in part, and deny in part, the Motion for Reconsideration.

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

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

E. Docket No. QO18060646 – In the Matter of the Community Solar Energy Pilot Program; and

Docket No. QO20080556 – In the Matter of the Community Solar Energy Pilot Program Year 2 Application Form and Process – PSE&G Interconnection Study Waiver.

BACKGROUND AND DISCUSSION: This matter pertains to the October 2, 2020, community solar Program Year 2 (PY2) application form and process. The PY2 application form requires that applicants consult the hosting capacity map provided by the relevant Electric Distribution Companies' (EDCs) to determine whether the map shows sufficient capacity available at the identified location to build the proposed community solar facility.

If the hosting capacity map shows insufficient capacity, the application can still be submitted if the applicant provides either a letter from the relevant EDCs indicating that the hosting capacity map is incorrect in that location or an assessment from the relevant EDCs of the cost of the interconnection upgrade that would be required to enable the interconnection of the proposed system and a commitment from the applicant to pay those upgrade costs if the project were to be selected by the Board.

It came to Staff's attention that Public Service Electric and Gas Company (PSE&G) is currently unable to perform the requested interconnection cost assessments for community solar projects. Following conversations with PSE&G and inquiries from developers, and in the interest of continuing to support the development of community solar projects, Staff recommended that the Board waive the requirement that a Program Year 2 applicant must provide an interconnection study or other assessment of the cost of the interconnection upgrade in order for its project to be considered.

This waiver would extend only to PY2 applications located in PSE&G's service territory where the hosting capacity map shows insufficient available capacity for the proposed community solar project. Where the hosting capacity map does show sufficient capacity available at the proposed PY2 project site, applicants would still be required to provide a copy of the hosting capacity map as is currently required in the PY2 Application Form.

Staff also recommended that PSE&G projects wishing to exercise this waiver instead be required to provide a letter explaining why the applicant believes that the proposed project is likely to be viable and feasible from an interconnection perspective.

The applicant's letter should include quantitative and qualitative assurances that the applicant has considered anticipated interconnection upgrade costs for the proposed project and is prepared to pay those upgrade costs if the project were to be selected by the Board.

Staff emphasized that this recommendation pertains only to the interconnection cost assessment required as a part of the application form, and would in no way impact or diminish any project's regulatory obligations to complete full interconnection studies in accordance with EDCs procedures after projects are granted conditional approval by 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

F. Docket No. QO20080539 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2021; and

Docket No. QO20120770 – In the Matter of the Memorandum of Understanding (MOU) between South Jersey Port Corporation and the Board of Public Utilities.

Kelly Mooij, Director, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board considering a Memorandum of Understanding (MOU) regarding the use of funds generated by the Societal Benefits Charge to support the development of the offshore wind industry through the construction of a manufacturing facility for offshore-wind energy components at the Port of Paulsboro.

The State's 2019 Energy Master Plan (EMP) was released on January 27, 2020, and set a goal of 100 percent clean energy by 2050 while outlining a strategy to expand the Clean Energy Innovation Economy in New Jersey through workforce training, investments in advancing clean energy, and the growth of world-class research and development. The EMP identifies the offshore wind (OSW) sector to be central to accelerating the development of renewable energy and reinforces New Jersey's commitment to offshore wind. Executive Order No. 92 further expanded New Jersey's commitment by setting a target of 7,500 MW of offshore wind by 2035.

Critical to the development of OSW and attainment of that sizeable goal is the anchoring and growth of an offshore wind supply chain, including manufacturing, within the State of New Jersey. Not only will this bring tremendous economic benefits to the State through

jobs and supporting business development, it is expected to help reduce the cost of meeting our clean energy goals while accelerating the delivery of renewable energy.

Staff believed that this MOU and the funding provided by the Board will contribute to activities essential to positioning New Jersey as a hub for offshore wind development, and to support the development and delivery of programs and facilities that will bring additional jobs to New Jersey residents as well as fostering economic development.

Staff also believed that the development of the port for manufacturing could increase timely development of offshore wind in New Jersey as well as decrease the cost for development of offshore wind due to the proximity of OSW turbine components to New Jersey projects.

Staff proposed that the Board and the South Jersey Port Corporation enter into an MOU to support the development of critical, first-of-their-kind manufacturing facilities to support New Jersey's growing offshore wind industry. The MOU enable the transfer of \$1.8 million in funding, which will directly aid in the development of the Paulsboro Port Marine Terminal.

Staff recommended that Board approve the terms and conditions of the MOU and authorized the execution of the MOU by the President.

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

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: March 3, 2021