



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

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

A Regular Board meeting of the Board of Public Utilities was held on March 29, 2019, at the State House Annex, Committee Room 11, 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:

Joseph L. Fiordaliso, President
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner
Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on April 18, 2019 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

Proclamation:

Governor Philip Murphy proclaimed April 2019 as Underground Damage Prevention Month in New Jersey, and commended the New Jersey Board of Public Utilities and underground facility personnel for their commitment to the safety of the New Jersey residents. The New Jersey Board of Public Utilities, which oversees the Underground Facilities Protection Act, in partnership with underground facility operators and the New Jersey Common Ground Alliance, will be engaging in a campaign to heighten public awareness as to the importance of damage prevention, and to promote the use of the one-call damage Prevention System.

CONSENT AGENDA

I. AUDITS

A. Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations

| | | |
|----------------------------|---|--------------|
| EE19020203L | America Approved Commercial, LLC | I – EA |
| EE18111224L | NuEnergen, LLC | I – EA |
| EE18121344L GE18121345L | Pennell & Wiltberger, Inc. d/b/a PWI Engineering, Inc. | I – EA/PA |
| EE19010035L GE19010036L | Lower Watt, LLC | I – EA/PA/EC |
| EE19020195L GE19030315L | SunLight Energy Group, LLC | I – EA/EC |
| EE17111197L GE17111198L | Biofuels Technology, LLC d/b/a Energy Connection | I – EA/EC |

Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations

| | | |
|----------------------------|---|-----------|
| EE19010014L | Amerex Brokers, LLC d/b/a Amerex Energy Services | R – EA |
| EE19010069L | Aspen Energy Corporation | R – EA |
| EE19020218L | Gold Star Energy, LLC d/b/a GSEUSA | R – EA |
| EE19020266L | Lightstar Energy Group, LLC | R – EA |
| EE19020223L | Live Energy, Inc. | R – EA |
| EE19020272L | Open Energy Services, LLC | R – EA |
| EE19020199L GE19020200L | Arcadia Power, Inc. | R – EA/PA |

I. AUDITS (CONT'D)

| | | |
|----------------------------|---|-----------|
| EE19020224L GE19020225L | Integrity Energy, LTD d/b/a Integrity Energy | R – EA/PA |
|----------------------------|---|-----------|

Electric Power and/or Natural Gas Supplier Initial Licenses

| | | |
|----------------------------|---|----------|
| EE19010039L | Rushmore Energy, LLC | I – ESL |
| EE19020174L GE19020173L | Tomorrow Energy Corp. f/k/a Sperian Energy Corp. | I – EGSL |

Electric Power and/or Natural Gas Supplier Renewal Licenses

| | | |
|----------------------------|--------------------------|----------|
| EE19010144L GE19010143L | UGI Energy Services, LLC | R – EGSL |
|----------------------------|--------------------------|----------|

BACKGROUND: The Board must register all energy agents and consultants, and the Board must license all third party electric power suppliers 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 issue. Annually thereafter, licensed electric power suppliers, gas suppliers, and clean power marketers, as well as energy agents, private aggregators and energy consultants, are required to renew timely their licenses in order to continue to do business in New Jersey.

Staff recommended that the following applicant be issued initial registrations as an energy agent, private aggregator and/or energy consultant for one year:

- America Approved Commercial, LLC
- NuEnergen, LLC
- Pennell & Wiltberger, Inc. d/b/a PWI Engineering, Inc.
- Lower Watt, LLC
- SunLight Energy, LLC
- Biofuels Technology, LLC d/b/a Energy Connection

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

- Amerex Brokers, LLC d/b/a Amerex Energy Services
- Aspen Energy Corporation
- Gold Star Energy, LLC d/b/a GSEUSA
- Lightstar Energy Group, LLC
- Live Energy Inc.
- Open Energy Services, LLC
- Arcadia Power, Inc.
- Integrity Energy, LLC d/b/a Integrity Energy

Staff further recommended that the following applicants be issued initial license as an electric power and/or natural gas supplier for one year:

- Rushmore Energy, LLC
- Tomorrow Energy Corp. f/k/a Sperian Energy Corp.

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

- UGI Energy Services, LLC

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

II. ENERGY

A. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. EL19-47 Independent Market Monitor for PJM v. PJM Interconnection LLC.

BACKGROUND: Staff, on behalf of the Board, filed a doc-less intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC) Rules of Practice and Procedure on March 4, 2019. The FERC e-filing rules allow for doc-less interventions, which serve to establish the Board as a party to the proceeding.

As a background, on February 21, 2019, the Independent Market Monitor (Market Monitor or IMM) for PJM Interconnection, LLC (PJM) filed a formal Complaint against PJM requesting that FERC direct PJM to revise the expected number of Performance Assessment Intervals used to set the default Market Seller Offer Cap.

On February 21, 2019, the Independent Market Monitor (IMM) for PJM filed a formal Complaint against PJM requesting that FERC direct PJM to revise the expected number of Performance Assessment Intervals used to set the default Market Seller Offer Cap (MSOC).

The IMM argued that PJM’s MSOC has been inflated by the “unreasonable and unsupported” expectation of 30 performance assessment hours annually and the current rules around Capacity Performance assumptions allow sellers to exercise market power.

The IMM concluded that market power was exercised in the 2021/2022 Base Residual Auction as a result of the fact that the MSOC exceeded the competitive offer level for most resources.

Staff recommended that the Board ratify the doc-less intervention.

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

III. CABLE TELEVISION

A. Docket No. CE18020192 – 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 Town of Hammonton, County of Atlantic, State of New Jersey.

BACKGROUND: On February 26, 2018, Comcast of South Jersey, LLC, filed a petition for an Automatic Renewal Certificate of Approval for the Town of Hammonton (Town) based on the automatic renewal provision.

The petition is based on the Town's ordinance granting renewal municipal consent, which was adopted on May 24, 2004. The Town's ordinance granted a term of 15 years with an automatic renewal term of 10 years. The initial term expired on January 26, 2018.

Staff recommended that the Board approve the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire on January 26, 2028.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM19020217 – In the Matter of the Verified Joint Petition of DSCI, LLC, U.S. TelePacific Holdings Corp., and Pensare Acquisition Corp. for Approval to Transfer Indirect Control of DSCI, LLC to Pensare Acquisition Corp.

