



STATE OF NEW JERSEY
Board of Public Utilities
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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 July 10, 2019, at the State House Annex, Committee Room 4, 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 August 7, 2019 at the State House Annex, Committee Room 4, 125 West State Street, Trenton, New Jersey 08625.

Opening Remarks:

President Fiordaliso introduced Damian Fantini, who joined the Board's Budget and Finance Office and Aishik Mukherjee, who is an intern at the Board.

President Fiordaliso stated that the first Energy Master Plan Stakeholder meeting will take place on July 17, 2019 in Committee room 4 at the State House Annex. Detailed information about the meeting and how to register for the meeting can be found on our website. The President also noted that the NJBPU has a list serve that will have information regarding the Board meetings and other public events, such as stakeholder meeting; and anyone can sign up by visiting the Link on the website

CONSENT AGENDA

I. AUDITS

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

EE19020219L GE19020220L	Edison Energy, LLC	I – EA/PA/EC
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Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations

EE19040484L	Kevin J. Cobb and Associates, Inc. d/b/a Quest Energy Solutions	R – EA
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EE19040496L	National Auditing Services and Consulting, LLC d/b/a National Energy Discounters	R – EA
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EE19050558L	Unified Energy Services, LLC	R – EA
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EE19040461L	United Power Consultants, Inc.	R – EA
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EE19040516L	U.S. Power Trade, LLC	R – EA
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EE19050631L GE19050632L	Pappas Financial Group LLC d/b/a EnergyLink / J. Pappas Energy	R – EA/PA/EC
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Electric Power and/or Natural Gas Supplier Renewal Licenses

EE19050584L GE19050583L	East Coast Power and Gas of New Jersey, LLC d/b/a East Coast Power and Gas, LLC	R – EGSL
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EE19050640L GE19050639L	Mpower Energy NJ, LLC	R – EGSL
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BACKGROUND: The Board must register all energy agents, private aggregators, and consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power

supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a license renewal fee accompanied by an annual information update on a form prescribed by the Board. The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment. As such, any third party suppliers with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any third party supplier renewal application that was filed prior to July 9, 2019 has been, and will continue to, be processed by Board Staff for approval or denial in accordance with N.J.A.C. 14:4-5.7. The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. 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 and natural gas suppliers, as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations 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:

- Edison Energy, LLC

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

- Kevin J. Cobb & Associates, Inc. d/b/a Quest Energy Solutions
- National Auditing Services & Consulting, LLC d/b/a National Energy Discounters
- Unified Energy Services, LLC
- United Power Consultants, Inc.
- U.S. Power Trade, LLC
- Pappas Financial Group, LLC d/b/a EnergyLink / J. Pappas Energy

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

- East Coast Power & Gas of New Jersey, LLC d/b/a East Coast Power & Gas, LLC
- Mpower Energy NJ, 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. ER19-2105 – PJM Interconnection, L.L.C. re: Transmission Owner Border Rate Adjustment

BACKGROUND: This matter involved Staff, on behalf of the Board, filing 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 June 13, 2019. The FERC e-filing rules allow for doc-less interventions, which serve to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the

Board. If a substantive filing is necessary to advance Board policy, Staff will bring the matter to the Board's regular agenda. Staff recommended that the Board ratify this intervention.

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

B. Docket No. ER19010009 – In the Matter of Federal Energy Items for 2019 – FERC Docket No. ER19-2104 – New York Independent System Operator, Inc. re: Modified Requirement for External Installed Capacity Suppliers.

BACKGROUND: This matter involved Staff, on behalf of the Board, filing 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 June 13, 2019. The FERC e-filing rules allow for doc-less interventions, which serve to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the Board. If a substantive filing is necessary to advance Board policy, Staff will bring the matter to the Board's regular agenda. Staff recommended the Board ratify this intervention.

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

III. CABLE TELEVISION

A. Docket Nos. CE18010007 and CE09010029 – In the Matter of the Petition of Comcast of South Jersey, LLC, for Modification of the Terms and Conditions of a Municipal Consent upon which a Certificate of Approval is based for the City of Vineland, County of Cumberland, State of New Jersey.

BACKGROUND: On February 25, 2009, the Board granted a Renewal Certificate of Approval to Comcast of South Jersey, LLC (Comcast) for the City of Vineland (City). The Renewal Certificate of Approval contained a provision which required the City to appoint a Cable Advisory Committee.

On October 25, 2017, the City adopted an amendment to its ordinance granting municipal consent to Comcast. The 2017 Ordinance modified Section 16 of the 2008 ordinance with respect to the organization and operation of the City's Cable Television Advisory Committee.

On November 1, 2017, Comcast accepted terms and conditions of the amended ordinance, and on January 8, 2018, Comcast filed a petition with the Board for approval of the amendments.

Staff recommended approval of the proposed Amendment to the Renewal Certificate of Approval.

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

B. Docket No. CE18060632 – 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 City of Millville, County of Cumberland, State of New Jersey.

BACKGROUND: On June 12, 2018, Comcast of South Jersey, LLC filed a petition for an Automatic Renewal Certificate of Approval for the City of Millville (City) based on the automatic renewal provision, for a term to expire on June 3, 2028.

The petition is based on the City's ordinance granting renewal municipal consent, which was adopted on February 18, 2003. The City's ordinance granted a term of fifteen years with an automatic renewal term of 10 years. The initial term expired on June 3, 2018.

Staff recommended approval of the proposed Automatic Renewal Certificate of Approval.

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

C. Docket No. CE18080942 – In the Matter of the Petition of Comcast of Central New Jersey II, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of East Amwell, County of Hunterdon, State of New Jersey.

BACKGROUND: On August 23, 2018, Comcast of Central New Jersey II, LLC filed a petition for an Automatic Renewal Certificate of Approval for the Township of East Amwell (Township) based on the automatic renewal provision, for a term to expire on June 30, 2023.

The petition is based on the Township's ordinance granting renewal municipal consent, which was adopted December 30, 2008. The Township's ordinance granted a term of 10 years with an automatic renewal term of five years. The initial term expired on June 30, 2018.

Staff recommended approval of the proposed Automatic Renewal Certificate of Approval.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM19050575 – In the Matter of the Verified Petition of PEG Bandwidth NJ, LLC for Approval of a Pro Forma Change in Intermediate Ownership and Control.

BACKGROUND: On May 10, 2019, PEG Bandwidth NJ, LLC (PEG NJ, Petitioner) submitted a petition to the Board requesting approval to complete a pro forma change in indirect ownership that will result in a change in its intermediate ownership and control structure with no change to its ultimate owner (the Pro Forma Change).

