



Agenda Date: 10/07/09
Agenda Item: 8B

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

CLEAN ENERGY

IN THE MATTER OF REVISIONS TO JUNE 2009)
PROTOCOLS (WHICH REVISED DECEMBER, 2007)
PROTOCOLS) TO MEASURE RESOURCE SAVINGS)
)
DOCKET NO. EO09060460

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (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 September 30, 2008, Docket No. EO07030203, the Board concluded its third CRA proceeding and set funding levels for the years 2009 through 2012. The Board approved 2009 programs and budgets by Order dated January 8, 2009, Docket No. EO07030203.

By Order dated January 18, 2008, Docket No. EO07120961, the Board approved *Protocols to Measure Resource Savings* ("Protocols") dated December 2007. The Protocols are used by the program managers to estimate energy savings and renewable energy generation. The Board approved revised Protocols by Order dated August 7, 2009, Docket No. EO09060460. The revised Protocols, dated June 2009, incorporated modifications to the December 2007 Protocols to address new programs and program components.

The Protocols include algorithms for measuring energy and other resource savings that result from implementation of New Jersey's Clean Energy Program (NJCEP). The Protocols require updating from time to time as the baselines against which energy savings are measured require changing 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.

The Board engaged KEMA, Inc. in 2007 to perform an impact evaluation of the NJCEP. The impact evaluation includes an assessment of the Protocols and a comparison of the actual savings that resulted from installed measures to the savings estimates that result from the Protocols. KEMA's final report includes numerous recommendations regarding proposed changes to the Protocols.

Over the course of 2009, KEMA prepared and the Office of Clean Energy (OCE) circulated for comment draft impact evaluation reports. Comments on the draft reports were submitted by Rutgers Center for Energy, Economic and Environmental Policy (CEEPP), Rate Counsel, and the New Jersey Utilities Association (NJUA) on behalf of the State's electric and natural gas utilities. The comments were forwarded to KEMA and will be taken into consideration by KEMA in its preparation of final reports.

KEMA submitted its final impact evaluation report(s) in September 2009. The OCE posted the reports on the NJCEP web site and circulated the reports to the EE and RE committees of the New Jersey Clean Energy Council. The OCE facilitated a public stakeholder meeting on October 6, 2009 at which KEMA presented the results of its impact evaluation and answered questions regarding the evaluation.

In the August 7, 2009 Order, the Board found that continuing the process of updating and modifying the Protocols required additional input from stakeholders regarding several of the changes recommended by Rate Counsel and the NJUA¹. The Board also determined that receipt of KEMA's final impact evaluation report was appropriate so that comments could be considered in totality.

Now that the final impact evaluation report has been submitted by KEMA, the Board **FINDS** that the various issues raised by the Report and by stakeholders may be considered in totality. The Board **FINDS** that additional input from stakeholders is necessary prior to considering any changes to the Protocols. The Board also **FINDS** that a process must be set in place for obtaining this input on the report and on proposed modifications to the Protocols recommended by KEMA and others. Therefore, the Board **DIRECTS** the Office of Clean Energy to schedule stakeholder meetings to solicit additional input on the recommendations included in KEMA's final impact evaluation report and proposed changes to the Protocols.

In addition, the Board **FINDS** that a public hearing on any changes to the Protocols will further inform the Board's deliberations on such changes. The Board **HEREBY DESIGNATES** Commissioner Randall as the Hearing Officer to oversee hearing proceedings on proposed changes to the Protocols. The Board **HEREBY ADOPTS** the following procedural schedule:

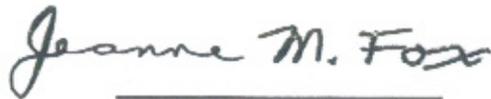
November 6, 2009 10 a.m.	Public hearing on proposed changes to the Protocols Board Hearing Room
November 7, 2009	Deadline for submission of written comments

¹ The referenced changes were recommended by Rate Counsel and the NJUA in their initial comments on the draft impact evaluation reports.

The OCE shall prepare recommendations regarding any proposed changes to the Protocols for consideration by the Board based on the comments provided at the public hearing, any written comments submitted, and discussions at the stakeholder meetings.

DATED: 10/8/09

BOARD OF PUBLIC UTILITIES
By:



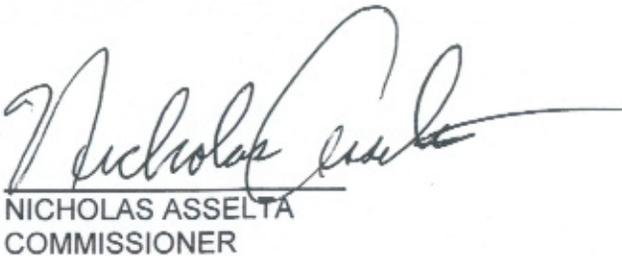
JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER



ELIZABETH RANDALL
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

