



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on May 21, 2014, at the State House Annex, Committee Room 16, 125 West State Street, Trenton, New Jersey 08625.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press  
Atlantic City Press  
Burlington County Times  
Courier Post (Camden)  
Home News Tribune (New Brunswick)  
North Jersey Herald and News (Passaic)  
The Record (Hackensack)  
The Star Ledger (Newark)  
The Trenton Times

The following members of the Board of Public Utilities were present:

Dianne Solomon, President  
Jeanne M. Fox, Commissioner  
Joseph L. Fiordaliso, Commissioner  
Mary-Anna Holden, Commissioner

President Solomon presided at the meeting and Kristi Izzo, Secretary to the Board, carried out the duties of Secretary.

It was announced that the next regular Board Meeting would be held on June 18, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

<b>A. <u>Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations</u></b>		
EE14030229L	R.E.S. Nation, LLC d/b/a Real Energy Solutions	I – EA
EE14020143L	Burton Energy Group, Incorporated	I – EA
EE14040333L	Energy Choice Solutions, LLC d/b/a EnergyWize, LLC	I – EA
GE14030218L	Mid Atlantic Energy Services, LLC	I – PA
EE14040339L GE14040340L	Best Practice Energy, LLC	I – EA/PA/EC
EE14030222L GE14030223L	Transparent Electric, Incorporated	I – EA/EC
<b><u>Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations</u></b>		
EE14030220L	Utility Concepts, Incorporated	R – EA
EE14030221L	Power Brokers, LLC	R – EA
EE14030257L	Summit Sales & Marketing, Incorporated	R – EA
EE14030224L	Energy Initiatives, Incorporated	R – EA
EE14030251L GE14030252L	Global Energy Market Services, LLC d/b/a Fellon–McCord Energy Choice, LLC	R – EA/PA
EE14020144L GE14020145L	Ecova, Incorporated	R – EA/PA
EE14020200L GE14020201L	The Legacy Energy Group, LLC d/b/a Legacy Energy	R – EA/PA
EE14020204L GE14020205L	KEYTEX Energy Solutions, LLC	R – EA/PA/EC
EE14030259L GE14030260L	US Grid Energy, LLC d/b/a US Grid Wholesale	R – EA/PA/EC
EE14020193L GE14020194L	T.E.S. Energy Services, L.P.	R – EA/EC
EE14030216L GE14030217L	Better Cost Control, LLC d/b/a Ardor Energy	R – EA/EC

**Electric Power and Natural Gas Supplier License Renewals**

EE14030258L	TriEagle Energy, LP	R – ESL
EE14040334L	Kuehne Chemical Company, Incorporate	R – ESL
EE14030226L	GDF Suez Retail Energy Solutions, LLC d/b/a THINK ENERGY	R – ESL
EE14030225L	GDF Suez Energy Resources NA, Inc.	R – ESL
EE14020206L GE14020207L	South Jersey Energy Company	R – EGSL

**BACKGROUND:** The Board must register all energy agents and consultants, and license all third party electric power and gas suppliers. An electric power supplier, gas supplier, or clean power marketer license shall be valid for one year from the date of issue, except where a licensee has submitted a complete renewal application at least 30 days before the expiration of the existing license, in which case the existing license shall not expire until a decision has been reached upon the renewal application. An energy agent, private aggregator or energy consultant registration shall be valid for one year from the date of issuance. Annually thereafter, licensed electric power suppliers, gas suppliers, and clean power marketers, as well as energy agents and private aggregators, are required to renew timely their licenses in order to continue to do business in New Jersey.

Having reviewed the submitted applications in accord with N.J.A.C. 14:4-5.4, Staff recommended the Board issue initial registrations as an energy agent, private aggregator and/or energy consultant for one year to:

- R.E.S. Nation, LLC, d/b/a Real Energy Solutions
- Burton Energy Group, Inc.
- Energy Choice Solutions LLC, d/b/a EnergyWize LLC
- Mid Atlantic Energy Services LLC
- Best Practice Energy, LLC
- Transparent Electric, Inc.

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

- Utility Concepts, Inc.
- Power Brokers, LLC
- Summit Sales & Marketing, Inc.
- Energy Initiatives, Inc.
- Global Energy Market Services, LLC d/b/a Fellon – McCord Energy Choice, LLC
- Ecova, Inc.
- The Legacy Energy Group, LLC, d/b/a Legacy Energy
- KEYTEX Energy Solutions, LLC
- US Grid Energy, LLC, d/b/a US Grid Wholesale
- T.E.S. Energy Services, L.P.
- Better Cost Control, LLC, d/b/a Ardor Energy

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

- TriEagle Energy LP
- Kuehne Chemical Company, Inc.
- GDF Suez Retail Energy Solutions LLC, d/b/a THINK ENERGY
- GDF Suez Energy Resources NA, Inc.
- South Jersey Energy Company

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

## II. ENERGY

### A. Docket No. ER13050378 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2014.

**BACKGROUND:** The Basic Generation Service-Fixed Price (BGS-FP) descending clock auction began on February 10, 2014 and ended on February 11, 2014. The BGS Commercial and Industrial Energy Pricing (BGS-CIEP) descending clock auction began on February 7, 2014 and ended February 10, 2014. The two descending clock auctions were initiated and completed to secure the BGS load requirements for customers of Atlantic City Electric Company (ACE), Jersey Central Power & Light Company (JCP&L), Public Service Electric and Gas Company (PSE&G), and Rockland Electric Company (RECO) (collectively the EDCs) for the period June 1, 2014 through May 31, 2015, and RECO conducted its Request for Proposal (RFP) process to acquire its Energy Transaction to satisfy part of the supply requirements for its non-PJM service areas within New Jersey for this same time.

At its January 29, 2014 and its February 12, 2014 agenda meetings, the Board certified and approved the results of the BGS-FP and BGS-CIEP Auctions and directed the EDCs to: 1) execute the necessary documents with the winning bidders, including the BGS Supplier Master Agreements; 2) implement the BGS rates resulting from the Auctions beginning June 1, 2014; and 3) file revised tariff sheets reflecting the BGS rates resulting from the Auction by March 1, 2014.