Following the Pro Forma Change, the same services will continue to be offered in New Jersey at the same rates, terms and conditions to PEG NJ customers.

By letter dated June 4, 2019, the New Jersey Division of Rate Counsel advised that it did not oppose Board approval of this petition.

After review, 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 Petitioner, 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 Petitioner's competitive posture in the telecommunications market. Therefore, Staff recommended approval of the petition.

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

V. WATER

There were no items in this category.

VI. RELIABILITY AND SECURITY

There were no items in this category.

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 Executive Session Minutes of May 25, 2016 – Item 2E; and

Approval of the Minutes for the June 12, 2019 Agenda Meeting.

BACKGROUND: Commissioner Gordon abstained from voting on the executive session minutes. Staff presented the executive session minutes of May 25 2016 item 2E, and recommended that they be accepted.

Staff presented the regular agenda minutes of June 12, 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

AGENDA

1. AUDITS

- A. Docket No. ES19060756 – In the Matter of the Alleged Failure of Censtar Energy Corp., Spark Energy Gas, LLC, Spark Energy, LLC, Oasis Power, LLC d/b/a Oasis Energy, HIKO Energy, LLC, Major Energy Services LLC and Respond Power, LLC to Comply with Certain Provisions of N.J.S.A. 48:3-78 et seq. and the N.J.A.C. 14:4-1.1 et seq.**

This matter was deferred.

- B. Docket No. ES19060719 – In the Matter of the Alleged Non-Compliance of Green Mountain Energy Company with Certain Provisions of N.J.S.A. 48:3-78 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:4-1.1 et seq.**

This matter was deferred.

2. ENERGY

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

- A. Docket No. GR18020184 – In the Matter of Rate Schedule CSG Transportation Service Agreement between Public Service Electric and Gas Company and UMM Energy Partners LLC; and**

Docket No. GR18040385 – In the Matter of the Petition of UMM Energy Partners, LLC for an SBC Reduction in Connection with a Transportation Service Agreement with Public Service Electric and Gas Company.

BACKGROUND AND DISCUSSION: On February 22, 2018, Public Service Electric and Gas Company (PSE&G) filed a petition (February 2018 Petition) with the Board seeking approval of a Rate Schedule CSG Transportation Service Agreement between PSE&G and UMM Energy Partners, LLC (UMM).

On April 12, 2018, UMM filed a petition with the Board requesting a reduction of the Societal Benefits Charge (SBC) pursuant to Rate Schedule CSG of PSE&G's Tariff for Gas Service.

On April 11, 2019, PSE&G filed an amended petition with the Board requesting that the Board issue an order approving an amended service agreement (Amended Agreement) between PSE&G and UMM that would provide UMM with interruptible CSG gas transportation service at discounted rates pursuant to PSE&G's Rate Schedule CSG.

On June 6, 2019, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments regarding the two matters. The Rate Counsel stated that it did not object to the terms of service set forth in the proposed Amended Agreement.

Staff recommended approval of the Amended Agreement. Staff also recommended that the Board dismiss the petition filed by UMM, which has agreed as part of the Amended Agreement to withdraw the said petition.

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. ER18101093 – In the Matter of the Verified Petition of Jersey Central Power and Light Company Seeking Review and Approval of its Deferred Balances Relating to, and an Adjustment of, the Societal Benefits Charge Clause of its Filed Tariff (2017 SBC Filing).

BACKGROUND AND DISCUSSION: On October 1, 2018, Jersey Central Power & Light Company (JCP&L or Company) filed a petition (2017 SBC Petition) with the Board seeking review and approval of its deferred balances, and an adjustment to certain components of, its Societal Benefits Charge (SBC) clause of its filed tariff for calendar year 2017. The 2017 SBC Petition proposed: 1) a decrease of approximately \$4.85 million on an annual basis with respect to the Company's Demand Side Factor (DSF); 2) a decrease of approximately \$5.76 million on an annual basis related to the Company's Uncollectible Accounts Charge (UNC); and 3) no change to the Company's Nuclear Decommissioning Costs (NDC) component. The Company proposed a total net decrease to the Company's Rider SBC of approximately \$10.61 million on an annual basis.

In response to a discovery request in this matter, JCP&L updated the revenue requirements associated with the Company's DSF and UNC rates contained within the 2017 SBC Petition based on updated sales figures. Additionally, the UNC rate was updated to replace the September 2018 and October 2018 forecasted expenses with actuals. As a result of the updates, JCP&L updated its 2017 SBC Petition to reflect: 1) a decrease of approximately \$4.13 million on an annual basis with respect to the Company's DSF; 2) a decrease of approximately \$5.72 million on an annual basis related to the Company's Rider UNC; and 3) no change to the Company's NDC component. As a result of the discovery response updates, the Company proposed a total net decrease to the Company's Rider SBC of approximately \$9.85 million on an annual basis.

On March 15, 2019, prior to resolution of the 2017 SBC Petition, JCP&L filed the 2018 SBC Petition with the Board. As explained by JCP&L in the 2018 SBC Petition, if the revised and updated proposed rates in the 2017 SBC Petition were approved by the Board, JCP&L would request an increase of approximately \$2.6 million with respect to the Company's DSF and \$5.7 million related to the Company's UNC with no change to the Company's NDC component. As such, in the 2018 SBC Petition JCP&L proposed that no change be made to the current Board approved Rider DSF, NDC and UNC rates from the August 2018 Order due to the cumulative impact of current rates on the Company's deferred balances for Rider DSF, NDC and UNC during calendar years 2017 and 2018.

On June 19, 2019, JCP&L, Board Staff and New Jersey Division of Rate Counsel (collectively, the Parties) executed a stipulation of settlement (Stipulation) requesting

that the Board authorize the maintenance of the rates approved in the Board's August 2018 Order.

Staff recommended that the Board issue an order adopting the Stipulation of the Parties. Staff further recommended that the Board order JCP&L to file tariff sheets consistent with the Board's Order by August 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

C. Docket No. ER19010061 – In the Matter of the Verified Petition of Jersey Central Power and Light Company Constituting its Annual Filing With Respect to the Storm Recovery Charge Rider of its Filed Tariff (2018-19 SRC Filing).