BACKGROUND: On February 15, 2019, DSCI, LLC (DSCI), U.S. TelePacific Holdings Corp. (TPx Holdings), and Pensare Acquisition Corp. (Pensare) (collectively, the Petitioners) submitted a Petition to the Board requesting approval to transfer indirect control of DSCI to Pensare. Following closing of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to customers.

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 Petitioners' competitive posture in the telecommunications market. Therefore, Staff recommended that the Petitioners be allowed to proceed with the transaction, finding that there will be no adverse effect to customers in New Jersey.

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

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

A. Docket Nos GS19010025K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 to -91.

BACKGROUND: Commissioner Gordon recused himself from this matter. This matter involved settlements of alleged violations of the Underground Facility Protection Act (Act) by both excavators and operators of underground facilities. This matter did not contain settlements involving catastrophic situations, death or major property damage. 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. Moreover, the strategy seeks to establish appropriate disincentives for actions which violate the Act.

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 52 and total penalty of \$152,000.00.

Staff employed a single order to close multiple cases in order to create a more streamlined and effective enforcement process. Staff recommended that the Board approve all those cases in which offers of settlement and payment have been received.

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

VII. CUSTOMER ASSISTANCE

There were no items in this category.

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes for the February 27, 2019, Agenda Meeting.

BACKGROUND: Staff presented the minutes of February 27 2019, and recommended that they be accepted.

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

After appropriate motion, the consent agenda was approved.

| | | |
|------------------------|-------------------------------|---------------------------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye (with noted recusal) |

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

Stacy Peterson, Director, Division of Energy, presented these matters.

A. Docket No. ER18111242 – In the Matter of FERC Approved Changes to Rockland Electric Company Transmission Rate Pursuant to Paragraphs 15.9 of the BGS-RSCP and BGS-CIEP Supplier Master Agreements and Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff.

BACKGROUND AND DISCUSSION: On November 14, 2018, Rockland Electric Company (RECO or Company) filed a petition (November 2018 Petition) with the Board seeking to establish the methodology by which it will translate final transmission rate into the retail rates that will be paid by RECO's customers for transmission service. The November 2018 Petition relates to a May 14, 2018 filing (May 14 Filing) made by RECO with the Federal Energy Regulatory Commission (FERC). Additionally, RECO requested that the Board waive its 30-day filing requirement so that RECO can expeditiously implement any rate reduction that may occur as a result of the pending FERC order.

RECO requested Board approval to implement revised retail rates to reflect the change in the Company's transmission rate, after issuance of the pending FERC Order in Docket No. ER18-1585. The November 2018 Petition indicated that RECO would submit an amended filing with the final, proposed tariff leaves that reflect the final transmission rate in FERC Docket No. ER18-1585 into the Service Classification specific retail rates contained in the electric tariff. RECO will credit its Basic Generation Service (BGS) Reconciliation Charge for any change in revenues that result from the change in the transmission rate to the date that the new retail rates become effective.

In the November 2018 Petition, RECO requested that the Board: 1) accept the final, proposed RECO tariff sheets that would be submitted upon a FERC Order in ER18-1585, 2) approve a reduction in RECO's payments to RECO's Commercial and Industrial Pricing (BGS-CIEP) suppliers, and 3) in the event FERC establishes a refund date, approve RECO's collection of the reduction in transmission rate from RECO's Residential and Small Commercial Pricing (BGS-RSCP) and BGS-CIEP suppliers.

On February 13, 2019, RECO filed an amendment (February 2019 Amended Filing) to the November 2018 Petition indicating that on November 15, 2018, FERC issued an Order (November 15 FERC Order) in Docket No. ER18-1585 directed the following:

1. RECO's Network Integration Transmission Service (NITS) rate decrease as a result of the lower, federal corporate tax rate, from \$44,799 per megawatt per year to \$42,548 per megawatt per year;
2. The effective date of RECO's new, lower NITS rate be retroactive to March 21, 2018; and
3. RECO refund to its transmission customers the difference between its existing and the new, lower NITS rates, with interest, from March 21, 2018 to November 15, 2018.

Staff recommended that the Board issue an order accepting the proposed tariff changes and approving implementation of changes to RECO's retail transmission rates as approved by FERC.

Staff also recommended that the Board direct RECO to file tariffs and rates consistent with the Board's findings by May 1, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. GR18060608 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Review its Periodic Basic Gas Supply Service Rate.

BACKGROUND AND DISCUSSION: On May 31, 2018, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or the Company) filed a petition (2018 BGSS Petition) with the Board seeking to decrease its then current per therm Basic Gas Supply Service (BGSS-P) rate from \$0.4540 per therm to \$0.4237 per therm, to be effective October 1, 2018 through September 30, 2019 (BGSS Period). As stated in its 2018 BGSS Petition, the Company projected that it would have an estimated under recovery balance as of September 30, 2018 of approximately \$1.9 million including interest. The 2018 BGSS Petition also indicated that the proposed BGSS-P rate of \$0.4237 per therm was designed to bring the BGSS balance to approximately zero as of September 30, 2019.

The 2018 BGSS Petition further indicated that the projected impact of the BGSS-P rate of \$0.4237 per therm was a decrease in gas cost recoveries of approximately \$7.1 million before taxes in the year ending September 30, 2019 as compared to the amount that would otherwise be recovered by the Company under the current BGSS-P rate of \$0.4540 per therm. The 2018 Petition also indicated that the Company, using the current volume forecast, under the BGSS-P rate of \$0.4540 per therm, would collect approximately \$107.0 million before taxes. Under the proposed BGSS-P rate of \$0.4237 per therm, Elizabethtown would collect approximately \$100.0 million before taxes.

On September 17, 2018, the Board issued an Order (September 2018 Provisional Order) in this proceeding approving a stipulation for provisional rates executed by Elizabethtown, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (collectively, Parties). The September 2018 Provisional Order authorized the Company to implement a BGSS-P rate of \$0.4237 per therm, on a provisional basis, subject to refund, effective October 1, 2018. Based on this rate approved in the September 2018 Provisional Order, the monthly bill of a residential heating customer using 100 therms decreased by \$3.03 from \$91.83 to \$88.80, a decrease of 3.3%.

The 2018 BGSS Petition was subsequently transmitted to the Office of Administrative Law. The matter was subsequently assigned to Administrative Law Judge (ALJ) Gail M. Cookson.

On December 27, 2018, Elizabethtown submitted a notice to the Board and the Rate Counsel of Elizabethtown's intent to self-implement a BGSS-P rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective February 1, 2019. That self-implementing adjustment increased the BGSS-P rate from \$0.4237 per therm to \$0.4691 per therm. The self-implemented BGSS-P rate increased the monthly bill of a typical residential heating customer using 100 therms by \$4.54 from \$90.78 to \$95.32, an increase of 5% based on rates in effect at the time of the increase.