The Board also certified the final results of the RECO RFP, and approved the winning competitive bid price and directed RECO to: 1) implement the BGS rates resulting from the RFP as blended with the BGS auction prices approved by this order so that all RECO customers in each rate class pay the same BGS prices beginning June 1, 2014; and 2) file tariff sheets reflecting the blended rates by March 3, 2014.

Staff recommended the Board approve the tariff filings of ACE, JCP&L, RECO and PSE&G and direct the EDCs to post the approved tariffs on their respective websites.

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

### III. CABLE TELEVISION

- A. Docket No. CE13080789 – 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 Chester, County of Morris, State of New Jersey.**

**BACKGROUND:** On June 18, 2013, the Township of Chester (Township) adopted an ordinance granting renewal municipal consent to Comcast of Central New Jersey II, LLC (Comcast) of Central New Jersey II, LLC. On June 28, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on August 30, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on May 15, 2022.

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

- B. Docket No. CE13111114 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Pilesgrove, County of Salem, State of New Jersey.**

**BACKGROUND:** On September 10, 2013, the Township of Pilesgrove (Township) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On September 27, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on November 19, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire January 28, 2028.

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

- C. Docket No. CO14030214 – In the Matter of Service Electric Cable T.V. of Hunterdon, Inc. Request for Waiver of the 30-day Notice Period for Filing of an Alteration in Channel Allocation Pursuant to N.J.A.C. 14:18-3.17.**

**BACKGROUND:** By letter dated January 15, 2014, Service Electric Cable TV of Hunterdon Inc. (SECTVH), requested a waiver of the 30-day notice period for the filing of an alteration in channel allocation, pursuant to N.J.A.C. 14:18-3.17.

SECTVH maintained that the waiver request was sought because they were unable to file notice of an alteration in channel allocation with the Office of Cable Television (OCTV) in sufficient time to comply with the 30-day notice requirement necessary when a deletion in service occurs pursuant to N.J.A.C. 14:18-3.17. SECTVH stated that the waiver request is necessary because on December 29, 2013, it was informed by one of its program providers, the Walt Disney Company, that effective December 31, 2013 SoapNet, which was previously broadcast on channel 119, would cease airing. As a result of the Walt Disney Company's decision to discontinue airing SoapNet, SECTVH was forced to delete the channel.

SECTVH asserted that subscribers and municipal officials were notified of the deletion of service on January 2, 2014 by on screen message and mail.

Having reviewed this matter, Staff found that SECTVH notified the OCTV subscribers and affected municipalities of the deletion of service at the earliest time possible. Therefore, Staff recommended the Board approve SECTVH's request for a waiver of the filing requirements.

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

**D. Docket No. CO14030215 – In the Matter of CSC TKR, LLC d/b/a Cablevision of Hamilton Request for Waiver of the 30-day Notice Period for Filing of an Alteration in Channel Allocation Pursuant to N.J.A.C. 14:18-3.17.**

**BACKGROUND:** By letter dated January 10, 2014, Cablevision of Hamilton (Cablevision), requested a waiver of the 30-day notice period for the filing of an alteration in channel allocation.

Cablevision maintained that the waiver request is sought because it was unable to file notice of an alteration in channel allocation with the Office of Cable Television (OCTV) in sufficient time to comply with the 30-day notice. On December 23, 2013, Cablevision notified OCTV of the removal of WCBS from channel 2 on January 28, 2014 due to federal law which required Cablevision to place KJWP, the local station on such channel position. Sufficient notice was provided to Hamilton customers of the WCBS deletion. Subsequently, however, Cablevision determined not to delete WCBS, as previously scheduled for January 28, 2014. Instead, it could move WCBS to channel 25 by replacing WZBN, which is currently on such channel location.

Cablevision asserted that this waiver would allow it to accommodate its customers and address their desire to maintain WCBS programming in the Hamilton system.

After review, Staff found that Cablevision notified the OCTV subscribers and affected municipalities of the deletion of service at the earliest time possible. Therefore, Staff recommended the Board approve Cablevision's request for a waiver of the filing requirements.

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

**E. Docket No. CF14030243 – In the Matter of the Application of Service Electric Cable T.V. of Hunterdon, Inc. for Authority to Amend a Credit Facility.**

**BACKGROUND:** Service Electric Cable T.V. of Hunterdon, Inc. (Service Electric) sought approval to amend a previously approved Credit Agreement. The amendment being the 2014 Credit Facility.

Service Electric maintained that the proposed amendment will, among other things, give the company flexibility and will allow cost savings through a reduction of the pricing grid and elimination of the hedging requirement.

After review of the information submitted in this proceeding, 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.

#### **IV. TELECOMMUNICATIONS**

**A. Docket No. TM14040367 – In the Matter of the Verified Petition of Onvoy, Inc. for Approval of a Pro Forma Transfer of Direct Ownership.**

**BACKGROUND:** On April 15, 2014, Onvoy, LLC (Onvoy or Petitioner) submitted a Petition requesting that the Board authorize a pro forma transfer of direct ownership of Onvoy from Zayo Group Holdings, Inc. (Holdings) to Communications Infrastructure Investments, LLC, the direct parent company of Holdings and ultimate parent company of Onvoy.

The Petitioner will continue to provide service to all of its customers at the same terms, rates and conditions on which it currently offers such services to customers in the state.

Having reviewed the petition and supporting documents, 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 the Petitioners be allowed to proceed with the proposed reorganization.

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

#### **V. WATER**

**A. Docket No. WR14030269 – In the Matter of the Petition of Lake Lenape Water Company for Approval of an Increase in Its Rates for Water Service.**

**BACKGROUND:** On March 21, 2014, Lake Lenape Water Company (Petitioner), filed a petition with the Board for approval of an increase in rates for water service in the amount of approximately \$18,902 or 14.3%. The increase in rates is proposed to become effective on July 1, 2014. This matter was transmitted to the Office of Administrative Law for hearings.