BACKGROUND AND DISCUSSION: On January 15, 2019, Jersey Central Power & Light Company (JCP&L or Company) filed a petition (January 2019 Petition) with the Board requesting review and approval of the amounts included in the Company's Storm Recovery Charge (SRC) Rider. The purpose of the January 2019 Petition was to provide an opportunity for the review of the deferred balance relating to the recovery of Board approved 2012 Major Storm deferred operations and maintenance costs and to determine how to end the collection by December 31, 2019.

The Company provided data that supported a decrease in the SRC rate factor to \$0.000367 per kWh [excluding Sales and Use Tax (SUT)], which would result in approximately \$5.63 million less per year in SRC revenues. However, similar to last year, JCP&L proposed no change the current SRC rate of \$0.003084 per kWh (excluding SUT) for the April 1, 2019 to December 31, 2019 period because of the small magnitude of the potential decrease and also because the tariff is scheduled to end as of December 31, 2019. The Company projected to recover the remaining unamortized SRC deferred balance (including interest) of \$41,340,612.00 between April 2019 and December 2019.

According to the January 2019 Petition, when it becomes apparent the remaining balance will be fully recovered in the current month, JCP&L will reduce the Rider SRC rate to zero on the appropriate date, with advance notice to the Board and the New Jersey Division of Rate Counsel (Rate Counsel). The Company noted that if it has an over recovery when the collection ends, JCP&L will pay interest and credit the balance to the Societal Benefits Charge.

Through discovery, the Company provided an updated unamortized SRC deferred balance (including interest) amount based on actual information through March 31, 2019. Based on the update, the unamortized SRC deferred balance, including interest, is \$40,975,335.00.

Throughout the course of the proceeding, JCP&L, Rate Counsel and Board Staff, (collectively, the Parties) engaged in discovery and discussed the issues in the matter.

As a result of these discussions, on June 25, 2019, the Parties executed a Stipulation of Settlement (Stipulation), which would allow for the maintenance of the current SRC rate.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct JCP&L to file tariffs consistent with its Order by August 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. ER19040523 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Change in its Electric Non-Utility Generation Charge Rate.

BACKGROUND AND DISCUSSION: On April 26, 2019, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board (April 2019 Petition) seeking approval to recover an additional \$8.93 million in revenues related to its Non-Utility Generation Charge (NGC) costs. The proposed change in revenue is based on actual data through February 28, 2019, and estimated information through June 30, 2020, resulting in an average per kWh rate of \$0.000119 before New Jersey Sales and Use Tax (SUT) and losses, compared to the current credit rate of \$0.000086 before SUT and losses.

Because the under-recovery is continuing to grow as a result of the current rate being set as a credit, PSE&G proposed that until the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (Staff) have the opportunity to review the April 2019 Petition, the NGC rate be set to \$0.000000 per kWh without SUT effective July 1, 2019 on a provisional basis.

On June 28, 2019, the Company, the Rate Counsel, and Staff (collectively, the Parties) executed a Stipulation Regarding Provisional Rates (Stipulation) that would allow PSE&G to implement its proposed NGC rates on a provisional basis, subject to refund.

Staff recommended that the Board approve the Stipulation of the Parties. Staff further recommended that the Board direct PSE&G to file revised tariffs by July 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. QO18121273 – In the Matter of the Approval of Contract between the Montclair State University Center for Clean Energy and Sustainability Analytics Center and the New Jersey Board of Public Utilities.

Benjamin Witherell, Ph.D., Chief Economist, Office of the Economist, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff seeking a contract with the Clean Energy and Sustainability Analytics Center (CESAC or MSU Center) at Montclair State University (MSU) to perform an Economic Assessment (EA) of the Greenhouse Gas Emissions Leakage Potential from New Jersey Rejoining RGGI.

Pursuant to Executive Order No. 7 (EO7) signed by Governor Phillip Murphy on January 29, 2018 New Jersey Department of Environmental Protection (NJDEP) and the Board were directed to take all actions necessary for New Jersey to rejoining the Regional Greenhouse Gas Initiative (RGGI).

Per EO7, NJDEP initiated two administrative rulemakings related to RGGI. One rulemaking was to promulgate regulations structuring New Jersey's participation in the RGGI CO. Auction Trading. The second rulemaking was to establish the guidelines for the allocation of the RGGI allowance auction funds. These proposed rules were adopted by NJDEP effective on June 17, 2019. The two rules govern New Jersey's rejoining the RGGI auction and distribution of the RGGI auction proceeds.

Subsequent to the NJDEP's adoption of these rules, as set forth at N.J.S.A 48:3-87c(2), the Board is to adopt a greenhouse gas (GHG) emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leaking in New Jersey rejoining RGGI.

The objective of the EA with MSU CESAC is to perform an economic assessment of the potential GHG emissions leakage, the impacts of any potential leaking potential in terms of energy prices/cost including the value of any offsetting benefits, and the methods to mitigate the greenhouse gas emissions leakage potential. The basis for this economic assessment will be through the use of a detailed electric economic dispatch model that is similar to the model utilized by PJM for their economic dispatch of electric generation facilities.

The proposed new agreement between the Board and CESAC will have a work period of July 1, 2019 through March 31, 2020 or three quarters in FY 2020 and a budget of \$231,865.00, with funding for the contract to be allocated from assessment funds.

Staff recommended that the Board approve the agreement between the Board and MSU, in accordance with the established Office of Management and Budget requirements and per the State's standard terms and conditions, and authorized President Fiordaliso to execute the agreement on behalf of the Board. Staff also recommended that the Board direct staff to initiate and complete an informal stakeholder RGGI Greenhouse Gas Leakage Potential and Mitigation proceeding consistent with Governor Murphy's Executive Order No. 7.

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

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. AX18010001 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017; and

Docket No. WR18030233 – In the Matter of the Petition of New Jersey-American Water Company, Inc. with Calculation of Rates under the Tax Cuts and Jobs Act of 2017.

BACKGROUND AND DISCUSSION: The Tax Cuts and Jobs Act of 2017 (2017 Tax Act) was signed into law on December 22, 2017. On January 31, 2018, the Board issued an Order (Tax Order) which established a proceeding to consider the implications of the 2017 Tax Act on the affected utilities.

On March 2, 2018, New Jersey American Water Company (NJAW, Company) filed a petition reflecting a proposed rate reduction of 5.88% resulting from the 2017 Tax Act. Pursuant to the Tax Order, NJAW deferred, as of January 1, 2018 with interest, at its short term debt rate, the difference between recovery made utilizing the tax expense calculated at 35% and the tax expense calculated at 21%, for the period January 1, 2018 through March 31, 2018 (stub period). The Company’s Tax filing also included proposals related to the effects of the 2017 Act on Accumulated Deferred Income Taxes, which will be addressed at a later date of this proceeding.