On March 6, 2019, the Parties executed a Stipulation for Final Rates (Stipulation) in which the Parties agreed that the \$0.4691 per therm BGSS-P rate should be made final. On March 12, 2019, ALJ Cookson issued her Initial Decision recommending Board approval of the Stipulation finding that the Parties voluntarily agreed to the Settlement and that the Settlement fully disposed of any issues in controversy and was consistent with the law.

The existing rate of \$0.4691 per therm will be maintained causing no change in monthly bills.

Staff recommended that the Board issue an Order adopting the Initial Decision and Stipulation which seeks to finalize Elizabethtown's BGSS-P rate. Staff also recommended that the Board direct Elizabethtown to file tariffs consistent with its Order by April 15, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

C. Docket No. GR18070832 – In the Matter of the Petition of South Jersey Gas Company to Change the Levels of its Societal Benefits Clause (SBC) and its Transportation Initiation Clause (TIC).

BACKGROUND AND DISCUSSION: On July 31, 2018, South Jersey Gas Company (SJG or Company) filed a petition with the Board requesting approval to change the rates pertaining to its Transportation Initiation Clause (TIC), and two elements of the Company's Societal Benefits Charge (SBC): the Remediation Adjustment Clause (RAC) and the Clean Energy Program (CLEP).

SJG sought approval to decrease the revenues recovered through the RAC, CLEP, and TIC by approximately \$3.4 million. The increase in the SBC charge was the result of a \$0.4 million increase in the level of its RAC related to expenditures for the remediation year August 1, 2017 to July 31, 2018 and a \$4.0 million decrease to the revenue recovered through its CLEP for the period November 1, 2018 through October 31, 2019. Additionally, SJG sought authorization to increase its TIC revenues by approximately \$0.2 million.

In response to discovery requests, the Company updated its petitioned recovery amounts and rates based upon actual data through September 30, 2018, and projected information for the period October 2018 through October 2019. Based upon the updates, the total recovery sought was modified to a decrease of \$2.2 million.

On March 5, 2019, following review of the Petition and discovery responses, SJG, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) executed a stipulation of settlement (Stipulation).

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. In addition, Staff recommended that the Board direct SJG to file tariff sheets consistent with the terms and conditions of the Order by May 1, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

D. Docket No. GR18060606 – In the Matter of the Petition of Public Service Electric and Gas Company's 2018/2019 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge.

BACKGROUND AND DISCUSSION: On June 1, 2018, Public Service Electric and Gas Company (PSE&G or Company) filed a petition (2018 BGSS Petition) with the Board requesting authority to decrease the Company's Basic Gas Supply Service (BGSS) Residential Gas Service (BGSS-RSG) rate from \$0.368938 per therm (including losses and Sales and Use Tax (SUT) to \$0.349579 per therm (including losses and Sales and Use Tax (SUT)). The decrease in the BGSS-RSG would result in a decrease in annual

BGSS revenues of approximately \$24.8 million (excluding losses and SUT). The Company also sought authority to increase PSE&G's Balancing Charge, which recovers the cost of providing storage and peaking services, from its current charge of \$0.090052 per therm (including losses and SUT) to a charge to \$0.102825 per therm (including losses and SUT).

Subsequent to the June 1, 2018 filing, the Company made a compliance filing on August 31, 2018 in response to the Board's Order in the Company's Petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program (Energy Strong) in Docket Nos. ER18040358 and GR18040359. As a result of the Energy Strong Rate Adjustment Order, the Company's BGSS-RSG Commodity Charge was decreased from \$0.368938 per therm (including losses and SUT) to \$0.358937 per therm, effective September 1, 2018.

On September 10, 2018, the Company, the New Jersey Division of Rate Counsel and Board Staff (the Parties), executed a stipulation of settlement (Stipulation) whereby the Parties requested the Board accepting the Stipulation which sought to implement provisional changes in the Company's BGSS-RSG and Balancing Charge rates subject to refund to be effective as of October 1, 2018 as final.

On September 17, 2018, the Board issued an Order (September 2018 Provisional Order) in this docket approving a stipulation executed by the Parties. The September 2018 Provisional Order authorized PSE&G to implement its proposed BGSS-RSG and Balancing Charge rates on a provisional basis, subject to refund, effective on and after October 1, 2018. As approved in the September 2018 Provisional Order, the annual bill for a typical residential heating customer using 165 therms per winter months and 1,010 therms annually from \$879.16 to \$867.45 would decrease by \$11.71, or approximately 1.3% based on rates in effect on June 1, 2018 and for those customers who receives BGSS service from PSE&G.

On September 20, 2018, the Board transmitted this matter to the Office of Administrative Law as a contested case where it was subsequently assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman.

Subsequent to the Board's issuance of the September 2018 Provisional Order, PSE&G made compliance filings in response to the Board's Orders in two matters. First, on October 30, 2018, PSE&G made a compliance filing as a result of a Board Order in PSE&G's 2018 base rate case. As a result of the Base Rate Case Order, the BGSS-RSG rate was decreased from the provisional approved rate of \$0.349579 per therm (including losses and SUT) to \$0.349129 per therm (including losses and SUT) effective November 1, 2018. Second, on December 28, 2018, PSE&G made a compliance filing in response to a Board Order resolving the Company's filing related to its Gas System Modernization Program based rate adjustment case. As a result of the GSMP Roll In Order, PSE&G's BGSS-RSG rate was further decreased from \$0.349129 per therm (including losses and SUT) to \$0.349059 per therm (including losses and SUT) effective January 1, 2019.

On March 11, 2019, the Parties executed a Stipulation of Settlement whereby the Parties request the Board approve PSE&G' Provisional BGSS Rates as updated per the Base Rate Case Order and GSMP Roll In Order, as Final. On March 14, 2019, ALJ Gertsman issued an Initial Decision approving the Stipulation finding that the Parties had voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposed of all matters and is consistent with the law.

Staff recommended that the Board issue an Order approving the Initial Decision and the Stipulation. In addition, Staff recommended that the Board direct PSE&G to file tariff sheets consistent with its Order by April 15, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

E. Docket No. GR18060605 – In the Matter of the Petition of Public Service Electric and Gas Company's 2018 Annual Margin Adjustment Charge.