Staff recommended the Board issue an Order suspending the proposed rates until November 1, 2014, unless the Board prior to that date makes a determination disposing of the petition or issues an Order further suspending the proposed revisions.

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

**B. Docket Nos. BPU WR14010019 and OAL PUC 01147-14 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.**

**BACKGROUND:** On January 16, 2014, Aqua New Jersey, Inc. (Company or Petitioner), filed a petition with the Board seeking to increase its rates for water service amounting to approximately \$3,899,014 or 11.16% above the annual revenues.

On January 27, 2014, the matter was transmitted to the Office of Administrative Law for hearings and on February 19, 2014, the Board issued an Order suspending the Company's proposed rate increase until June 21, 2014.

Staff recommended the Board issue an Order further suspending the rates until October 21, 2014, unless the Board prior to that date makes a determination disposing of the petition.

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

**C. Docket No. WR14040325 – In the Matter of the Petition of Gordon's Corner Water Company for an Increase in Rates and Charges for Water Service.**

**BACKGROUND:** On April 10, 2014, Gordon's Corner Water Company (Company or Petitioner), filed a petition with the Board seeking to increase its rates for water service amounting to approximately \$877,829 (or 8.81%) in additional annual revenues.

The increase in rates is proposed to become effective on May 20, 2014. By letter received May 5, 2014, the Company stated that it would not implement the rates on that date.

Staff recommended the Board issue an Order suspending the rates until September 20, 2014, unless the Board prior to that date makes a determination disposing of the petition.

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

**VI. RELIABILITY & SECURITY**

There were no items in this category.

**VII. CUSTOMER ASSISTANCE**

**A. Docket Nos. BPU EC13111081U and OAL PUC 18709-13 – In the Matter of Elbin Garnier, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Elbin Garnier and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on December 23, 2013, as a contested case. Administrative Law Judge Kimberly A. Moss filed an Initial Decision in this matter with the Board on April 22, 2014, approving a Stipulation of Settlement of the parties.



Staff recommended the Board adopt the Initial Decision.

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

**B. Docket Nos. BPU WC13050422U and OAL PUC 14817-13 – In the Matter of Martha Z. Bell, Petitioner v. United Water New Jersey, Inc., Respondent – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on April 23, 2014; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on June 9, 2014.

Staff recommended the time limit for the Board to render a Final Decision be extended until July 24, 2014.

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

**C. Docket Nos. BPU EC13050442U and OAL PUC 11165-13 – In the Matter of Paul Nichols, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Paul Nichols and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on July 31, 2013, as a contested case. Administrative Law Judge Richard McGill filed an Initial Decision in this matter with the Board on April 24, 2014, approving a Stipulation of Settlement of the parties.

Staff recommended the Board adopt the Initial Decision.

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

**D. Docket Nos. BPU EC13090862U and OAL PUC 16271-13 – In the Matter of Lori Monteiro, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Lori Monteiro and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on September 19, 2013, as a contested case. Administrative Law Judge Gail M. Cookson filed an Initial Decision in this matter with the Board on May 6, 2014, approving a Stipulation of Settlement of the parties.

Staff recommended the Board adopt the Initial Decision.

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Minutes of March 19, 2014 Agenda Meeting.**

**BACKGROUND:** Staff presented the minutes of March 19, 2014 Board meeting 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 Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

#### A. Docket No. EO07040255 – In the Matter of the State Fiscal Year 2007 Universal Service Fund Administrative Cost Budget.

**Kristi Izzo, Secretary of the Board**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter concerned the close out of the administrative cost budget for the Universal Service Fund (USF) Program for state fiscal year 2007 (FY07).

The Department of Human Services (DHS) served as the USF program administrator during the early years of the USF program. On August 31, 2006, the administration of LIHEAP was moved to the Department of Community Affairs (DCA), and the Board subsequently approved DCA as the new USF administrator on November 22, 2006. As a result of the change in USF program administration during FY 07, both DHS and DCA incurred USF related administrative expenses.

Treasury Staff indicated the outstanding receivable owed for the USF administrative expenses for FY07 is \$5,601,859.28 Both DHS and DCA were directly provided appropriation funding through the state budget process and the state was to be reimbursed from the USF Trust Fund.

DCA has provided detailed information justifying the expenditure of \$2,717,449.28 in USF administrative expenses in FY07. On the basis of this information from the DCA, Staff recommended the Board authorize the reimbursement of FY07 USF Administrative expenses to the Department of Treasury in the amount of \$2,717,449.28. Treasury staff indicated these expenditures are the actual amounts appearing on the state's accounting system and are still outstanding and due by the Board to Treasury.

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

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

### 2. ENERGY

#### A. Docket No. ER14040370 – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2015.

**Frank Perrotti, FERC PJM Issues Manager**, presented this matter.

**BACKGROUND AND DISCUSSION:** Two-thirds of the State's Basic Generation Service (BGS) requirements for fixed-price (FP) customers are under contract for periods extending to May 31, 2017. The Board needs to determine how the remaining one-third of the State's BGS requirements for FP customers, as well as the State's

annual BGS requirements for Commercial and Industrial Energy Pricing (CIEP) customers should be procured beginning June 1, 2015.

Staff recommended the Board initiate a transparent and public proceeding, consistent with that employed for the past thirteen years, to determine what type of process should be used for the procurement of BGS FP and BGS CIEP supply, and the supply needs of Rockland's non-PJM service area within New Jersey. To initiate this proceeding, Staff recommended the Board approve the preliminary procedural schedule that would result in a Board decision on the process in November 2014, and would permit a BGS procurement process in February 2015, and a Rockland request for proposal in January 2015.

Staff also recommended the Board direct the electric distribution companies to make a BGS filing by July 1, 2014, describing how they intend to procure the remaining BGS FP and the BGS CIEP requirements. This shall include, Rockland filing a proposal as part of its July 1, 2014 BGS filing for procuring the supply requirements for its non-PJM service area within New Jersey. In addition, Staff recommended the Board invite all other interested stakeholders to file any alternative BGS procurement processes with the Board by July 1, 2014.