On May 25, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) filed comments in this matter.

On June 15, 2018, NJAW implemented provisional rates pursuant to N.J.A.C. 14:1-5.12(f)(3) pending a final Order in the Company’s then pending base rate case in BPU Docket No. WR17090985. The provisional rates incorporated the reduced maximum

federal corporate tax rate. The over collection generated by those provisional rates has been returned with interest.

NJAW, the Rate Counsel and Board Staff (Collectively, the Parties) reviewed the Company's filing, exchanged discovery, filed comments and reply comments, and reached a resolution with regard to the disposition of the stub period amount and the difference between the originally implemented rate decrease of 5.88% and the agreed upon rate decrease of 6.12%. The resulting Partial Stipulation will result in NJAW issuing a one-time credit to its customers.

Staff recommended that the Board adopt the partial Stipulation of the 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. AX18010001 – In the Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017; and

Docket No. WR18030235 – In the Matter of the Petition of Environmental Disposal Corporation with Calculation of Rates under the Tax Cuts and Jobs Act of 2017.

BACKGROUND AND DISCUSSION: The Tax Cuts and Jobs Act of 2017 (2017 Tax Act) was signed into law on December 22, 2017. On January 31, 2018, the Board issued an Order (Tax Order) which established a proceeding to consider the implications of the 2017 Tax Act on the affected utilities.

On March 2, 2018, Environmental Disposal Corporation (EDC, Company) filed a petition with the Board reflecting a proposed rate reduction of 3.44%, resulting from the Tax Act. Pursuant to the Tax Order, EDC deferred, as of January 1, 2018 with interest, at its short term debt rate, the difference between recovery made utilizing the tax expense calculated at 35% and the tax expense calculated at 21%, for the period January 1, 2018 through March 31, 2018 (stub period). The Company's Tax filing also included proposals related to the effects of the 2017 Act on Accumulated Deferred Income Taxes, which will be addressed at a later date of this proceeding.

On May 25, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) filed comments in this matter, and agreeing with the Company's revenue redaction.

EDC, the Rate Counsel, and Board Staff (collectively, the Parties) engaged in settlement discussions in this matter and agreed to a resolution of the issues related to the refund of the federal income taxes that the EDC collected in rates during the stub period (Partial Stipulation).

Staff recommended that the Board adopt the Partial Stipulation of the 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

6. RELIABILITY AND SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket Nos. BPU WC16060488U and OAL PUC 11835-2016N – In the Matter of Corrado de Gioia, Petitioner v. SUEZ Water New Jersey, Respondent.

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Corrado De Gioia (Petitioner) and SUEZ Water New Jersey (SWNJ or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) John P. Scollo filed an Initial Decision in this matter with the Board, approving the Stipulation of Settlement (Stipulation) of the Parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, SWNJ agreed that prior payment made by the Petitioner is full payment of the entire under-billed period from March 29, 1996 to December 15, 2014. The Stipulation constitutes a new, currently due bill from SWNJ in the amount of \$29,098.26. The Petitioner agreed to provide SWNJ access to the water meter within twenty-four hours after written request sent by regular and certified mail. In the event SWNJ is unable to gain access as requested, the Petitioner agreed to pay SWNJ a \$75.00 charge per day for each day access is not made available.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Scollo. Staff recommended that the Board adopt the Initial Decision of the ALJ Scollo.

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

8. CLEAN ENERGY

Benjamin Goldstein, Program Specialist, Division of Clean Energy, presented these matters.

A. Docket No. QO19050608 – In the Matter of Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – E.R. Squibb and Sons/Bristol-Myers Squibb.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from this matter due to a potential conflict of interest. E.R. Squibb & Sons/Bristol-Myers Squibb (Company) submitted an application under the Fiscal Year 2019 Combined Heat and Power & Fuel Cell (CHP/FC) Program pursuant to the New Jersey Clean Energy Program Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2019. The Company requested Board approval of a financial incentive of \$3,000,000.00 for installation of the cogeneration system at 3551 Lawrenceville Rd., Princeton, NJ that has a total cost of \$32,238,000.00.

This CHP project involves the installation of a 5,420 kW gas turbine with a heat recovery steam generator. A steam chiller is also being installed as part of this project. The recovered waste heat will serve the heating and cooling needs of new buildings under construction at this campus. The annual system efficiency is expected to be 61.1%. Additionally, the system will have blackstart and islanding capability. If installed, this project is projected to result in huge emissions reductions. On an annual basis, NOx emissions would be reduced by 17,965 lbs., SO₂ emissions would be reduced by 531,617 lbs., and CO₂ emissions would be reduced by 95,663,660.92 lbs.

Annually, this project is anticipated to generate 34,970,267.00 kWh of electricity and is estimated to utilize 141,828 MMBtu in waste heat. The project will also reduce electrical grid demand by producing 5,420 kW of its own power. Additionally, annual electricity savings from offsetting electric space cooling is anticipated to total 20,350,296 kWh. The proposed project will have an estimated annual energy cost savings of \$4,805,575.00. The payback period without incentives is 6.71 years; when factoring in the incentives, the payback period is reduced to 5.73 years.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$3,000,000.00, and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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	recused

B. Docket No. QG19060696 – In the Matter of Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Cascades Holding US, Inc.

BACKGROUND AND DISCUSSION: Cascades Holding US, Inc. (Company) submitted an application under the Fiscal Year 2018 Pay for Performance – New Construction (P4P – NC) Program pursuant to the New Jersey Clean Energy Program Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2018. The Company requested Board approval of a financial incentive of \$789,187.20 for installation of energy conservation measures (ECMs) at 2 Turner Place, Piscataway, NJ that have a total cost of \$3,322,639.00.

This application covers ECMs for a new construction facility that will consist of a cardboard manufacturing plant, a storage building, and office space. The proposed construction design consists of high efficiency heating, ventilation, and air conditioning (HVAC) systems, LED lighting, building shell improvements, and several other elements. The proposed HVAC systems include a high efficiency electric hot water heater, gas furnaces, and a gas steam boiler, the latter of which includes an economizer and heat recovery capabilities. The other proposed HVAC measures are high efficiency variable air volume rooftop units and variable refrigerant flow (VRF) heat pumps with heat recovery. VRF heat pumps will allow different rooms in a central system to set their own temperature, increasing efficiency by providing HVAC services based on demand rather than based on a static load. The waste heat recovered will be utilized for domestic hot water and space heating needs. Besides the HVAC systems, the project proposes to install both interior and exterior LED lighting with occupancy sensors, as well as insulated roller doors and low-emissivity windows that will reduce the amount of heat that escapes the facility. The Company proposed to install destratification fans that will balance and equalize the temperature within the buildings as well as install a variable frequency drive on the air compressor's motor.

