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**Remarks of Felicia Thomas-Friel,
Deputy Rate Counsel
on behalf of Stefanie A. Brand, Director
of the NJ Division of Rate Counsel,
Regarding the FY2017 Comprehensive Resource
Analysis Draft Budgets, Filings and Protocols
Public Hearing before the NJ Board of Public Utilities**

June 10, 2016

Good morning. My name is Felicia Thomas-Friel and I am a Deputy Rate Counsel with the New Jersey Division of Rate Counsel. I am appearing here on behalf of Director Stefanie A. Brand and would like to thank the NJBPU Commissioners and Director of the Office of Clean Energy for this opportunity to present our preliminary comments today concerning the FY2017 CRA Draft budgets, filings and protocols. Our office will submit more comprehensive comments by June 17, 2016.

As you are aware, the Division of Rate Counsel represents and protects the interest of all utility consumers—residential customers, small business customers, small and large industrial customers, schools, libraries and other institutions in our communities. Our office has been

closely involved in and participating with the OCE in the development of the clean energy programs from their inception. Based upon our initial and preliminary review of the OCE's straw proposal, Rate Counsel has the following initial observations:

Renewable Energy Programs:

- There do not appear to be any significant changes to the Renewable Energy programs. The proposed Renewable Energy budget is \$2.45 million, which is \$629,000 less than the FY2016 Forecast. Rate Counsel supports this recommendation.
- The Renewable Electric Storage Program is currently being operated as an open enrollment program with prescribed rebates. As noted in past comments, Rate Counsel believes a competitive solicitation process would result in a more cost-effective program. OCE's proposal notes that the Rutgers University Laboratory of Energy Smart Systems ("RU LESS") is conducting research that should help to inform how this program should be structured to maximize ratepayer investments. Rate Counsel supports this process, and looks forward to participating in efforts to develop a competitive solicitation process for the Renewable Electric Storage

program that will maximize the impact of ratepayer investments in this program.

Energy Efficiency Program:

- OCE's proposal recognizes program evaluation as an integral part of the Clean Energy Program, and describes the specific evaluation activities planned for FY2017. Program evaluations are critical to properly measuring the costs and benefits of energy efficiency programs, and in identifying improvements. Rate Counsel looks forward to continuing to work with OCE and the new Program Administrator on further enhancements to the evaluation process.
- AEG's Energy Program Plan Filing includes a number of changes that appear to be geared towards improved coordination between the OCE's programs and the programs offered by the State's electric and gas utilities. In addition, there appears to be a focus on making OCE's program easier, more convenient and less confusing for contractors and customers, and on improving levels of participation.
- Concerning the Comfort Partners Program, the utilities' compliance filing notes that they have begun to implement some of the recommendations in the Apprise, Inc. evaluation of this program.

This process should continue, with a particular emphasis on improving contractors' ability to identify the most cost-effective measures, and improving the installation and audit process.

I thank you very much for the opportunity to testify today. Rate Counsel looks forward to listening to the other stakeholders' comments to inform our position. I am available to answer any questions.