BACKGROUND AND DISCUSSION: On June 1, 2018, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking authority to adjust its Margin Adjustment Charge (MAC). The MAC was established to ensure margins from Non-Firm Transportation customers are credited to firm gas customers in recognition that both firm and non-firm customers should contribute toward off-setting the costs associated with maintaining the Company's distribution system. In the filing, PSE&G projected that, based on actual data through April 2018, the net MAC balance including cumulative interest at September 30, 2018 would have an over- collected balance of \$25.32 million including interest. This translated to a change in the per therm MAC rate from the then existing credit rate of \$0.006758, including Sales and Use Tax (SUT) to a credit of \$0.010873 per therm, a decrease of 0.004115 per therm.

The Company updated the information in the filing to include actual data through September 2018, which supported a credit rate of \$0.006598 per therm, including SUT. However, since the change was negligible, the Company proposed maintaining the current MAC credit of \$0.006758 per therm.

On March 7, 2019, the Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) by which the Parties agreed that the current per therm MAC credit rate of \$0.006758 should be maintained.

Staff recommended that the Board approve the Stipulation of the Parties. Staff also recommended that the Board direct PSE&G to file revised tariff prior to April 15, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

F. Docket No. ER18060681 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge for its Solar Loan I Program.

BACKGROUND AND DISCUSSION: On June 29, 2018, Public Service Electric and Gas Company (PSE&G or the Company) filed a petition (2018 Solar Pilot Recovery Charge (SPRC) Filing) with the Board seeking approval of an increase in its electric tariff SPRC rate. The 2018 SPRC Filing requested an increase in the SPRC revenues of approximately \$2.6 million for the period October 1, 2018 through September 30, 2019. The rates proposed for the SPRC were designed to recover approximately \$8.2 million in revenue on an annual basis.

Subsequently, PSE&G updated the revenue requirement to include actual data through September 30, 2018. Based on this update, the total revenue to be recovered from ratepayers was approximately \$7.2 million.

On March 7, 2019, PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a stipulation of settlement (Stipulation) agreeing to a proposed increase to the SPRC to \$0.000184 per kWh, including Sales and Use Tax (SUT).

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties, which seeks to implement an SPRC rate of \$0.000184 per kWh, including SUT. Staff also recommended that the Board order PSE&G to file tariffs consistent with the Board's Order by May 1, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

G. Docket No. GR18091055 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of Societal Benefits Charge Factors for Remediation Year 2018.

BACKGROUND AND DISCUSSION: On September 21, 2018, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board requesting approval to change rates for two components of its Societal Benefits Charge (SBC): the Remediation Adjustment (RA) and the New Jersey Clean Energy Program (NJCEP).

NJNG sought approval to increase the Company's per therm after-tax RA rate, approval to increase the NJCEP per therm after-tax rate, and approval of the remediation expenditures incurred by the Company for the period July 1, 2017 through June 30, 2018.

The Company proposed to increase the per therm after-tax RA rate from \$0.0106 to \$0.0127 and increase the per therm after-tax NJCEP rate from \$0.0194 to \$0.0222. These rates combined with the existing Universal Service Fund rate of \$0.0103 per therm establish the proposed SBC after-tax rate of \$0.0452 per therm. The RA revenues would increase by approximately \$1.50 million, while the NJCEP revenues would increase by approximately \$2.01 million over what is currently being collected in rates on an after-tax basis.

On March 13, 2019, NJNG, the New Jersey Division of Rate Counsel and Board Staff executed a stipulation of settlement (Stipulation). Based on the Stipulation, the annual bill impact on a typical residential heating customer using 1,000 therms per year is an increase of approximately \$4.90 or 0.49%.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. In addition, Staff recommended that the Board direct NJNG to file tariff sheets consistent with the terms and conditions of the Order by April 1, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

H. Docket GR19020278 – In the Matter of the Petition of New Jersey Natural Gas for Approval to Implement an Infrastructure Investment Program (IIP) and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A.

BACKGROUND AND DISCUSSION: On February 28, 2019, New Jersey Natural Gas Company (NJNG or the Company) filed a petition (2019 IIP Petition) with the Board seeking approval for its Infrastructure Investment Program (IIP or Program), including an associated cost recovery mechanism. NJNG proposed to invest \$507 million over a five year period from July 1, 2019 through June 30, 2023. NJNG sought authority to implement a cost recovery mechanism for its proposed IIP. The Company proposed that NJNG's investment cost will be recovered utilizing the cost recovery mechanism utilized in the Company's SAFE Extension (SAFE II) Program, which was approved by the Board in the Company's last base rate case.

The proposed program includes seven projects estimated to cost \$288.2 million excluding Allowance for Funds Used during Construction. The proposed projects include: (1) reliability and resiliency projects, adding 65.9 miles of reinforcement mains to the system; (2) replacement and reinforcement of 7.7 miles of main as well as install a new regulator station; (3) LNG transmission interconnection from the Howell LNG facility to the Company’s backbone transmission system; (4) reconstruction of a regulator station in order to mitigate existing storm – related risks; (5) replace older steel mains with state of the art steel mains; (6) Excess Flow Valve (EFV) installation of approximately 16,000 EFV’s in potential storm-affected areas of the Company’s service territory; and (7) Protection of Regulators, approximately 60,000 protective devices on regulator vents in flood areas.

In addition, NJNG proposed an integrated information technology investment referred to as NEXT. The Company anticipated that NEXT’s total capital cost to be approximately \$219 million. According to the petition, NEXT will support and modernize the business process and technology platforms, while increasing the security of the information. The Company has broken down the NEXT project into five major components: (1) Finance and Accounting; (2) Customer Experience; (3) Customer Information and Billings; (4) Work Force and Asset Management; and (5) the technical foundational platforms required for IT integration, reporting and content management.

The Company proposed to utilize the after-tax Weighted Average Cost of Capital (WACC) approved by the Board in the Company’s recent base rate case filing (BPU Docket No. GR15111304). The WACC is 6.90 percent (6.40 percent after-tax), based on the Board’s Order in NJNG’s last base rate case proceeding in. The initial WACC is based on the return on equity of 9.75 percent and an equity component in the capital structure of 52.50 percent.

