



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF NJ CLEAN ENERGY PROGRAM) ORDER
REVISIONS TO SEPT. 2004: PROTOCOLS TO)
MEASURE RESOURCE SAVINGS:) DOCKET NO. EO07120961

(SERVICE LIST ATTACHED)

BY THE BOARD:

Background and Procedural History

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et al. (EDECA or the Act) was signed into law. The Act established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge (SBC), at N.J.S.A. 48:3-60(a)(3). EDECA further empowered the Board to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs, currently referred to as the comprehensive energy efficiency (EE) and renewable energy (RE) resource analysis (CRA). After notice, opportunity for public comment, public hearing, and consultation with the New Jersey Department of Environmental Protection (NJDEP), within eight months of initiating the proceeding and every four years thereafter, the Board would determine the appropriate level of funding for EE and Class I RE programs (now called New Jersey's Clean Energy Program or CEP) that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999.

By Order dated December 23, 2004, Docket No. EX04040276, the Board concluded its second CRA proceeding, set funding levels for the years 2005 through 2008, and approved 2005 programs and budgets. Through a second Order dated December 23, 2004, Docket No. EO04080894, the Board approved a document entitled *Protocols to Measure Resource Savings* (Protocols).

The Protocols include algorithms for measuring energy and other resource savings that result from implementation of New Jersey's Clean Energy Program or projects referenced pursuant to

N.J.S.A. 40A:11-15(12). The Protocols require updating from time to time as baselines against which energy savings are changed due to upgrades in energy codes or appliance efficiency standards, as programs are added or changed, as a result of program evaluations, or due to other changes in the assumptions used to measure resource savings.

Summit Blue, Inc., a consultant engaged by the Board to perform an assessment of the energy efficiency marketplace in New Jersey, included a number of recommended changes to the Protocols in its final Energy Efficiency Market Assessment report dated July 20, 2006. Rutgers Center for Energy, Economic and Environmental Policy (CEEPP) compiled the modifications to the Protocols recommended by Summit Blue and prepared a redlined draft of proposed modification to the Protocols. CEEPP also assisted in the development of Protocols for new programs such as the CHP and Home Performance with Energy Star Program that were incorporated into the redlined draft of the Protocols.

In early 2007, the Office of Clean Energy (OCE) commenced a public process for soliciting input on recommended changes to the Protocols. A redlined draft of proposed changes to the Protocols was circulated to members of the Clean Energy Council (CEC) and the Energy Efficiency (EE) and Renewable Energy (RE) committees of the CEC¹, to the utilities that delivered these programs in the past, to the Market Managers currently delivering the programs, and to the Department of the Public Advocate, Division of Rate Counsel.

Comments were received from the Rate Counsel FirstEnergy Corp. Honeywell, TRC, Vermont Energy Investment Corporation, Conservation Services Group, Hinkle and Associates and Rutgers Center for Advanced Energy Systems. Comments and suggested modifications were reviewed and coordinated by CEEPP. The comments were primarily technical in nature, regarding the value of a specific input, updating inputs to reflect newly available studies or information, or corrected typographical errors. Updated drafts of the Protocols were circulated to the stakeholders on numerous occasions and several meetings of the CEC were held to discuss proposed changes to the Protocols. None of the comments challenged the basic algorithms or approach. A final draft of the Protocols was circulated in November 2007 that incorporated the changes made as a result of the comments received. No objections to the final draft were received.

By Order dated January 2, 2008, Docket No. EX04040276, the Board issued a Summary Order adopting the 2008 programs and budgets. A more detailed order will be forthcoming. The 2008 programs and budgets include several new programs and changes to existing programs that require Protocols for measuring resource savings. The 2008 programs and budgets also include performance incentives for the Market Managers that rely on the Protocols for measuring energy savings and renewable energy generation.

OCE reviewed the proposed changes to the Protocols and believes that they are reasonable, necessary to measure savings from new and modified programs, are reflective of recent changes to energy codes and appliance efficiency standards, and are consistent with the recommendations of Summit Blue. Based on the above, the OCE recommended Board approval of the revised Protocols.

¹ The Clean Energy Council is open to any member of the public and functions as a public stakeholder group regarding implementation of the RPS.

Appendix 1 – Protocols for Measuring Energy Savings

The following is the web address where the Protocols for Measuring Energy Savings approved herein can be downloaded:

www.njcleanenergy.com/library/board-public-utilities/program-compliance-filings/program-compliance-filings

Discussion and Finding

The Board FINDS that the Protocols should be updated from time to time so that the protocols are current with federal and State codes and standards, are reflective of current technologies and building practices, and other changes in the marketplace. The Board further FINDS that OCE conducted a public process through which it received significant input regarding the development of the proposed changes and there were no objections to the proposed changes.

The Board FINDS that the proposed Protocols include a reasonable methodology and are appropriate for measuring energy savings, and renewable and distributed generation. Therefore, the Board HEREBY APPROVES the Protocols for Measuring Resource Savings dated December 17, 2007.

