

New Jersey Board of Public Utilities

Notice of Working Group Meeting

on

Standby Rates Proceeding

May 17, 2013

Board Staff is creating a Working Group to address the following Standby Rate Design and Tariff issues:

1. Do the Electric Distribution Company's current Standby Tariffs and Rate Design appropriately address the provisions set forth in N.J.S.A. 48:2-21 et seq. and the criteria set forth in the Board's Order dated July 18, 2012 in Docket No. GO120706000;
2. Have the four Electric Distribution Company's filings addressed concerns raised by the N.J.S.A. 48:2-21 et seq. and the criteria set forth in the Board's July 18, 2012 Order.

Specifically, Staff seeks input on the following issues by May 3, 2013. Send responses to energy.comments@bpu.state.nj.us. Include the words "Standby Rates" in the heading. Board Staff will modify this list as it deems appropriate as the working group progresses.

- Please provide your comments on the four Electric Distribution Utilities' filings with respect to the Standby Order dated July 18, 2013 found on the Board's website www.bpu.state.nj.us ("Standby Order"), and N.J.S.A. 48:2-21 et seq.
- Identify your list of issues with respect to each of the utilities' filings pursuant to the standby order and also specifically address the following questions in your comments:
 - a. Have the Electric Distribution Companies ("EDC") sufficiently addressed the five criteria required by the Standby Order?
 - b. Have the EDC sufficiently addressed the issues raised in N.J.S.A. 48:2-21 et seq.
 - c. What are your concerns with and your recommended modifications with each EDC's current standby rates and rate design structure?
 - d. Is there sufficient information in the EDCs' filings supporting the existing standby rate structure and if not what information do you request?
 - e. Identify the terms in the standby tariffs you believe should be modified with all supporting documentation for your position.
 - f. If it is your proposal to reduce the standby rates, how do you propose to ensure equity between distributed generators and other public utility customers?
 - g. Is it necessary or appropriate to standardize the standby rates and tariffs for all electric utilities?
 - h. As noted in the Standby Order in response to Board staff's discovery request, the EDCs do not anticipate that distribution generation will contribute to any cost savings on their delivery systems arguing that the EDC systems are designed to provide maximum peak load and potential demand growth. Are there data, studies or findings that document cost savings on the EDCs' systems from distributive generation in general? For New Jersey? For any specific NJ EDC system? If so please provide these facts.
 - i. Are there studies or reports that provide any impact of demand charges and how they drive the operating performance of projects utilizing distributive generation, particularly

during peak electricity demand periods specific to New Jersey? If so please provide these facts.

- j. Are there studies or reports that document the economic and environmental benefits of distributive generation to the overall New Jersey ratepayers or for a specific New Jersey electric customer? If so please provide these facts.
- k. Are there any currently approved procedures or process that provide for alternatives to the current standby rates in place in New Jersey? If so please provide.
- l. Does the distribution generation customers need for energy at any given time different than any other customer? Would this be based on size and duration or both? Does it depend on the number of distributive generator on a feeder or substation?
- m. Where do we go from here?

Staff suggests the following procedural matters for discussion?

Procedural Issues

- i. Discovery Period
- ii. Working Group discussions to resolve issues
- iii. Moving Issues into the Pending Rate Cases
- iv. Will Evidentiary Hearings be necessary?
- v. Position Papers
- vi. Reply to Position
- vii. Settlement Meetings
- viii. To the Board for Decision
- ix. Rulemaking

The first meeting will be held as follows:

Date / Time: May 17, 2013 at 10:00am

Location: Board of Public Utilities – Trenton, Multi-Purpose Room 1st Floor

Address: 44 South Clinton Avenue, Trenton NJ 08625

Call-In#: TBD

If you wish to participate in this Working Group, please attend this meeting. If you are unable to attend in person, you may also call into the meeting using the above phone number.

If you would like to participate in this Working Group but are unable to attend the first meeting in person or by phone, you may send an e-mail to energy.comments@bpu.state.nj.us stating that you would like to be a participant. Please include you name, title, company name, phone number, and e-mail address and put “Standby Working Group” in the subject. You will receive an e-mail back within 3 business days stating that your request has been received.