Staff recommended that the Board retain this matter for hearing at the Board and designate Commissioner Robert M. Gordon as the presiding officer. Staff also recommended that any entity seeking to intervene or participate in this matter file the appropriate application with the Board by April 29, 2019. Also, any party wishing to file a motion for admission of counsel *pro hac vice* do so, concurrently with any motion to intervene or participate.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

- I. Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. RP19-351 Tennessee Gas Pipeline Company, LLC re: FERC Form No. 501-G – See Executive Session.**

BACKGROUND AND DISCUSSION: This matter was first discussed in executive session. Staff recommended that the Board ratify its consent to the recommendation given in executive session.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

- J. Docket No. EO19020226 – In the Matter of Verified Petition of the Retail Energy Supply Association Seeking Withdrawal of Board Staff’s Cease and Desist and Refund Instructions Letter and Declaration that Third Party Suppliers Can Pass Through RPS Costs Under the Clean Energy Act, P.L. 2018, c. 17.**

This matter was deferred.

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

Michael Kammer, Director, Division of Water, presented these matters.

- A. Docket No. WE18080926 – In the Matter of the Petition of Village Utility, LLC for Approval of a Municipal Consent to Provide Sewerage Service to a Portion of the Township of Sparta, for Approval of Implementation of an Initial Tariff for Wastewater Service within the Township of Sparta, and for Other Required Approvals.**

BACKGROUND AND DISCUSSION: Village Utility LLC, (Petitioner or Village Utility) filed a petition with the Board, seeking approval of the following: (1) a municipal consent adopted by Ordinance No. 18-07 (Ordinance) on August 14, 2018, by the Township of Sparta (Township), County of Sussex; and (2) the implementation of an initial tariff for wastewater service within the Township.

Village Utility was formed in order to own and operate a wastewater collection and treatment facility to serve the needs of the North Village at Sparta (North Village), a new mixed-use development in the Township.

On February 12, 2019, a municipal consent hearing was held at the Board's Office. Megan Lupo, Esq. presided over the hearing at which representatives of Village Utility LLC, the New Jersey Division of Rate Counsel (Rate Counsel) and Staff appeared. No members of the public appeared at the hearing.

Village Utility, the Rate Counsel and Board Staff (collectively, Signatory Parties) entered into a Stipulation of Settlement (Stipulation) to resolve this matter.

Staff recommended that the Board approve the Stipulation of the Signatory Parties.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. WR18111241 – In the Matter of New Jersey-American Water, Inc. for Authorization to Change the Level of its Purchased Water Adjustment Clause and Purchased WasteWater Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: On November 15, 2018, New Jersey-American Water Company, Inc. (Petitioner or Company) filed a petition with the Board for authorization to change the levels of its existing Purchased Water Adjustment Clause charge and Purchased Sewerage Treatment Adjustment Clause charges, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an overall increase of \$1,678,816.00 or 0.25%. On January 25, 2019, the Company filed an amended petition. The total amount in the Petition was an increase of annual revenues by \$1,946,639.00 or 0.29% above the total Company revenues. As a result of settlement discussions, the Signatory Parties have agreed to a total overall stipulated increase of \$1,946,639.00 or 0.29% above total Company revenues of \$676,800,000.00.

This matter was transmitted to the Office of Administrative Law on November 16, 2018, as a contested case and was assigned to Administrative Law Judge (ALJ) Gertsman. A telephonic prehearing conference was held on December 12, 2018, with ALJ Gertsman during which, the ALJ directed that public hearings be held on this matter. On November 26, 2018, Middlesex Water Company (Middlesex) filed a motion to intervene in the instant proceeding, and no party opposed the motion, which was subsequently granted.

After proper notice, a public hearing was held on February 28, 2019 in Howell Township at 5:30 p.m. No members of the public attended the public hearing and no written comments were received.

Subsequent to the public hearing, the Petitioner, the New Jersey Division of Rate Counsel, Staff and Middlesex (Signatory Parties) engaged in settlement negotiations which resulted in entering into a Stipulation of Settlement (Stipulation) on March 1, 2019. Middlesex filed a letter indicating that it did not object to the Stipulation.

ALJ Gertsman issued his Initial Decision recommending adoption of the Stipulation executed by the Signatory Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

Staff recommended that the Board adopt the Initial Decision and approve the Stipulation executed by the Signatory Parties in this matter becoming effective on March 29, 2019 with rates to become effective April 1, 2019.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

6. RELIABILITY & SECURITY

James Giuliano, Director, Division of Reliability and Security, presented these matters.

A. Docket No. GO18101190 – In the Matter of the Joint Petition of the Gas Distribution Companies for Approval of a Meter Selective Sampling Program.

BACKGROUND AND DISCUSSION: The four regulated gas distribution companies (GDCs) in New Jersey are Public Service Electric and Gas Company, New Jersey Natural Gas Company, Elizabethtown Gas Company and South Jersey Gas Company. The role of Board Staff is to monitor the GDCs' meter testing programs.

Staff convened a comprehensive work group with the GDCs. The purpose of this work group was to come to a consensus for implementation of a national standard that conforms to the rules and guidelines set forth by the Board.

Pursuant to N.J.A.C. 14:6-4.2, Periodic meter testing, (a) No gas utility shall allow a gas meter to remain in service for a period longer than 10 years, except where a sampling program has been established in accordance with American National Standards Institute (ANSI) B109 and approved by the Board. To date each Company has had its' own Board Order passed.

ANSI B109.1 is published by the American Gas Association. Pursuant to ANSI B109, 4.3.1, Objectives: The primary purpose of in-service performance testing is to provide service-life information on which the user may base a meter utilization program. The testing and maintenance procedures, meter design and the level of accuracy specified

must be such that a realistic balance exists between the benefits realized from high accuracy levels and the cost of achieving these levels. Any program established should be reviewed periodically with a view toward improvement in light of the current state of the art.

ANSI Z1.4, a nationally accepted standard, shall be incorporated into the Companies' meter sampling program. ANSI Z1.4 will be used in conjunction with other applicable rules to improve the current gas metering sampling protocol which was last updated in 1983. Hence, approval of this Board Order will create uniformity with respect to N.J.B.P.U.'s gas meter accuracy sampling program. The ANSI Z1.4 publication is titled: American National Standard prepared by The Statistics Subcommittee of the Accredited Standards Committee Z1 on Quality Environment, Dependability and Statistics.

Staff recommended that the Board adopt ANSI Z1.4, Natural Gas Sampling Standard and protocols for the four natural gas operators in the State.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. EO18101187 – In the Matter of the Verified Petition of Jersey Central Power and Light Company for Authorization to Revise: the Statistical Sampling Aspects of its Electric Meter Testing Program Pursuant to N.J.A.C. 14:5-4.2, and the Form of Quarterly Reporting of Meter Test Results Pursuant to N.J.A.C. 14:3-4.7.