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

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

**Jerome May, Director, Division of Energy,** presented these matters.

**B. Docket No. GR13080771 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to (1) Revise Its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit.**

**BACKGROUND AND DISCUSSION:** On August 23, 2013, Elizabethtown Gas (Company) filed a Petition with the Board seeking approval to revise its current rates and implement the following rates including tax:

1. Decrease its current Weather Normalization Clause (WNC) rate from \$0.0308 per therm to \$0.0300 per therm inclusive of taxes for prior period recovery balance associated with Winter Period of 2011-2012.
2. Decrease its current Clean Energy Program (CEP) rate from \$0.0763 per therm to \$0.0385 per therm inclusive of taxes.
3. Decrease its then On-System Margin Sharing Credit (OSMC) from (\$0.0078) per therm to (\$0.0018) per therm, inclusive of taxes.

The impact of the Company's request on the annual bill for the average residential heating customer utilizing 1,000 therms would be decreased of \$32.53 from \$1,197.54 to \$1,165.01 or approximately 2.7%.

Staff recommended the Board approve the Company's request for a WNC rate of \$0.0300; the CEP rate of \$0.0385; and OSMC rate of (\$0.0018).

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

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

**C. Docket No. ER13111050 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric and Gas Societal Benefits Charge Rates for a Change in Its Electric Non-Utility Generation Charge Rate and for Changes in the Tariff for Electric and Gas Service.**

**BACKGROUND AND DISCUSSION:** Public Service Electric and Gas Company's (Company or PSE&G) Non-Utility Generation Charge (NGC) rate is intended to recover the difference between the contract-set prices at which PSE&G purchases generation from the non-utility generators, and the market (day-ahead or real-time) price that the energy is sold through PJM Interconnection (PJM). The net revenues that the Company receives from PJM for the power sales are used to offset the purchase power agreement payments, with the difference (positive or negative) reflected in the NGC.

The Societal Benefits Charge (SBC) components addressed in this proceeding related to:

- 1) The recovery of electric and gas Energy Efficiency and Renewable Energy program costs administered through the Office of Clean Energy; and
- 2) The value of electric customer receivables expected to be written-off as 'uncollectible' by the Company.

Board Staff, Rate Counsel and PSE&G (the Parties) conducted discovery and settlement discussions, and on May 1, 2014 reached a Stipulation of Settlement (Settlement) agreeing that:

- A - The Company's actual electric and gas costs and expenditures through December 2013 are reasonable, prudent, and appropriately recovered through the SBC/NGC;
- B - Forecasts of costs and revenues from January 1, 2014 forward will be reviewed in the Company's next SBC/NGC filing; and
- C – The Board approval of the "new" electric and gas rates per the table below are appropriate at this time.

Staff found the Settlement of the Parties to be reasonable and in the public interest, and recommended approval.

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

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

**D. Docket No. GR13050433 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate.**

**BACKGROUND AND DISCUSSION:** On May 30, 2013, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Company) filed its annual petition with the Board requesting approval of its Periodic Basic Gas Supply Service (BGSS) Rate. The Company requested a decrease in its BGSS rate from \$0.6663 per therm inclusive of all applicable taxes to \$0.6241 per therm inclusive of all applicable taxes for October 1, 2013 through September 30, 2014.

The Company, Rate Counsel and Staff (Parties) executed a Stipulation of Settlement (Settlement) on April 25, 2014.

Staff recommended the Board approve the Settlement of the Parties.

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

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

**E. Docket No. ER14030209 – In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge, Its Societal Benefits Charge, and Its System Control Charge (2014).**

**BACKGROUND AND DISCUSSION:** On March 4, 2014, Atlantic City Electric Company (ACE or Company) filed a petition with the Board requesting approval for changes in its Non-Utility Generation Charge (NGC), its Societal Benefits Charge (SBC) and its System Control Charge (SCC). The petition further requested permission to terminate the SCC effective June 1, 2014 and include any over/under recovered balance that remain after the program has terminated in the Company's next Regional Greenhouse Gas Initiative (RGGI) Recovery Charge filing.

By letter dated April 16, 2014, the Company updated the petition with actual information through March 31, 2014. Based on the updated filing, the net impact of adjusting the

NGC, SBC and SCC rates (including sales and use tax) is an overall annual rate decrease of approximately \$41.085.

On May 1, 2014, ACE, Board Staff (Staff) and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement.

Staff recommended the Board approve the Settlement of the Parties, which sought to implement provisional changes in the Company's Clean Energy Program and Uncollectible Accounts components of the SBC and the NGC subject to refund to be effective as of June 1, 2014, as well as the termination of the SCC effective June 1, 2014.

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

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

**F. Docket No. AX13030196 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Prudency of Costs Incurred by New Jersey Utility Companies in Response to Major Storm Events in 2011 and 2012; and**

**Docket No. EO13070611 – In the Matter of the Board’s Review of the Prudency of the Costs Incurred by Rockland Electric Company in Response to Major Storm Events in 2011 and 2012.**

**BACKGROUND AND DISCUSSION:** Rockland Electric Company (RECO or Company) filed a petition on July 1, 2013, seeking Board approval to recover, through base rates, all the costs it incurred associated with the 2011 and 2012 Major Storms. RECO, Board Staff and Rate Counsel (Parties) engaged in Settlement discussions and on May 6, 2014, executed a Stipulation of Settlement (Settlement). In the Settlement, the parties agreed that \$31,246,335 of Major Storm Costs from the Major Storm Events, consisting of \$5,600,555 in capital costs and \$25,645,780 in deferred operational and maintenance costs, are deemed reasonable, prudent and eligible and appropriate for inclusion in, and recovery through, RECO’s base rates to be set in the Base Rate Case, currently pending before Administrative Law Judge Irene Jones at the Office of Administrative Law. The parties agreed that the amounts for the Major Storm Costs, both capital and deferred operational and maintenance, shall be transmitted for inclusion in RECO’s Base Rate Case and shall be authorized for recovery in and through the revenue requirements and base rates that will be set at the conclusion of the Base Rate Case.