Annually, this project is anticipated to conserve 1,030,313 kWh of electricity and 27,093 therms of natural gas. It will also reduce annual peak electricity demand by 221.2 kW. The proposed project will have an estimated annual energy cost savings of \$70,957.94, which represents a 7.2% cost savings compared to the code baseline. The payback period without incentives is 15.0 years; when factoring in the incentives, the payback period is reduced to 4.1 years. The required inspection of sites that receive funding through the P4P – NC Program following the installation of energy efficient measures will not only help to ensure adherence to agreed-upon performance and energy savings baselines, but will also allow for a more defined pathway for commercial building owners to report their energy usage.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$789,187.20 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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. QC19020243 – In the Matter of Innovative Solutions Corporation – Appeal of the Denial of the Application for Incentive Payments Submitted under the New Jersey Smartstart Buildings Program.

BACKGROUND AND DISCUSSION: This matter relates to an appeal petition submitted by Innovative Solutions Corporation (Petitioner, Company) appeal of the denial of several applications for incentives submitted under New Jersey's SmartStart Buildings Program.

The petition was submitted on February 19, 2019, requesting that the Board reverse the denial of 18 of their applications to the SmartStart Buildings Program.

The Petitioner submitted a series of applications to the program between February 3, 2014 and June 29, 2015, and claimed that the 18 of the applications comprised in this petition were completed between March 15, 2014 and November 20, 2015.

New Jersey Clean Energy Program's Program Manager, TRC, did not receive any documentation or request for extension regarding these projects for over a year, and so they were cancelled per program rules in place at the time.

In December 2016, the Petitioner contacted TRC to ask about the status of these applications. After TRC informed the Petitioner that they had been cancelled, the Company appealed TRC's decision on March 13, 2017. TRC gave the Company until April 28, 2017, to submit the documentation needed to complete the applications. While the Company submitted most of the documentation on time, TRC found that the submissions were still highly deficient in multiple areas and denied the subject application on May 10, 2017.

After the matter had been closed for over a year and a half, the Company again contacted TRC on November 30, 2018, requesting an appeal be reopened. And after TRC again denied this request, the Company submitted a petition to the Board on February 19, 2019.

After reviewing the petition and the relevant case details, staff agreed with TRC's decision to deny the applications. The current petition relies on inaccurate, incomplete, and out-of-date information and documentation. Accordingly, Staff recommended that the Board deny the petition at this time.

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. QO19050670 – In the Matter of Petition of Hammonton Meat Packers for an Extension of the Construction/As-Built Submission Deadline Set In the Renewable Energy Storage Grant – NJESPS1534482457RES.

Scott Hunter, Manager, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: On May 24, 2019, Hammonton Meat Packers (HMP) submitted a petition seeking a second extension of the deadline for construction completion in the Renewable Electric Storage rebate program for a 500 kWh lithium ion battery. The proposed battery storage system is designed to enable a proposed 500 kWdc solar electric generation facility in support of the HMP's operation in Monroeville, NJ. Solar Landscape LLC (Solar Landscape) submitted a rebate application in 2017 and the New Jersey Clean Energy Program (NJCEP) issued the project its initial rebate approval on January 8, 2018, with a commitment length of twelve months.

Solar Landscape's development of the Monroeville project has been continuous since it was initiated in 2017. HMP and Solar Landscape's request for a second extension of the rebate commitment details a series of actions that evidence their pursuit of a mutually agreeable solution to the interconnection constraints posed by Atlantic City Electric's (ACE) distribution system. Most recently, ACE advised on March 5, 2019 of interconnection approval of the proposed system design contingent upon Solar Landscape's supply of final equipment specifications. HMP and Solar Landscape anticipate that the project cannot be completed without a second extension of the rebate commitment to January 9, 2020.

Staff viewed the delays to date as unforeseeable and believed that granting a second extension to allow Solar Landscape to obtain the new interconnection agreement with ACE will further the State's goal of encouraging the development of energy storage applications which support renewable energy resources. Staff recommended that the Board grant the Petitioner six months from expiration of its current rebate commitment, until January 9, 2020, to submit a complete post-construction certification package to the NJCEP renewable electric storage rebate processing team.

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. QO19040444 – In the Matter of Formosa Plastics Corporation, U.S.A. – Filing of Verified Petition for Emergent Relief for Extension of SREC Construction Deadline Set In SREC Purchase and Sale Agreement with Jersey Central Power and Light Company (SREC-II).

Ronald Jackson, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: On April 3, 2019, Formosa Plastics Corporation, U.S.A. (Formosa or Petitioner) submitted a Petition to the Board requesting a six-month extension for a Solar Renewable Energy Certificate Purchase and Sale Agreement (SREC Agreement) between Formosa and Jersey Central Power & Light Company (JCP&L). As a winning bidder in JCP&L's SREC II financing auction, Formosa entered into an SREC Purchase and Sale Agreement (PSA) with JCP&L on or about January 17, 2018. On January 16, 2019, Formosa received an initial six-month extension of the twelve-month completion deadline for the Project from JCP&L. JCP&L noted in the extension that any further extension would have to be sought from the Board.

Formosa submitted that the delays caused by the municipal permitting process were unavoidable and unforeseeable at the time that Formosa received the PSA. The Petitioner noted that not only construction but also inspections, testing, and JCP&L's interconnection approval process must transpire before the project will be complete as required by the PSA. Formosa pointed to the investment of time and money it has made, while Corey Gross of Solar Landscapes asserted that Solar Landscapes has now executed purchase orders in excess of \$1,000,000.00 for panels and other equipment.

Staff recommended that the Board find that the delays were unexpected and unforeseeable, and grant the Petitioner a second three-month extension of deadline for completion of project under SREC PSA with JCP&L to October 22, 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. QO19010040 – In the Matter of the Implementation of P.L. 2018, c.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; and

Docket No. QO18121302 – In the Matter of Approval of a Contract for Energy Efficiency Technologies Research and Studies – Completion of the Energy Efficiency Market Potential Study – Amendment #1 – See Executive Session.

