



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC) ORDER
SERVICE ELECTRIC & GAS COMPANY FOR)
APPROVAL OF ITS CLEAN ENERGY FUTURE-)
ENERGY EFFICIENCY (“CEF-EE”) PROGRAM ON A) DOCKET NOS. GO18101112
REGULATED BASIS) & EO18101113

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Mathew M. Weissman, Esq., PSEG Services Company

BY THE BOARD:¹

BACKGROUND AND PROCEDURAL HISTORY

BACKGROUND

On January 13, 2008, L. 2007, c. 340 (“Act”) was signed into law based on the New Jersey Legislature’s findings that energy efficiency and conservation measures must be essential elements of the State’s energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities (“Board”), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program costs investments in the utility’s rate base, or recovering the utility’s technology and program costs through another ratemaking methodology approved by the Board. An electric or gas utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

¹ Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such has taken no part in the discussion or deliberation.

On July 16, 2009, the Board issued an Order² authorizing Public Service Electric & Gas Company (“PSE&G” or “Company”) to implement eight (8) energy efficiency programs: 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program.

By Order dated July 14, 2011,³ the Board authorized PSE&G to extend three of its eight Sub-Programs: Residential Multi-Family Housing; Industrial and Commercial Municipal/Local/State Government Direct Install; and Hospital Efficiency. By Order dated April 15, 2016,⁴ the Board authorized PSE&G to further extend the three sub-programs approved in the July 2011 Order (“EEE Extension II”).

By Order dated August 23, 2017,⁵ the Board authorized PSE&G to extend the Hospital Efficiency and Residential Multi-Family Housing subprograms and to extend the Industrial and Commercial Municipal/Local/State Government Direct Install subprogram for a period of two years. The Board further authorized the Company to implement a Smart Thermostat subprogram and a Residential Data Analytics Smart Pilot Sub-Program.

October 2018 Filing

On October 11, 2018, PSE&G filed the instant petition with the Board. In the filing, the Company seeks approval to implement twenty-two sub-programs, including seven residential subprograms, seven commercial and industrial (“C&I”) subprograms, and eight pilot subprograms (collectively, “2018 EE Programs”). The total proposed investment for the 2018 EE Programs is approximately \$2.8 billion (\$2.5 billion for investment and approximately \$283 million in operating and expenses over the proposed 6-year term of the program.) PSE&G proposes to recover costs associated with the program through Cost recovery would be made and tracked via a new CEF-EE Program component (“CEF-EEC”) of the Company’s electric and gas Green Programs Recovery Charge (“GPRC”), which would be filed annually after the proposed initial period. In addition, the Company proposes a mechanism for recovering lost revenues and asks the Board to approve this mechanism.

DISCUSSION

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Dianne

² In re the Petition of PSE&G Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058 (July 16, 2009).

³ In re the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of its Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. NO. 15 GAS, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, and N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030 (July 14, 2011).

⁴ In re the Petition of Public Service Electric and Gas Company to Continue its Energy Efficiency Economic Extension Program on a Regulated Basis, BPU Docket No. EO11010030 (April 16, 2015).

⁵ I/M/O the Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs (“EE 17 Program”), BPU Docket No. EO17030196 (August 23, 2017).

Solomon as the presiding officer who is authorized 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. Further, the Board **HEREBY DIRECTS** that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018. 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.

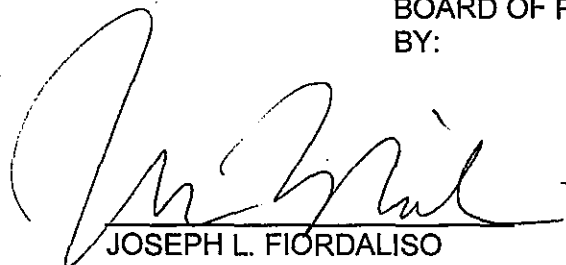
To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board **HEREBY AUTHORIZES** Commissioner Solomon to render a decision on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180 day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated is limited to extensions that do not collectively exceed one additional 180 day period, with any further requests for extensions to be directed to the Board.

Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing two hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

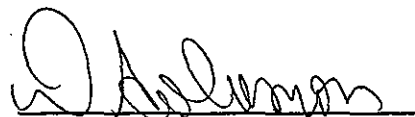
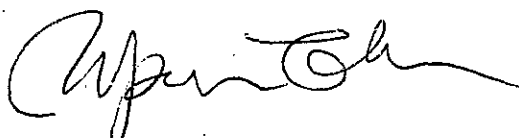
The effective date of this Order is November 8, 2018.

DATED: 10/29/18

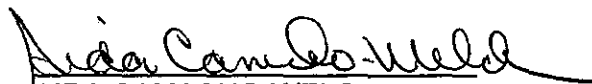
BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
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DIANNE SOLOMON
COMMISSIONER
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF ITS CLEAN ENERGY FUTURE-ENERGY EFFICIENCY ("CEF-EE")
PROGRAM ON A REGULATED BASIS
BPU DKT. NOS. GO18101112 & EO18101113

SERVICE LIST

PSE&G

PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark NJ 07102
(973) 430-5811

Joseph Accardo, Jr.
joseph.accardojr@pseg.com
Michele Falcao
michele.falcao@pseg.com

Justin Incardone Esq.
justin.incardone@pseg.com

Danielle Lopez Esq.
danielle.lopez@pseg.com

Joseph A. Shea Esq.
joseph.shea@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Matthew M. Weissman Esq.
matthew.weissman@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Director
sbrand@rpa.nj.gov

Brian Lipman, Litigation Manager
blipman@rpa.nj.gov

Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350

Aida Camacho-Welch
Secretary of the Board
Board.secretary@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
paul.flanagan@bpu.nj.gov

Noreen M. Giblin Esq.
Chief Counsel
noreen.giblin@bpu.nj.gov

Kenneth Sheehan, Director
Division of Clean Energy
ken.sheehan@bpu.nj.gov

Sherri Jones, Assistant Director
Division of Clean Energy
sherri.jones@bpu.nj.gov

Scott Hunter
Division of Clean Energy
benjamin.hunter@bpu.nj.gov

Mona Mosser
Division of Clean Energy
mona.mosser@bpu.nj.gov

Mahogany A. Hall
Division of Clean Energy
mahogany.hall@bpu.nj.gov

Benjamin Goldstein
Division of Clean Energy
benjamin.goldstein@bpu.nj.gov

Felicia Thomas-Friel, Esq.
fthomas@rpa.nj.gov

Kurt Lewandowski, Esq.
klewando@rpa.nj.gov

Sarah Steindel, Esq.
ssteindel@rpa.nj.gov

[Maura Caroselli](mailto:mcaroselli@rpa.nj.gov)
mcaroselli@rpa.nj.gov

Shelley Massey
smassey@rpa.nj.gov

Lisa Gurkas
lgurkas@rpa.nj.gov

Division of Law
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Caroline Vachier, DAG, Section Chief
Caroline.vachier@law.njoag.gov

Geoffrey Gersten, DAG
Geoffrey.gersten@law.njoag.gov

Andrew Kuntz, DAG
Andrew.kuntz@law.njoag.gov

Alex Moreau, DAG
Alex.moreau@law.njoag.gov

Timothy Oberleiton
Timothy.Oberleiton@law.njoag.gov

Emma Xiao
Emma.xiao@law.njoag.gov

Jenique Jones
jenique.jones@dol.lps.state.nj.us

Stacy Peterson, Director
Division of Energy
stacy.peterson@bpu.nj.gov

Andrea Reid
Division of Energy
andrea.reid@bpu.nj.gov

Bart Kilar
Division of Energy
bart.kilar@bpu.nj.gov

Bethany Romaine, Esq.,
Deputy Chief Counsel
bethany.romaine@bpu.nj.gov

Rachel Boylan, Esq.
Counsel's Office
rachel.boylan@bpu.nj.gov

Stacy Ho Richardson, Esq.
Counsel's Office
stacy.richardson@bpu.nj.gov