BACKGROUND AND DISCUSSION: The Board has jurisdiction to oversee the electric meter sampling program pursuant to N.J.A.C. 14:5-4.2, Periodic Testing of Electric Meters. The primary purpose of this rule is to establish a meter sampling techniques to ensure electric meter accuracy. The four regulated electric distribution companies in the State of New Jersey are Public Service Electric and Gas Company, Atlantic City Electric, Jersey Central Power and Light (JCP&L) and Rockland Electric Company, (EDCs).

Staff convened a comprehensive work group with the EDCs. The purpose of this work group was to reach a consensus for implementation of a national standard that conforms to the rules and guidelines set forth by the Board.

Board rules require a statistical sampling plan approved by the Board to be used by the EDCs. Staff has consensus with the EDCs on a comprehensive sampling plan which will streamline meter sampling by setting a universal protocol for electric meter sampling. In addition to the new testing protocol, updated reporting forms will be utilized by the EDCs.

Staff determined that a national standard consistent with American National Standards Institute (ANSI) guidelines should be adopted. Staff held multiple meetings with the EDCs to discuss updating the sampling techniques, to agree upon a uniform methodology that would be consistent with national guidelines, and to come to a consensus on a single plan which would benefit the public.

The New Jersey Division of Rate Counsel had no objection to the EDCs' petitions.

Staff recommended that the Board approve the petition of JCP&L to revise its statistical sampling methods to conform to ANSI Z1.9.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

C. Docket No. EO18101159 – In the Matter of the Joint Petition of Public Service Electric and Gas Company for Approval of an Electric Meter Selective Sampling Program.

BACKGROUND AND DISCUSSION: The Board has jurisdiction to oversee the electric meter sampling program pursuant to N.J.A.C. 14:5-4.2, Periodic Testing of Electric Meters. The primary purpose of this rule is to establish a meter sampling techniques to ensure electric meter accuracy. The four regulated electric distribution companies in the State of New Jersey are Public Service Electric and Gas Company (PSE&G), Atlantic City Electric, Jersey Central Power and Light and Rockland Electric Company, (EDCs).

Staff convened a comprehensive work group with the EDCs. The purpose of this work group was to come to a consensus for implementation of a national standard that conforms to the rules and guidelines set forth by the Board.

Board rules require a statistical sampling plan approved by the Board to be used by the EDCs. Staff has consensus with the EDCs on a comprehensive sampling plan which will streamline meter sampling by setting a universal protocol for electric meter sampling. In addition to the new testing protocol, updated reporting forms will be utilized by the EDCs.

Staff determined that a national standard consistent with American National Standards Institute (ANSI) guidelines should be adopted. Staff held multiple meetings with the Companies to discuss updating the sampling techniques, to agree upon a uniform methodology that would be consistent with national guidelines, and to come to a consensus on a single plan which would benefit the public.

The New Jersey Division of Rate Counsel had no objection to the EDCs' petitions.

Staff recommended approval of the petition of PSE&G to implement its Electric Metering Sampling Program in the form of ANSI Z1.9.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

D. Docket No. EO18101189 – In the Matter of the Petition of Atlantic City Electric Company to Revise and Update its Meter Selective Sampling Program Pursuant to N.J.A.C. 15:5-4.2, and the Form of Quarterly Reporting of Meter Test Results Pursuant to N.J.A.C. 14:3-7.

BACKGROUND AND DISCUSSION: The Board has jurisdiction to oversee the electric meter sampling program. 14:5-4.2, Periodic Testing of Electric Meters. The primary purpose of this rule is to establish a meter sampling techniques to ensure electric meter accuracy. The four regulated electric distribution companies in the State of New Jersey are Public Service Electric and Gas Company, Atlantic City Electric, Jersey Central Power and Light and Rockland Electric Company, (EDCs).

Staff convened a comprehensive work group with the EDCs. The purpose of this work group was to come to a consensus for implementation of a national standard that conforms to the rules and guidelines set forth by the Board.

Board rules require a statistical sampling plan approved by the Board to be used by the EDCs. Staff has consensus with the EDCs on a comprehensive sampling plan which will streamline meter sampling by setting a universal protocol for electric meter sampling. In addition to the new testing protocol, updated reporting forms will be utilized by the EDCs.

Staff determined that a national standard consistent with American National Standards Institute (ANSI) guidelines should be adopted. Staff held multiple meetings with the Companies to discuss updating the sampling techniques, to agree upon a uniform methodology that would be consistent with national guidelines, and to come to a consensus on a single plan which would benefit the public.

The New Jersey Division of Rate Counsel had no objection to the EDCs' petitions.

Staff recommended approval of the petition of Atlantic City Electric to update similarly its meter sting program to conform with that same standard.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

E. Docket No. EO18101188 – In the Matter of the Meter Sampling Plan of Rockland Electric Company.

BACKGROUND AND DISCUSSION: The Board has jurisdiction to oversee the electric meter sampling program. Periodic Testing of Electric Meters. The primary purpose of this rule is to establish a meter sampling techniques to ensure electric meter accuracy. The four regulated electric distribution companies in the State of New Jersey are Public Service Electric and Gas Company, Atlantic City Electric, Jersey Central Power and Light and Rockland Electric Company, (EDCs).

Staff convened a comprehensive work group with the EDCs. The purpose of this work group was to come to a consensus for implementation of a national standard that conforms to the rules and guidelines set forth by the Board.

Board rules require a statistical sampling plan approved by the Board to be used by the EDCs. Staff has consensus with the EDCs on a comprehensive sampling plan which will streamline meter sampling by setting a universal protocol for electric meter sampling. In addition to the new testing protocol, updated reporting forms will be utilized by the EDCs.

Staff determined that a national standard consistent with American National Standards Institute (ANSI) guidelines should be adopted. Staff held multiple meetings with the Companies to discuss updating the sampling techniques, to agree upon a uniform methodology that would be consistent with national guidelines, and to come to a consensus on a single plan which would benefit the public.

The New Jersey Division of Rate Counsel had no objection to the EDCs' petitions.

Staff recommended approval of the petition of Rockland Electric to revise its sampling program to the same standards.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

Scott Hunter, Manager, Division of Clean Energy, presented these matters.

A. Docket No. EO12090832V – In the Matter of the Implementation of P.L. 2012, c. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of P.L. 2012, c. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO18050592 – AC Power 2 LLC – Winzinger Landfill.