Jessica Brand, Program Administrator, Energy Efficiency, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in Executive Session. Staff recommended that the Board approve the amendment to the contract for Energy Efficiency Technologies Research and Studies between the Board and the Office

of Clean Energy and Optimal Energy, Inc., and authorized staff to execute the amendment on behalf of the Board.

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. QO18060646 – In the Matter of the Community Solar Energy Pilot Program.

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

BACKGROUND AND DISCUSSION: This matter involved the community solar bill credit; setting the method of calculation of the bill credit for subscribers participating in the Community Solar Energy Pilot Program (Pilot Program) pursuant to N.J.A.C. 14:8-9.

The Board adopted the 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.

On March 29, 2019, the Board approved and released the Community Solar Energy Pilot Program Application Form. The Application Period opened on April 9, 2019 at 9:00 a.m. and will close on September 9, 2019 at 5:00 p.m. On March 29, 2019, the Board also issued an Order clarifying the interconnection process for community solar projects, and directed the Electric Distribution Companies to apply the interconnection standards set forth in N.J.A.C. 14:8-5 to all community solar projects approved by the Board for participation in the Pilot Program.

Since the implementation of the Pilot Program, Board staff received a number of inquiries from stakeholders asking the Board to clarify the method for determination of the value of the community solar bill credit. The bill credit is defined at N.J.A.C. 14:8-9.7. In particular, N.J.A.C. 14:8-9.7(a) states: “The value of the bill credit shall be set at retail rate, inclusive of supply and delivery charges.” N.J.A.C. 14:8-9.7(b) states: “The calculation of the value of the bill credit shall remain in conformance with retail rate, as determined in (a) above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first.” Finally, N.J.A.C. 14:8-9.7(c) states: “The credit may not be applied to non-bypassable charges.”

Stakeholders have specifically requested clarification of the definition of non-bypassable charges, the method of calculation of the bill credit given varying customer rate structures, the application of the bill credit for customers of third party suppliers, and the determination of the rate schedule for master-meter customers subscribing to community solar on behalf of their tenants.

Staff recommended that the bill credit be calculated based upon the applicable pre-sales and use tax retail rate, inclusive of supply and delivery charges, minus non-bypassable charges.

Staff also recommended that the following charges be defined as non-bypassable, exclusively for purposes of the pilot program:

- 1- The Societal Benefits Charge, SBC, established in N.J.S.A. 48:3-3;
- 2- The Market Transition Charge, MTC, established at N.J.S.A. 48:3-61;
- 3- The Transition Bond Charge, TBC, established at N.J.S.A. 48:3-62; and
- 4- The Zero Emissions Certificates, ZEC, established at N.J.S.A. 48:3-87.5.

In addition, Staff recommended that the Board clarify that the value of the bill credit does not include demand charges.

Finally, Staff recommended the Board approve the Board order clarifying calculation of the bill credit 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

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

Docket No. QO19050651 – In the Matter of the Petition of HESP Solar, LLC Seeking an Extension of its Conditional SREC Approval and Waiver of N.J.A.C. 14:8-2.4(i).

Ronald Jackson, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: On May 23, 2019, HESP Solar, LLC (HESP or Petitioner) submitted a Petition to the Board requesting a three-month extension for its Solar Renewable Energy Credit (SREC) Registration Program (SRP) application on behalf of Pine Brook Rehabilitation & Care Center, 104 Pension Road, Englishtown, NJ. Since this is a second extension request, it will require a waiver of the Board's rules at N.J.A.C. 14:8-2.4(i), which limit applicants to a single six-month extension of their initial conditional registration.

On January 18, 2018, the Petitioner submitted an application to the SRP application for a 668.66 kilowatts (kW) dc solar project. This project is to be located partly as a roof-mounted installation of approximately 379.22 kW and partly as a ground-mounted installation of approximately 289.44 kW. The Board's SRP team issued the project its initial conditional registration on or about January 18, 2018 with a commitment length of twelve months. The SRP team accepted the project application on January 23, 2018

with an initial expiration date of January 23, 2019. In response to a request for an extension dated December 20, 2018, on December 27, 2018, HESP received an initial six-month extension of the twelve-month completion deadline to July 23, 2019 for the project from the SRP Team.

The Petitioner submitted that the project would have been completed long ago if not for delays in obtaining local building permits caused by the municipal permitting process that were unavoidable and unforeseeable at the time that they received the SRP initial conditional registration acceptance. The Petitioner also noted that they have expended approximately 52% of the anticipated total project costs including purchasing over 2000 solar panels that have been on site for several months. HESP also replaced the nursing home roof to accommodate the solar panels. Therefore, HESP requested approval of a second extension to October 23, 2019.

Staff recommended that the Board find that HESP made substantial progress toward the project completion and that the delays were unexpected and unforeseeable and grant the Petitioner's request. Staff, therefore recommended that in this case, the Board waive the conditional registration extension at N.J.A.C. 14:8-2.4 (i), given the Petitioner's expectation that the project will be completed and will obtain permission to operate by October.

Staff also recommended that the Board grant the Petitioner three months from expiration of its current registration, or by October 23, 2019, to submit a complete post-construction certification package to the Board's SRP team. Staff further recommended that the Board direct staff to issue a full certification of the project upon Petitioner's demonstration that all the requirements for full certification, including all SRP requirements at N.J.A.C. 14:8-2.4 have been satisfied.

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. QO18070698 – In the Matter of the Modification of the Solar Renewable Portfolio Standard and Solar Alternative Compliance Payment Schedules and the Reduction of the Qualification Life for Solar Renewable Energy Certificates for Solar Facilities – Motion for Reconsideration.

This matter was deferred.

J. Docket No, QO19040471 – In the Matter of New Jersey's Clean Energy Program – Fiscal Year 2020 Protocols to Measure Resource Savings.

Jessica Brand, Program Administrator, Energy Efficiency, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved an Order memorializes action taken by the Board, where the Board considered and approved updates and revisions to New Jersey Clean Energy Program's (NJCEP) Protocols to Measure Resource Savings

(FY20 Protocols). These Fiscal Year 2020 updates are in response to updates to NJCEP programs and industry best practices and will result in more effective calculations of energy savings and emissions reductions resulting from NJCEP.

The Protocols are used by program managers to estimate energy savings and renewable energy generation. The Protocols include algorithms for measuring energy and other resource savings or renewable or clean energy generation that result from the implementation of eligible measures under NJCEP. As such, the Protocols require updating from time to time in order to reflect best practices in evaluating energy savings and provide the appropriate algorithms based on program changes and the addition or deletion of programs and measures.