The Settlement also contained a provision that was not included in the petition, which requires the Company to conduct two pilot programs: one to track the time spent by contractors to determine the feasibility and advisability of directly assigning costs between the Company and related companies served by those contractors, and another to determine the feasibility and advisability of assigning some or all of its customer

service costs based on the number of customer direct contacts with customer service representatives.

Staff recommended the Board approve the Settlement of the Parties.

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

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

**G. Docket No. EO14030281 – In the Matter of the Petition of Jersey Central Power & Light Company Pursuant to N.J.S.A. 40:55D-19 for a Determination that the Oceanview 230Kv Transmission Project is Reasonably Necessary for the Service, Convenience or Welfare of the Public.**

**BACKGROUND AND DISCUSSION:** On March 25, 2014, Jersey Central Power & Light (Company) filed a petition notifying the Board that it will construct and operate a 230 kV transmission line between the Company's Larabee substation in Howell and its Oceanview substation in Neptune. The Company sought a decision, under N.J.S.A. 40:55D, that the project is reasonably necessary for the service, convenience or welfare of the public and that the zoning and land use ordinances of municipalities along the proposed route do not apply.

The need for the project is based on a PJM finding of a reliability criteria violation. The project was approved by PJM as part of its Regional Transmission Expansion Planning process on January 4, 2013. The transmission line covers a 16.1 mile route from Howell through Colts Neck, Howell, Neptune, Tinton Falls and Wall Townships.

Staff recommended the petition be retained at the Board and that Commissioner Holden be appointed as the presiding officer. Staff also recommended that entities seeking to intervene should file with the Board by June 20, 2014.

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

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

**H. Docket No. GR13030185 – In the Matter of the Petition of New Jersey Natural Gas Company and South Jersey Gas Company for Authority to Continue the Conservation Incentive Program.**

**BACKGROUND AND DISCUSSION:** On March 1, 2013, New Jersey Natural Gas Company (NJNG) and South Jersey Gas Company (SJG) (collectively, the Companies) filed a petition with the Board to continue the Conservation Incentive Program (CIP) with



certain modifications. The CIP provides a rate design and recovery mechanism for NJNG and SJG that separates margin recoveries from the overall amount of gas sold (throughput). The CIP has effectively changed the culture of the Companies to no longer promote the increased use of natural gas. The Companies, Board Staff and Rate Counsel, the only Parties to this proceeding (the Parties), conducted discovery and held meetings to discuss the continuation of the CIP with certain modifications. As a result of those discussions, the Parties reached Stipulation of Settlement (Settlement) that modifies the CIP.

The Parties agreed that the CIP mechanism will be subject to review as part of each Company's respective Basic Gas Supply Service / CIP filing submitted in 2017. As for the impact on customers, there is no immediate rate impact. The earliest there could be a rate impact is October 2015.

Staff recommended the Board approve the Settlement of the Parties.

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

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

**I. Docket Nos. EO13020155 and GO13020156 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Energy Strong Program.**

**BACKGROUND AND DISCUSSION:** On February 20, 2013, Public Service Electric and Gas Company (PSE&G or the Company) filed a petition with the Board seeking approval of a \$2.6 billion five year infrastructure improvement project; up to \$1.703 billion on electric infrastructure and \$906 million on gas infrastructure, upgrades from ratepayers through an "Energy Strong Adjustment Mechanism".

On March 20, 2013 and on June 21, 2013 (June 21 Order), the Board issued orders requiring additional information from the Company including detailed engineering analyses with respect to the proposed switching and substation hardening proposals. The Board's June 21 Order also designated Commissioner Fiordaliso as the presiding officer in the proceeding.

On July 2, 2013, Commissioner Fiordaliso granted New Jersey Large Energy Users Coalition New Jersey Large Energy Users Coalition and American Association of Retired Persons intervener status and the PSE&G Unions Participant status. In subsequent orders, Participant status was also granted to the Sierra Club and NJ Environmental Federation, Ferreria Construction, Local Union 825, New Jersey Laborers Employers Cooperation and Education Trust and the Environmental Defense Fund.

Six well attended public hearings were held over three days from September 16, 2013 and October 7, 2013. Six evidentiary hearings were held between February 25 and

March 7, 2014. A Stipulation of Settlement (Stipulation) was reached on May 1, 2014, which approved the following programs:

1. Electric Station Flood Mitigation – PSE&G will mitigate (wall or raise and rebuild) 29 switching or substations over 5 year period; \$400 million Energy Strong plus \$220 million PSE&G money;
2. Contingency Reconfiguration Strategies - PSE&G will spend up to \$100 million over three years increasing the sections in present loop designs, creating multiple sections, utilize smart switches and fuses and add redundancy within its loop scheme;
3. Advanced Technologies – PSE&G will spend up to \$100 million over three years to equip stations with Microprocessor Relays and expanded supervisory Control and Data Acquisition which should result in shortening storm restoration processes;
4. Gas Utilization Pressure Cast Iron – PSE&G invest up to \$350 million to replace 250 miles of Utilization Pressure Cast Iron main and related services over a three year period with higher operating pressure system using plastic or cathodically protected steel in areas that were flooded or are in Federal Emergency Management Agency flood zones or in proximity to; and
5. Metering and Regulating (M&R) Station Flood Mitigation – PSE&G will invest up to \$50 million to mitigate stations that had water intrusion from Sandy and will provide an auxiliary generator at the Burlington Liquefied Natural Gas Plant.

Additionally, the Stipulation provides that PSE&G will invest up to \$1 billion in the Energy Strong (ES) programs including \$600 million of Electric investment and \$400 million of gas investment. PSE&G will invest up to another \$220 million in the electric system related to investment in hardening additional switching and substations. The additional investment will not be recoverable through the Energy Strong program but PSE&G indicated it will attempt to recover the investment in the next base rate case. The investments will be made over a three-year period beginning with the effective date of the Board Order with three exceptions; (1) the Electric Station Flood Mitigation program, involving hardening 29 substations will be completed within 5 years inclusive of the additional monies being spent by PSE&G outside of the Energy Strong program; (2) the Gas M&R Station Flood Mitigation program will extend to five years; and (3) the Gas Utilization Pressure Cast Iron program may be accelerated to be completed in 2 years.