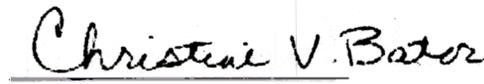
DATED: 1/18/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

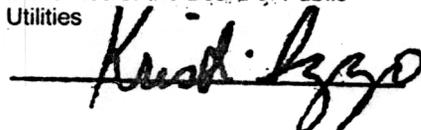

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



I/M/O the Petition of Atlantic City Electric Company for Approval to Implement FERC-Approved Changes to ACE's Retail Transmission (Formula) Rate Pursuant to Paragraph 15.9 of the BGS-FP and BGS-CIEP Supplier Master Agreements
BPU DOCKET NO. ER07070512

Kristi Izzo, Secretary
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Nusha Wyner, Director
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Alice Bator, Chief Bureau of Rates & Tariffs
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Stacy Peterson
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Frank Perrotti
Division of Energy
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Elise Goldblat, DAG
Dept. of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
Newark, NJ 07101

Suzanne Patnaude
Counsel's Office
NJ Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Alex Moreau, DAG
Dept. of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
Newark, NJ 07101

Stefanie Brand, Director
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Ami Morita, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Diane Schulze, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Peter Schaub, General Manager
Bulk Power Supply Management
Pepco Holdings, Inc.
701 9th Street NW
Washington, DC 20068-0001

Gregory Marquis
Bulk Power Supply Management
Pepco Holdings, Inc.
701 9th Street NW
Washington, DC 20068-0001

Philip J. Passanante, Esq.
Assistant General Counsel
Pepco Holdings Inc./Atlantic City Electric Co
800 King Street, 5th Floor
PO Box 231
Wilmington, DE 19899-0231

Roger E. Pederson, Manager
PHI Rates and Technical Services
Mail Stop 63ML38
5100 Harding Highway
Mays Landing, NJ 08330

Joseph E. Janocha
PHI Rates and Technical Services
5100 Harding Highway
Mays Landing, NJ 08330

Nathan L. Wilson
Vice President, Operations & Risk
Conectiv Energy Supply, Inc.
PO Box 6066
Newark, DE 19714-6066

Mario Giovannini, Manager
Operations and Credit
Conectiv Energy Supply, Inc.
PO Box 6066
Newark, DE 19714-6066

Randall D. Osteen, Esq.
Vice President- Counsel
Constellation Energy Commodities
Group, Inc.
111 Market Place, Suite 500
Baltimore, MD 21202

Kevin Laguardia
Hess Corporation
One Hess Plaza
Woodbridge, NJ 07095

Eric W. Hurlocker
Associate General Counsel
PPL Service Company
Two North Ninth Street
Allentown, PA 18101-1179

Anne W. Fiore
Contract Administration
PPL Energy Plus, LLC
Two North Ninth Street
Allentown, PA 18101-1179

Shawn P. Leyden
Vice President corporate and Commercial
PSEG Energy Resources and Trade LLC
80 Park Plaza
Newark, NJ 07102

Deborah L. Hart
Morgan Stanley Capital Group Inc.
2000 Westchester Avenue
Purchase, NY 10577

Steven Adams, Director
Power Supply and Emissions Credit
Trading
SUEZ Energy Marketing NA Inc.
1900 Post Oak Boulevard, Suite 1900
Houston, TX 77056

Stuart A. King
Managing Director, Deal Origination
Select Energy, Inc.
107 Selden Street
Berlin, CT 06037

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NJ Board of Public Utilities
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Nusha Wyner, Director
Division of Energy
NJ Board of Public Utilities
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Division of Energy
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Dept. of Law and Public Safety
Division of Law
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Suzanne Patnaude
Counsel's Office
NJ Board of Public Utilities
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Alex Moreau, DAG
Dept. of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
Newark, NJ 07101

Stefanie Brand, Director
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Ami Morita, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Diane Schulze, Esq.
Division of Rate Counsel
31 Clinton Street- 11th Floor
P.O. Box 46005
Newark, NJ 07101

Peter Schaub, General Manager
Bulk Power Supply Management
Pepco Holdings, Inc.
701 9th Street NW
Washington, DC 20068-0001

Gregory Marquis
Bulk Power Supply Management
Pepco Holdings, Inc.
701 9th Street NW
Washington, DC 20068-0001

Philip J. Passanante, Esq.
Assistant General Counsel
Pepco Holdings Inc./Atlantic City Electric Co
800 King Street, 5th Floor
PO Box 231
Wilmington, DE 19899-0231

Roger E. Pederson, Manager
PHI Rates and Technical Services
Mail Stop 63ML38
5100 Harding Highway
Mays Landing, NJ 08330

Joseph E. Janocha
PHI Rates and Technical Services
5100 Harding Highway
Mays Landing, NJ 08330

Nathan L. Wilson
Vice President, Operations & Risk
Conectiv Energy Supply, Inc.
PO Box 6066
Newark, DE 19714-6066

Mario Giovannini, Manager
Operations and Credit
Conectiv Energy Supply, Inc.
PO Box 6066
Newark, DE 19714-6066

Randall D. Osteen, Esq.
Vice President- Counsel
Constellation Energy Commodities
Group, Inc.
111 Market Place, Suite 500
Baltimore, MD 21202

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Hess Corporation
One Hess Plaza
Woodbridge, NJ 07095

Eric W. Hurlocker
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Two North Ninth Street
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Anne W. Fiore
Contract Administration
PPL Energy Plus, LLC
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PSEG Energy Resources and Trade LLC
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Morgan Stanley Capital Group Inc.
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Purchase, NY 10577

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SUEZ Energy Marketing NA Inc.
1900 Post Oak Boulevard, Suite 1900
Houston, TX 77056

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