The Protocols and areas for updates were identified throughout the year by Staff, the NJCEP Program Administration (TRC Energy Solutions), and the independent evaluator (Rutgers Center for Green Building). On June 5, 2019, Staff released the draft FY20 Protocols, including proposed edits, for public comment via the EE Listserv, with a deadline for comments to be submitted by 5pm on June 12, 2019. The release included both the “clean” version of the FY20 Protocols and a version that included the FY20 revisions “redlined” against the FY19 protocols, to provide an easier review of the edits. Subsequent to the release, multiple stakeholders requested additional time to review the proposed changes. In order to accommodate stakeholders’ requests, Staff extended the comment period to 5pm on Friday, June 21, 2019. Several commenters responded and offered specific questions or suggestions related to the algorithms and assumptions in the draft FY20 Protocols.

Staff recommended that the Board adopt and approve the Protocols to Measure Resource Savings for Fiscal Year 2020 as modified in the following ways:

- By Staff and others, as outlined in draft FY20 Protocols, issued on June 5, 2019;
- In accordance with the responses to public comments set forth in the Order; and
- In accordance with the below listed changes to Staff’s original proposals:
 - A set of updates regarding the Calculation of Clean Air Impacts section, as suggested by the New Jersey Department of Environmental Protection and provided on June 25, 2019, after the Request for Comments was released, be incorporated into that section of the Protocols; and
 - A set of updates regarding dehumidifiers inadvertently omitted from the ENERGY STAR Energy Efficiency Products section of the Proposed FY20 Updates to the Protocols be inserted into that section of the Protocols; and
 - A set of updates regarding wall insulation protocols be added within the Insulation Upgrades measure in the Residential Existing Homes section in order to provide clarification between savings resulting from wall insulation versus that from attic insulation; and
 - Regarding the methodology for calculating the emissions reductions for Combined Heat and Power, the Protocols be updated to reflect the industry standard of reporting system emissions based on MWh (instead of MMBtu input).

Staff recommended that the above recommended revisions and the modifications in accordance with stakeholder comments be adopted within the FY20 Protocols, in addition to the revisions proposed by Board Staff on June 5, 2019. Furthermore, Staff recommended that the Board set, adopt and approve the revised Protocols to Measure Resource Savings for Fiscal Year 2020.

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

K. Docket No. QX19060720 – In the Matter of N.J.A.C. 14:8-2.4 Amendments to Renewable Portfolio Standard Rules on Closure of the SREC Registration Program Pursuant to P.L. 2018, c.17 (Rule Proposal).

This matter was deferred.

L. Docket No. QO19010068 – In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, c.17.

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

BACKGROUND AND DISCUSSION: This matter involved Staff proposing that the Board issue an Order providing certainty to the industry and the public by concluding that otherwise qualified solar projects that are not eligible for the Legacy Solar Renewable Energy Credit (SREC) program at the time the Board determines that the 5.1% Milestone has been attained will be considered for any transition program that the Board may adopt. Such consideration will be conditioned upon their maintaining eligibility for the SREC Registration Program (SRP) and also subject to the terms and conditions of the Transition Incentive approved by the Board.

On May 23, 2018, the Clean Energy Act was signed into law. The Clean Energy Act directs the Board to close the existing SREC program upon the attainment of 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation provider from solar electric power generators connected to the distribution system (5.1% milestone). The Clean Energy Act further directs the Board to complete a study that evaluates how to modify or replace the SREC program to encourage the continued efficient and orderly development of solar renewable energy generating sources throughout the State.

On June 22, 2018, the Board proposed rule amendments to N.J.A.C. 14:8-2.4 to close the SRP to new applications following a determination by the Board that the 5.1 % Milestone has been reached. These amendments rules became effective upon publication in the New Jersey Register on January 22, 2019. On October 29, 2018, the Board issued an Order (followed by rule-making) reducing the SREC term or Qualification Life (QL) for solar facilities to 10 years for all applications submitted after the effective date of the Order. On February 27, 2019, the Board issued an Order

clarifying its October 29, 2018 Order pertaining to the SREC Qualification Life. The Board clarified that projects previously determined to be eligible for SRECs, including a 15-year SREC QL, by meeting the October 29, 2018 deadline, and satisfying all other applicable requirements, shall continue to be eligible to create SRECs after the State's attainment of the 5.1% Milestone. The Board further clarified that SREC eligibility for all applications submitted after October 29, 2018 is contingent upon commencing commercial operations prior to attainment of the 5.1% Milestone.

On December 26, 2018 Board staff issued a Staff Straw Proposal and Request for Comments (Staff Straw) which laid out seven "Transition Principles" and a proposed schedule for implementing the SREC Transition. The Staff Straw defined the Solar Transition as those steps necessary for 1) the definition of the 5.1% Milestone and 2) the determination of incentive(s) developed to modify or replace the existing SREC program and the conditions for eligibility to said incentive(s). The Staff Straw proposed to organize the Solar Transition as follows: 1) Legacy SRECs, available to projects eligible for the current SREC program; 2) the Transition Incentive, open to projects that filed a complete SRP registration after October 29, 2018 and have not yet reached commercial operation at the time the Board determines that the 5.1% Milestone has been attained; and 3) the Successor Program, open to projects that have not filed a complete SRP registration prior to the Board's determination that the 5.1% Milestone has been attained. The Staff Straw encouraged stakeholder feedback on the implementation of various elements of the Solar Transition, via a Request for Comments and two stakeholder meetings held on January 18, 2019 and February 22, 2019.

On April 8, 2019, in response to stakeholder input, the Board issued a Staff Stakeholder Notice which reiterated the seven "Transition Principles" and accelerated the timeframe for the Solar Transition. As accelerated, the timeline has the objective of presenting recommendations pertaining to the Transition Incentive to the Board in August or September 2019 and presenting recommendations pertaining to the Successor Program in January or February 2020. The April 8, 2019 Staff Stakeholder Notice invited stakeholders to participate in two consultant-led Stakeholder Workshops, held on May 2, 2019 and June 14, 2019.

The intent of the proposed Board Order is to provide reassurance to industry participants that their projects will be considered for the Transition Incentive, while maintaining full flexibility and discretion for the Board in the design and implementation of the Transition Incentive. Consideration for the Transition Incentive will therefore be subject to their maintaining eligibility to the SRP in all respects, and subject to the terms and conditions of the Transition Incentive approved by the Board.