- (1) Cost Recovery – The \$1 billion investment (plus - Allowance for Funds Used During Construction) in Energy Strong will be recovered through the Energy Strong Adjustment Mechanism. Cost recovery for the completed Electric-ES projects will be reviewed and recovered on a semi-annual basis while the completed Gas-ES projects will be reviewed and recovered on an annual basis. The Stipulation contains a detailed schedule for PS to follow to effectuate the cost recovery of both electric and gas components of the program.

(2) Metrics and Reporting – PSE&G will provide quarterly reports on the program to Board Staff and Rate Counsel setting forth the following for each of the electric and gas programs:

- Estimated quantity of work and quantity completed to date or if not available the major tasks completed
- Forecasted and actual costs to date
- Estimated project completion date

Projects will be broken out between material and other costs. Reporting will begin two months after Board Order. PSE&G, after consultation with Staff and Rate Counsel, will retain an independent monitor to review and report to Staff and Rate Counsel on the impact of Energy Strong program on overall system performance during severe weather events, cost effectiveness and efficiency, appropriate cost assignment and other information deemed appropriate.

With respect to Electric extensive performance metrics have been established to provide extensive monitoring of the Company's performance. Reporting will include Customer Average Interruption Duration Index Major Event (and separately non-major event) performance on a circuit, operating level and system-wide basis related to Energy Strong investments.

With respect to gas, the Company will report on its progress in implementing best efforts to reduce its active leak inventory approximately 30% within the first three years of the ES Program. If the Company fails to reduce leak inventory by 10% annually two years in succession, the Company shall achieve compliance with this obligation without seeking cost recovery for the incremental expenses from ratepayers.

(3) The prudence of the projects and incurred expenses will be reviewed in the Company's next base rate case or a subsequent base rate case to the extent any of the investments up to \$1 billion are not included in the test year of the next base rate case.

(4) PS will file a base rate case no later than November 1, 2017.

Staff recommended that the Parties' Stipulation of PSE&G Energy Strong be approved.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</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 & SECURITY**

**Phillip Galka, Division of Reliability and Security**, presented these matters.

**A. Docket Nos. GS14020128K et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.**

**BACKGROUND AND DISCUSSION:** This matter involved the violations of Underground Facility Protection Act (the Act). The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns.

Staff recommended the Board approve all those cases in which offers of Settlement and payment have been received.

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

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

**B. Docket No. EO12020151 – In the Matter of Steven G. Becker, Becker’s Tree Service, Inc.**

**BACKGROUND AND DISCUSSION:** This matter involved a request by Staff to approve the issuance of an Administrative Order and Notice of Civil Administrative Penalty Assessment (AONOCAPA) to Becker’s Tree Service Inc. pertaining to violations of the Underground Facility Protection Act (the Act).

The AONOCAPA is for violations of the Act where Board Staff and the alleged violator were unable to reach a settlement after Staff’s issuance of a Notice of Probable Violation and Offer of Settlement.

Staff recommended the Board approve the issuance of an Administrative Order and Notice of Civil AONOCAPA to Becker’s Tree Service Inc.

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

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

## 7. CUSTOMER ASSISTANCE

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

**A. Docket Nos. BPU WC12060563U and OAL PUC 12139-12 – In the Matter of Elaine Dubelman, Petitioner v. United Water Company, Inc., Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Elaine Dubelman (Ms. Dubelman) and United Water New Jersey, Inc. (UWNJ). The petition was filed with the Office of Administrative Law on August 31, 2012, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss issued her Initial Decision in this matter with the Board on February 27, 2014, dismissing the petition of Ms. Dubelman.

Ms. Dubelman filed exceptions in this matter on March 6, 2014.

On March 11, 2014, UWNJ filed a response to the exceptions.

Staff recommended the Board accept the Initial Decision of ALJ Moss.

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

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

**B. Docket No. EO14040379U – In the Matter of the Proposed Memorandum of Understanding Between the Board of Public Utilities and the Division of Consumer Affairs – Review of Complaints Against Certain Third Party Suppliers.**

**BACKGROUND AND DISCUSSION:** This matter involved a Memorandum of Understanding (MOU) between the Board and the Division of Consumer Affairs (Consumer Affairs, collectively, Agencies) entered into for the purpose of carrying out cooperative efforts in the investigation of and possible prosecution of claims against third party suppliers (TPSs) for violations of the Board's consumer protection standards. This MOU establishes the responsibilities of each agency and identifies how the agencies will share costs.

The Board and Consumer Affairs received complaints against TPSs alleging, among other things, high bills, misrepresentation of terms of service, and slamming. Because of the high volume of complaints received by the Board, the Agencies decided to join efforts to investigate and prosecute any violations of consumer protection standards. Consumer Affairs will be responsible for investigating the marketing, advertising, contract and other practices of the TPSs. If litigation is commenced, Consumer Affairs will advise the Board of the intent to prosecute claims before the commencement of litigation.

The Board will provide assistance to Consumer Affairs for the investigation and prosecution of the claims against TPSs. The assistance shall include, but not be limited to providing Consumer Affairs and the Division of Law copies of books, records, and data in the Board's possession.

Staff believed that Board ratification of the MOU would benefit energy consumers by ensuring that TPSs comply with the Board's consumer protection standards and by strengthening consumer confidence in the TPS market. Staff recommended the Board ratify the MOU between the Board and Consumer Affairs.