BACKGROUND AND DISCUSSION: On May 17, 2018, AC Power 2. LLC (AC Power 2 or Applicant) submitted an application to the Board to have its project certified as being located on a properly closed sanitary landfill facility pursuant to N.J.S.A. 48:3-87(t) (Subsection (t)) of the Solar Act. AC Power 2's 6.5 MWdc project is proposed to be constructed on property owned by Robert T. Winzinger, Inc. and located at Block 1504, Lots 1–9, at Pearce Road in Egg Harbor Township, Atlantic County, New Jersey.

Subsection (t) of the Solar Act of 2012, P.L. 2012, c. 24, enacted July 23, 2012, codified in part at N.J.S.A. 48:3-87 (t), provides for Board establishment of a certification program for approval of certain grid supply solar electric power generation facilities located on properly closed landfills, brownfields, and areas of historic fill that seek eligibility for Solar Renewable Energy Certificates (SRECs). On January 23, 2013, after conducting a public proceeding that the Board commenced on October 4, 2012, the Board established a certification program and directed staff to work with New Jersey Department of Environmental Protection (NJDEP) to develop an application.

Staff received advisory recommendations from NJDEP for the application described below and recommends that the Board grant conditional certification to AC Power 2 for its proposal to build a 6.5 MWdc solar facility project at Winzinger Landfill located in Egg Harbor Township, New Jersey.

Staff consulted with NJDEP about AC Power 2's request for certification of its potential solar generation facility pursuant to Subsection (t) of the Solar Act. On the basis of NJDEP's determination, information contained in the application, and other relevant factors, Staff recommended that the Board conditionally certify the applicant's project as a "properly closed sanitary landfill" pursuant to Subsection (t). NJDEP determined that the 22 acre area on which the solar electric power generation facility will be located constitutes a "properly closed sanitary landfill" pursuant to the Solar Act. Staff also recommended that the Board direct the Applicant to file its SREC registration within 14 days of the date of the Order and explicitly grant conditional certification.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. QO18121331 – In the Matter of the Petition of Helios Solar Energy, LLC – Request for Solar Renewable Energy Certificate Extension (SREC).

BACKGROUND AND DISCUSSION: This matter involved Helios Solar Energy, LLC and e2/ECTA (Petitioners) requesting the Board to extend the deadline by which a complete Solar Renewable Energy Certificates (SRECs) Registration Program application must be filed in order for a project to receive a fifteen-year SREC Qualification Life (QL). The Board issued an Order setting midnight of October 29, 2018 as the cut-off period for submitting a complete application for which a project would receive a fifteen-year SREC QL. The Board reaffirmed that deadline in an Order issued at the February 27, 2019 Agenda Meeting. The Petitioners represented that through no fault of its own it was unable to complete the applications for seven solar projects until the following day and requested that the Board extend the deadline for twenty-four hours, through midnight October 30, 2018.

Staff recommended that the Board find that all market participants were all noticed that the Board would implement the reduction, thereby, bringing its rules and practice into conformity with the Clean Energy Act at the earliest feasible time and the solar market participants were equally uncertain as to the time of the Board's implementation.

Staff also recommended that the Board reaffirm the implementation of the reduction in the qualification life in the October 29 order and find that it would be inequitable to make an exception for the Petitioner. Staff further recommended that the Board provided the Petitioners' seven projects identified that having been complete after midnight on October 2018, meet all other requirements of the RPS and state and federal law, that the Board direct staff to apply 10-year qualification life to the identified projects. Finally, Staff recommended the Board deny the petition of Helios solar and e2/ECTA.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

C. Docket No. QO16020130 – In the Matter of the Implementation of N.J.S.A. 48:3-87(R), Designating Grid Supply Projects as Connected to the Distribution System – Order Implementing Certain Provisions of N.J.A.C. 14:8-2.4(G) for Energy Year 2020.

BACKGROUND AND DISCUSSION: The Solar Act of 2012 (Solar Act or 2012 Act) sought to transition away from providing solar incentives for construction of large grid scale solar on farmland and open space. The law provided a four year window for accommodating the farmland projects under development at that time via Subsections s and q. Subsection r added criteria for protecting ratepayers, the electric distribution system and open space preservation from large scale solar development.

Subsection r mandates that the Board evaluate all proposed “grid supply” projects, other than those submitted pursuant to Subsection t (i.e., landfills, brownfields and areas of historic fill), for which applications are submitted on or after June 1, 2016.

By Order dated February 27, 2019, the Board approved the opening of an application round for solar electric generation facilities seeking Solar Renewable Energy Certificates (SRECs) approval pursuant to Subsection r from March 1 through March 14 and an application form and escrow agreement for immediate release.

Five applications were received by the March 14, 2017 deadline. As required by statute, Staff provided public notice of the opportunity to comment on the applications. Staff recommended that the Board conditionally approve each of the five applications for SREC eligibility conditioned upon the facility commencing commercial operations prior to the Board’s determination that the state has attained 5.1% of its electricity from solar generated kilowatt hours.

On March 14, 2019, applicant HCE Strykers Road Solar LLC submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant’s 1.76 MW dc, 1.38 MW ac project is located in Lopatcong Township, New Jersey.

On March 14, 2019, applicant HCE River Road Solar LLC submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant’s 11.085 MW dc, 8.79 MW ac project is located in Burlington Township, New Jersey.

On March 14, 2019, applicant HCE Campus Drive Solar LLC submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant’s 4.78 MW dc, 3.72 MW ac project is located in Burlington Township, New Jersey.

On March 14, 2019, applicant Lakehurst Solar Farm LLC submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant’s 14.99 MW dc, 9.6 MW ac project is located in Manchester, New Jersey.

On March 14, 2019, applicant Ben Moreell Solar Farm LLC submitted an application under Subsection r for designation as connected to the distribution system so that the project would be eligible to generate SRECs. Applicant's 28.56 MW dc, 20 MW ac project is located in Tinton Falls, New Jersey.

Staff reviewed the applications individually in light of the statutory and regulatory requirements for Board approval. With respect to potential impact on the SREC market, Staff advises the Board's consideration of the requirement of the Clean Energy Act of 2018 (CEA) to close the Solar Registration Program to new registrations upon attainment of 5.1%. The five projects, if built to the full capacity proposed, would equal 61.175 MWdc, less than 15% of the total solar capacity anticipated to enter the market.