Staff recommended that the Board issue an order which would provide some assurance that projects that filed a complete SRP registration or application for designation or conditional certification after October 29, 2018, and that have not reached commercial operation at the time the Board determines that the 5.1 percent milestone has been obtained, would be eligible to be considered for any transition program that the Board may adopt, subject that they maintain eligibility to the SRECS being offered in all respects and subject to the terms and conditions of the transition incentives approved by the Board.

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

A. Docket No. EG18020148 – In the Matter of Energy Assistance Grant as Authorized Under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74(b) – Payment Assistance for Gas and Electric Program – See Executive Session.

Suzanne N. Patnaude, Esq., Legal Specialist, Counsel’s Office, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in Executive Session, and it involved the Energy Assistance Grant as authorized under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74(b), namely, the Payment Assistance for Gas and Electric Program. Staff recommended that the Board take action to issue a letter consistent with the discussions that took place 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

B. Docket No. EG19070771 – In the Matter of Energy Assistance Grant as Authorized Under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74(b) – Payment Assistance for Gas and Electric Program.

Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board’s Payment Assistance for Gas and Electric (PAGE) program, which provides electric and natural gas credits to low-to-middle income households in need of assistance on their utility bills. Staff is requesting the Board’s approval to release a Notice of Grant Availability (Notice) for publication in the New Jersey Register to solicit bids to administer the program, as the Board has determined that the PAGE contract with the Affordable Housing Alliance, the current PAGE administrator, should be terminated.

PAGE is funded by escheats dollars. N.J.S.A. 48:2-29.39 states that 75% of unclaimed utility deposits, received by the Unclaimed Utility Deposits Trust Fund from electric and gas utilities, shall be paid to NJSHARES or another statewide non-profit energy

assistance organization designated by the Board. The Notice requested non-profit assistance organizations submit bids to Board Staff by September 18, 2019 with the goal of making a recommendation to the Board at the October 25, 2019 board meeting. It is estimated that a new Grantee will need at least 60 days before they can begin processing PAGE applications.

Staff recommended the Board's approval to release the Notice for publication in the New Jersey Register in order to inform the public of its plans to award the PAGE grant to a nonprofit organization that would help pay the gas and electric bills of households seeking assistance. Upon Board approval, a transmittal will be sent to the Office of Administrative Law for publication in the New Jersey Register on August 19, 2019 with bids due September 18, 2019. An Evaluation Committee comprised of Board Staff will review the proposals with the goal of making a recommendation to the Board at the October 25, 2019 agenda meeting. The Notice required applicant to be able to begin disbursing grants by January 2, 2020. This will give a new Grantee approximately 60 days to prepare program operations.

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. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; and

Docket No. EO18121338 – Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; and

Docket No. EO18121339 – Application for Zero Emission Certificates of Salem 2 Power Plant; and

Docket No. EO18121337 – Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant.

Thomas Walker, Director, State Energy Services Division, presented this matter.

BACKGROUND AND DISCUSSION: This matter was presented to the Board as a follow up to the Board's April 18, 2019 determination that the Salem 1, Salem 2, and Hope Creek nuclear plants should receive Zero Emission Certificate (ZECs). Several tasks and directives are required per the Act for the Board, the Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company, and municipal electric distribution company Butler Electric Utility (collectively, EDCs), and the generating units on a forward basis. These include the annual calculation of the ZEC price, annual certification by units that they will continue providing generation through the remaining eligibility period, determination by the Board that the units are not receiving double-payments for beneficial attributes, required plans for labor retention by the unit owners, study of dry cask storage, guidelines for requests for the receipt of ZECs in the second eligibility

period by selected units, potential modification of the ZEC charge in the second eligibility period, and a ten-year study of the program.

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (C.48:3-87.3 to -87.7) (Act). The Act required the Board to create a program and mechanism for the issuance of ZECs, each of which represents the fuel diversity, air quality, and other environmental attributes of one megawatt-hour of electricity generated by an eligible nuclear power plant selected by the Board to participate in the program. Under the program, certain eligible nuclear energy generators may be approved to provide ZECs for the State's energy supply, which in turn will be purchased by New Jersey's four investor-owned electric distribution companies, i.e., EDCs. The Act identified the basic steps required to establish this program, including program logistics, funding, costs, application, eligibility requirements, selection process, and the timeframes for meeting several undertakings or activities.

The Act sets forth several requirements for the Board, the EDCs, and each unit deemed eligible to receive ZECs. Some are on an annual basis relating to the specific units receiving ZECs, and some are more generalized program requirements:

- ZEC Price: Annual determination by the Board of the ZEC price;
- Purchases and Payments of ZECs: Monthly purchases of ZECs by each EDC, with payment to selected units within 90 days after the conclusion of each energy year in which selected units receive ZECs;
- Certification of Continued Operations: Annual certification by each selected nuclear power plant that it will continue operations at or near full capacity for the duration of its eligibility to receive ZECs;
- Annual Revenue Review: Annual revenue review by the Board for revenues received by each selected nuclear power plant for its fuel diversity, resilience, air quality, and/or other environmental attributes;
- Personnel Plan: Submission to the Board by the owner of each selected nuclear power plant of a personnel plan and an alternative economic development plan, within two years after receiving ZECs; and
- Dry Cask Storage Study: Preparation by the owner of each selected nuclear power plant of a report regarding the optimal use of dry cask storage of spent nuclear fuel at its site, within two years after receiving ZECs.

Staff recommended that the Board find that the ZEC pricing methodology and schedule are appropriate, and direct the EDCs to provide the amount of monies held in the ZEC account as established in the Act and the total number of megawatt-hours (MWh) of electricity distributed by the EDCs in the prior energy year, and direct the nuclear units to provide the total MWh of electricity generated by the units in the prior energy year, collectively. This information must be certified and provided to the Board annually by July 1.

Staff also recommended that the Board direct Staff to present the ZEC price annually in August of each year that selected units are eligible to receive ZECs. Staff further recommended the Board accept Staff's recommendation for the stub period calculation. Finally, Staff recommended that the Board direct Staff to implement the stakeholder process and to return to the Board with final recommendations in December 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

EXECUTIVE SESSION

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

8. CLEAN ENERGY

F. Docket No. QO19010040 – In the Matter of the Implementation of P.L. 2018, c.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; and

Docket No. QO18121302 – In the Matter of Approval of a Contract for Energy Efficiency Technologies Research and Studies – Completion of the Energy Efficiency Market Potential Study – Amendment #1.

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

9. MISCELLANEOUS

A. Docket No. EG18020148 – In the Matter of Energy Assistance Grant as Authorized Under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74(b) – Payment Assistance for Gas and Electric Program.

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: September 11, 2019