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

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

## **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. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide Solar Renewable Energy Certificates to Certified Brownfield, Historic Fill and Landfill Facilities;**

**Docket No. EO13050387V – In the Matter of Pennoni Associates, Inc. (1845 Delsea Drive) – Motion for Reconsideration; and**

**Docket No. EO13050429V – In the Matter of Millenium Land Development, LLC (Love Lane) – Motion for Reconsideration.**

**Megan Lupo, Legal Specialist,** presented this matter.

**BACKGROUND AND DISCUSSION:** On April 17, 2013, Pennoni Associates, Inc. and on May 29, 2013 Millenium Land Development, LLC submitted applications to the Board requesting that their solar facility projects be certified as being located on brownfields

pursuant to subsection (t) of the Solar Act.

The New Jersey Department of Environmental Protection (NJDEP) found that the Pennoni site is a former pig farm and that the site is zoned light-density residential and was continuously used for the pig farming operations until approximately 2 years ago. NJDEP concluded that the site was not a brownfield. NJDEP determined that the Millenium site is a former orchard and, although soils at the site contain elevated levels of arsenic and lead, the site did not meet the definition of a “brownfield.”

Based upon the information provided in the applications and NJDEP’s advisory recommendations, Staff recommended the Board deny certification to both applicants, and the Board did so in the July 19, 2013 Order (July 19 Order). Pennoni and Millenium subsequently filed the instant motions for reconsideration of the Board’s July 19 Order.

The Energy Master Plan argued against the use of ratepayer subsidies to turn productive farmland into grid-supply solar facilities. Staff found that the Pennoni and Millenium projects do not qualify for certification under Subsection (t) of the Solar Act on the grounds that both projects are proposed for construction on land which was devoted to horticultural or agricultural use that is valued, assessed and taxed pursuant to the Farmland Assessment Act of 1964 within the 10-year period prior to the Solar Act’s effective date. Staff, therefore, determined that the projects are not eligible for consideration under Subsection (t) and recommended the Board denying both Pennoni and Millenium’s motion for reconsideration. Staff further recommended the Board direct Staff to promulgate regulations consistent with this decision.

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

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

**B. In the Matter of the New Jersey Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000:**

**Docket No. QO14040382 – The Trustees of Princeton University**

**Docket No. QO14040383 – Masonic Charity Foundation of New Jersey**

**Elizabeth Teng, Energy Efficiency Administrator**, presented this matter.

**BACKGROUND AND DISCUSSION:** In April 2014, the Clean Energy Program approved 378 projects, totaling approximately \$6.1 million in incentives. The Board has since received two applications for Commercial and Industrial (C&I) rebates in amounts over \$500,000.

The Trustees of Princeton University, in Princeton, NJ, have applied for an incentive under the Pay for Performance (P4P) New Construction Program, for approximately

\$669,000. Princeton is constructing the Lakeside Graduate Student Housing Complex and implementing the proposed measures would result in a 21% total energy savings as compared to the baseline code used in New Jersey, and will cost the applicant approximately \$1.3 million in incremental costs. The anticipated, estimated energy savings for this project are 696,000 kilowatt hours, demand reduction of 139 kilowatts, and 38,000 therms of natural gas. The applicant will also realize an annual energy cost savings of approximately \$166,000, a 10% internal rate of return, and a payback of 8 years.

The second project is for the Masonic Charity Foundation of New Jersey, based in the City of Burlington. The application is for a Small Combined Heat and Power project at an assisted living facility run by the Foundation. The incentive for this project is \$996,000. The system will have a total capacity of 498 kilowatts, and will generate approximately 4 million kilowatt hours each year. This system will also produce over 13,000 MMBtu to be recovered and used for space heating and domestic water heating. Overall, this project will save close to \$271,000 in annual energy costs.

Staff determined that these applications have met the eligibility criteria for C&I program rebates and recommended the Board approve these applications and authorize the issuance of standard commitment letters to both of the applicants.

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

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

**C. Docket No. EO09120975 – In the Matter of Revisions to New Jersey’s Clean Energy Program August 2012 Protocols to Measure Resource Savings.**

**Anne Marie McShea, Clean Energy Program Administrator**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved Board approval of modifications to the Clean Energy Protocols based on input received from the Market Managers, Honeywell, TRC and other interested stakeholders. The proposed modifications reflect current codes and standards, new technologies and building practices, and other changes in the marketplace.

By Order dated September 13, 2012, Docket No. EO09120975, the Board approved a document entitled Protocols to Measure Resource Savings (Protocols) in August 2012, which contained the most recent Protocols approved by the Board and was used by the program managers to estimate energy savings and renewable energy generation.

On January 30, 2014, Applied Energy Group, the NJCEP Program Coordinator, circulated a redlined draft of changes to the Protocols to the Energy Efficiency and Renewable Energy committee distribution lists, including the Market Managers, Division of Rate Counsel, the State’s electric and natural gas utilities, the New Jersey Utilities Association, environmental groups, and local governments for comments by February 21, 2014.



Staff recommended the Board support ongoing program evaluation to inform additional updates to the Protocols. Staff also recommended the Board approve the proposed Protocols which include reasonable methodologies and are appropriate for estimating energy savings and renewable and distributed generation.

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

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

**D. Docket No. EG12070655V – In the Matter of Edison Innovation Green Growth Fund – Locus Energy’s Request for Award Modification.**

**Anne Marie McShea, Clean Energy Program Administrator,** presented this matter.

**BACKGROUND AND DISCUSSION:** On August 15, 2012, the Board approved a loan request from the Edison Innovation Green Growth Fund (EIGGF) to Locus Energy in the amount of \$1,454,000 as recommended by the Economic Development Authority (EDA), the EIGGF administrator. Locus Energy provides an analytics services platform for the renewable energy industry. The platform is comprised of hardware and software that has been designed to provide monitoring and data analytics for distributed generation systems in residential, commercial and utility applications.

EDA requested the Board authorize loan agreement modifications and subordinate first lien position on Locus Energy’s assets, except Intellectual Property (IP), to a third party, Square I Specialty Finance, up to the total principal amount of the existing BPU Loan of \$1.45 million. According to EDA, cash from the arrangement will help Locus Energy reduce the time between receiving incoming revenue and monthly working capital expenses. Additionally, EDA noted that Locus Energy has experienced strong revenue growth over the last year and its transition from an investor-only financed company to a bank financed company shows natural growth and positive progression, common among high-growth businesses in the Technology and Life Sciences sector.