Staff recommended that the Board conditionally approve each of the five applications for SREC eligibility conditioned upon the facility commencing commercial operations prior to the Board's determination that the state has attained 5.1% of its electricity from solar generated kilowatt hours.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

D. Docket No. QO18040393 – In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2019 – True-Up and Revised Budget.

Sherri Jones, Assistant Director, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved reallocations of funds per staff's authorization, the trued up expenses from FY18, reallocation of funds for FY 19 and new initiatives for the New Jersey Clean Energy Program (NJCEP), revisions to the detailed budgets and updated savings projections. The FY19 programs and budgets were established through a Board Order entered In the Matter of the Clean Energy Programs and Budget for FY19, BPU Dkt. No. QO18040393 (June 22, 2018). By Order dated June 22, 2018, the Board approved a funding level of \$344,665,000.00 for FY19 via the Comprehensive Resource Analysis (CRA).

In a separate Order also dated June 22, 2018, the Board approved FY19 programs and budgets for the NJCEP (FY19 Budget Order). The Division of Clean Energy initially establishes annual budgets based, in part, on estimated expenses for the previous year. Once actual expenses are known, the Board then issues a revised budget Order to "true up" any differences between actual and estimated expenses. The June 22, 2018 FY19 Budget Order included estimated carry-over of unspent funds from previous years, plus new funding of \$344,665,000.00, as set out in the June 22, 2019 CRA Order.

On March 13, 2019, staff released the proposal for public comment on the true up expenses from FY18, reallocation of funds for FY19 and new initiatives for the NJCEP, revisions to the detailed budgets and updated savings projections. Comments were due on March 20, 2019.

Comments were received by the New Jersey Division of Rate Counsel (Rate Counsel) and New Jersey Natural Gas (NJNG) in support of the changes; however, Rate Counsel stressed that they would like more information, such as, participation rates, forecasts and more detailed explanations. NJNG also expressed concern on the implementation of the Energy Efficiency Goals for the utilities via the Clean Energy Act.

On February 11, 2019, staff issued a proposal for public comment to move \$1,000,000.00 from the C&I Buildings Program to LGEA to fund an increase in applications. Staff represented a reasonable approach to maintaining the NJCEP programs through the remainder of the fiscal year, and recommended that the budget maintains consistency in programs and incentives levels through the remainder of the fiscal year.

Staff recommended the available funds be distributed as follows:

- \$2.5 million to the Comfort Partners Program;
- \$15 million towards state facilities;
- 350,000 towards marketing;
- 750 towards reinstating of Clean Energy Conference;
- \$2.3 million towards a New Community Energy Grant Initiative; and
- \$250,000.00 for software.

In addition to the reallocation of the true-up funds, staff also proposed reallocating \$12.7 million among and within programs to align budgets with the program performance. Of that 12.7, staff recommended the following increases:

- One million towards Energy Efficiency Products Program;
- \$4 million to the C&I Buildings Program;
- 5 million to Direct Install;
- 2.7 million for evaluation; and
- an additional 3,500 for services provided by NJIT.

Staff further proposed the following reductions:

- \$500,000.00 from the Residential New Construction Program;
- \$5 million from the Multi-Family Program;
- 6.2 million from CHP and storage; and
- \$915,000.00 from outreach and education.

Additionally, staff sought approval for a staff authorization budget reallocation that happened in February of 2019 where \$1 million was moved from the C&I Buildings Program to fund an unexpected increase of applications in the Local Government Energy Audit Program.

Finally, Staff sought approval for the updated energy savings to reflect these budget adjustments.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

E. Docket No. QO18060646 – In the Matter of the New Jersey Community Solar Energy Pilot Program.

Ariane Benrey, Program Administrator, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: On May 23, 2018, P.L. 2018, c.17 (the Clean Energy Act) was signed into law, directing the Board to adopt rules and regulations establishing a Community Solar Energy Pilot Program within 210 days.

On July 6, 2018, the Board released a Request for Comments which provided an opportunity for interested stakeholders to provide input on the design of the Pilot Program. A public meeting s held on July 24, 2018. Written comments were solicited with a deadline of receipt by the Board on July 31, 2018. On August 29, 2018, the Board approved the Proposed Rules for the Pilot Program.

The Proposed Rules were published in the New Jersey Register on October 1, 2018 and subject to a 60-day public comment period, which closed on November 30, 2018. Additionally, the Board held two public hearings on the Proposed Rules on November 8, 2018.

Additional stakeholder engagement was solicited as part of the development of the Pilot Program’s Application process. A draft Application Form was published on November 28, 2018, along with drafts of the Community Solar Subscriber Organization Registration Form and the Community Solar Subscriber Disclosure Form. Written comments were received until December 21, 2018. Three public meetings were held on December 6, December 13, and December 17, 2018.

With strong support for the Proposed Rules and no substantive changes, the Board adopted the Community Solar Energy Pilot Program on January 17, 2019. The adopted Rules were filed with the Office of Administrative Law and published in the New Jersey Register on February 19, 2019. The final Rules provide the framework necessary for the development and implementation of community solar in New Jersey.

Staff recommended that the Board approve and release the Community Solar Energy Pilot Program application form. Staff further recommends that the Board approve the Board order clarifying the interconnection process for community solar projects in the pilot program.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

Staff recommended that the Board Order clarifying the interconnection process for community solar projects in the Community Solar Energy Pilot Program.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

F. Docket No. QO18121289 – In the Matter of the New Jersey Board of Public Utilities Offshore Wind Solicitation for 1,100 MW – Evaluation of the Offshore Wind Applications – See Executive Session.

Andrew Kuntz, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in executive session and it involved Staff recommending that the Board, consistent with the discussions in executive session ratify Staff’s selection of the contractor in this matter.

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

| | | |
|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

9. MISCELLANEOUS

There were no items in this category.

EXECUTIVE SESSION

After appropriate motion, the following matters, which involved pending litigation attorney/client privilege and contract negotiations to the Open Public Meetings Act at N.J.S.A. 10:4-12(b)7 was discussed in Executive Session.

2. ENERGY

- I. **Docket No. ER19010009 – In the Matter of Federal Energy (FERC) Items for 2019 – FERC Docket No. RP19-351 Tennessee Gas Pipeline Company, LLC re: FERC Form No. 501-G.**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

8. CLEAN ENERGY

- F. **Docket No. QO18121289 – In the Matter of the New Jersey Board of Public Utilities Offshore Wind Solicitation for 1,100 MW – Evaluation of the Offshore Wind Applications.**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

After appropriate motion, the Board reconvened to Open Session.

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



AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

DATE: May 8, 2019