EDA conducted an underwriting review of the Locus Energy request for modification to its loan documents and recommended the Board subordinate its lien on Locus Energy assets so that this high-growth company may continue to fund its working capital growth.

Staff recommended the Board approve the loan modification and consent to subordinating first lien position up a maximum of \$1.45 million and execute the necessary documentation to facilitate the lien subordination consistent with EDA’s statements that they have reviewed Locus Energy’s financial position and finds them in good standing and recommend subordination of the loan.

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

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

**E. Docket No. QO14050402 – In the Matter of the Implementation of the Solar Act L.2012, C.24, N.J.S.A. 48:3-87 (D)(3)(C): the Limited Exemption of Certain Basic Generation Service Providers from the Increased Solar Requirements.**

**Benjamin S. Hunter, Renewable Energy Program Administrator,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved the implementation of the Solar Act, signed July 23, 2012, which contained many provisions effecting changes to legal and regulatory framework for solar development. Among these were an increase in the solar portion of the Renewable Portfolio Standard (RPS) beginning Energy Year 2014 (EY14) and a change in the way each Basic Generation Service (BGS) provider and third party electric power supplier (TPS) was to calculate its obligations under the solar portion of the RPS from EY14 forward.

The Solar Act increased the RPS solar requirements in EY14 (an EY runs from June 1<sup>st</sup> of each year to May 31 of the following year and is designated by the year in which it ends). The EY14 increase approximately doubled the demand for Solar Renewable Energy Certificates. It also changed how the obligation was calculated from a gigawatt hour requirement to a percentage base requirement. But the allocation of that gigawatt hour requirement was problematic, as it was difficult to do and resulted in regulated entities having to annually come to the Board with petitions for extension.

The first year of increased RPS solar is EY14, with a true-up period that begins June 1, 2014 and extends through October 1, 2014. Subsection (d)(3)(c) of the Solar Act exempted certain BGS supply if a contract was executed before the passage of the Act. However, the Act states that the overall requirement of 2.05% was still to be met. It therefore required shifting the increased obligation that would have resulted from BGS supply contracts that were provided an exemption onto those without an exemption who had contracts after passage of the Act.

Staff developed a straw proposal for allocating exempt obligations to non-exempt electric supply and took comments. Several respondents questioned the fairness of the Act, some were confused about the eligibility for exemption, and others wanted an extension of the RPS solar compliance period to December 1, 2014.

Staff recommended the Board approve the proposed allocation methodology for use in compliance facilitation starting in August, when retail sales from the previous energy years are available to be communicated to regulated entities. Staff also recommended providing clarifications about which RPS regulated entities were exempt (the BGS provider supply contracts entered before the passage of the Solar Act) and that third

party suppliers are not exempt. Staff also recommended the RPS period for achieving solar compliance and reporting be extended from October 1<sup>st</sup> to December 1<sup>st</sup>.

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

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

**F. Docket No. QO14010068 – In the Matter of the Petition of the Sierra Club for an Energy Efficiency Portfolio Standard.**

**Rachel Boylan, Legal Specialist,** presented this matter.

**BACKGROUND AND DISCUSSION:** On January 24, 2014, the Sierra Club filed a petition for rulemaking on the creation of an Energy Efficiency Portfolio Standard (EEPS). The rules sought would require each electric distribution company and gas distribution company to develop energy efficiency programs to meet the EEPS, and would establish a consistent statewide cost recovery mechanism.

On March 3, 2014, Notice of the petition for rulemaking was published in the New Jersey Register. Pursuant to the rules governing petitions for rulemaking, the Board must, within sixty days, either take action upon the petition for rulemaking or refer the matter for further deliberation. Taking action within sixty days required the Board to act at its March 19, 2014 agenda. As there would not have been sufficient time for the Board to reach a reasoned decision by that date, the Board referred the matter for further deliberation and, as required by the rules, was required to render a decision within ninety days.

Since then, the Sierra Club has sought a public hearing; however, it was advised early on that a public hearing is not part of the process authorized for petitions on rulemaking. The Sierra Club planned its own public meeting, and indicated that the Petitioner would consent to extension of the 90-day time frame in which the Board must consider its decision. Staff recommended the Board not postpone its vote on the underlying petition for rulemaking because it would violate Office of Administrative Law rules that require the Board to make a decision within a prescribed timeframe, which could not be met if the decision were postponed to the next Board Agenda in July 2014.

Regarding the initial petition, Staff recommended the Board deny the Sierra Club's request for a rulemaking to establish an EEPS at this time. Staff noted there are ongoing efforts, which include stakeholder input, to determine the best methods of promoting energy efficiency, and that it would be premature to choose any one method at this point. Therefore, Staff suggested the Sierra Club participate in and/or submit its comments to the working groups. Staff will continue to facilitate and monitor the working groups developed as a result of the Comprehensive Resource Analysis proceeding for Energy Year 2014 and present the reports currently being finalized and circulated for comment before the end of this calendar year. At that time, Staff will then make recommendations to the Board on how to proceed.

Commissioner Fox stated her belief that the Board and the Sierra Club agree as to the importance of energy efficiency and indicated she is anticipating receiving information from the working group (with input from the Sierra Club) in order for the Board to make an informed decision about the most appropriate way to implement energy efficiency programs in the future.

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

A motion was made to consider the recommendation not to delay the process:

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

A second motion was made to adopt Staff's recommendation to deny the Sierra Club's petition:

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

**G. Docket Nos. EO07030203 and EO11100631V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2009 through 2012: Revised 2012 Programs Large Scale Combined Heat and Power/Fuel Cell Grant Program – Request for Awardee Approval.**

This matter was deferred.

## **9. MISCELLANEOUS**

There were no items in this category.

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



DATE: July 23, 2014

---

KRISTI IZZO  
BOARD SECRETARY