



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 August 7, 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 September 11, 2019 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

The Board recognized and thanked Eric Hartsfield, Director of Customer Assistance, and by unanimous vote, adopted a resolution commending him for his years of service to the Board.

CONSENT AGENDA

I. AUDITS

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

EE19050650L	Premier Energy Management, LLC	I – EA
EE19070798L	In Nature’s Image, LLC	I – EA
EE19040498L	Insight Sourcing Group, LLC	I – EA
EE19030395L	Service King International Brokers, LLC d/b/a SKI Brokerage	I – EA
EE19060722L	JMI Consultants, LLC	I – EA/PA
GE19060723L		
EE19050617L	Power 2 Profit Energy Solutions, Inc.	I - EA/PA/EC
GE19050618L	d/b/a P2P Energy	
EE16080818L	BidURenergy, Inc.	I – EA/PA/EC
GE16080819L		

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

EE19060716L	The Eric Ryan Corporation	R – EA
EE19060732L	M&R Energy Resources Corporation	R – EA
EE19050629L	EarlyBird Power, LLC	R – EA/PA
GE19050630L		
EE19040433L	Energy Source, LLC	R – EA/PA
GE19040434L	d/b/a Energy Source NJ, LLC	
EE19070790L	Precision Group, LLC	R – EA/PA/EC
GE19070791L	d/b/a Precision Group	

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE18050506L	ENGIE Resources, LLC	R – ESL
EE19050561L	First Point Power, LLC	R – ESL
EE19020216L	Brick Standard, LLC	R – ESL
GE19050580L	Park Power, LLC	R – GSL
GE19060717L	Phoenix Fuel Management Company	R – GSL
GE18070699L	Core Energy, Inc.	R – GSL
EE19030367L	Alpha Gas and Electric, LLC	R – EGSL
GE19030366L		

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. N.J.S.A. 48:3-78 to -79. 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:

- Premier Energy Management, LLC
- In Nature's Image, LLC
- Insight Sourcing Group, LLC
- Service King International Brokers, LLC d/b/a SKI Brokerage
- JMI Consultants, LLC
- Power 2 Profit Energy Solutions Inc. d/b/a P2P Energy
- BidURenergy, Inc.

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

- The Eric Ryan Corporation
- M&R Energy Resources Corp.
- Precision Group, LLC
- EarlyBird Power, LLC
- Energy Source, LLC d/b/a Energy Source NJ, LLC

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

- ENGIE Resources, LLC
- First Point Power, LLC
- Brick Standard, LLC
- Park Power, LLC
- Phoenix Fuel Management Company
- Core Energy Inc.
- Alpha Gas and Electric, LLC

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

B. Docket No. TE19050638 – In the Matter of the Verified Petition of FirstLight Fiber, Inc. for Authority to Provide Facilities-Based Local Exchange Services, Interexchange and Private Line Telecommunications Services in the State of New Jersey.

BACKGROUND: By letter dated May 21, 2019, FirstLight Fiber, Inc. (Petitioner or FirstLight) filed a petition with the Board requesting authority to provide facilities-based local exchange, interexchange and private line telecommunications services throughout the State of New Jersey.

FirstLight is a privately held Company organized under the laws of the State of Delaware. FirstLight is 100% owned by FirstLight Holdco, Inc.

The Petitioner asserted that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. The Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

FirstLight requested a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its financial books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated July 8, 2019, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Rate Counsel was satisfied that the verified petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. The Rate Counsel neither objected to granting the waiver requests in connection with record-keeping by the Petitioner, nor the Rate Counsel oppose Petitioner's request to treat its financial information as confidential and placed under seal.

After review, Staff recommended that the Board grant the Petitioner authority to provide facilities-based local exchange, interexchange and private line telecommunications services throughout the State of New Jersey. Staff also recommended that the Board approve the request for waivers from its requirements that Petitioner maintain its financial books and records in accordance with the USOA and within New Jersey.

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

II. ENERGY

A. Docket No. GR19030420 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service, Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18.

BACKGROUND: On March 29, 2019, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board for approval of an increase in its operating revenues of approximately \$128.2 million, to be effective for gas service provided on or after April 29, 2019. The Company also sought Board approval to implement new depreciation rates, including cost of removal rates that the Company submits are more appropriate and will allow fuller recovery of its expected costs as it replaces aging infrastructure, as well as certain other tariff changes.

NJNG also requested a return on equity of 10.875%. According to the petition, the Company's current base rates and charges for natural gas service are not sufficient at their current level and, if left unchanged, will impair NJNG's ability to meet operating and

maintenance expenses, tax and fixed charges, and its ability to earn a reasonable rate of return.

NJNG further sought approval to establish a Phase II of this proceeding to address the cost recovery for the Company's Southern Reliability Link intra-state gas transmission project, which commenced construction in November 2018 and is anticipated to be in-service during 2020.

The matter was transmitted to the Office of Administrative Law (OAL) as a contested case and is currently before Administrative Law Judge Jacob S. Gertsman.

Staff recommended that a second order be issued in this matter, suspending the proposed rates until December 29, 2019, pending resolution of this matter at the OAL.

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

III. CABLE TELEVISION

A. Docket No. CE18090998 – In the Matter of the Petition of Comcast of Garden State, LP, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Berlin, County of Camden, State of New Jersey.

BACKGROUND: On September 18, 2018, Comcast of Central New Jersey II, LLC (Comcast) filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Borough of Berlin (Borough) based on the automatic renewal provision, for a term to expire on September 7, 2023.

The petition is based on the Borough's ordinance granting renewal municipal consent, which was adopted March 4, 2004. The Borough's ordinance granted a term of 15 years with an automatic renewal term of five years. The initial term expired on September 7, 2018.

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

This Certificate shall expire on September 7, 2023.

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

B. Docket No. CE18091060 – In the Matter of the Petition of Comcast of Garden State, LP for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Woodlynne, County of Camden, State of New Jersey.

BACKGROUND: On September 26, 2018, Comcast of Garden State, LP (Comcast) filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Borough of Woodlynne (Borough) based on the automatic renewal provision, for a term to expire on August 11, 2028.

The petition is based on the Borough's ordinance granting renewal municipal consent, which was adopted July 10, 2003. The Borough's ordinance granted a term of 15 years with an automatic renewal term of 10 years. The initial term expired on August 11, 2018.

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

This Certificate shall expire on August 11, 2028.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM19060749 – In the Matter of the Verified Joint Petition of Zayo Group, LLC and Front Range TopCo, Inc. for Approval of the Transfer of Indirect Control of Zayo Group, LLC to Front Range TopCo, Inc.

BACKGROUND: On June 25, 2019, Front Range TopCo, Inc. (Transferee or Front Range) and Zayo Group, LLC (ZGL) (collectively, the Petitioners) submitted a Petition requesting Board approval for a proposed transfer of indirect control of ZGL to Transferee (the Transaction). As a result of the Transaction, ZGL will become an indirect, wholly owned subsidiary of Front Range.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments by letter dated July 18, 2019, stating that it did not oppose approval of the proposed Petitioners requests in this matter provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. As a condition of approval, the Rate Counsel urged that the Board require the Petitioners to notify the Board and the Rate Counsel when New Jersey employees are slated for a workforce reduction that is greater than fifteen percent, throughout a three year period following approval.

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 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 Petitioner's 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.

B. Docket No. TM19040449 – In the Matter of the Verified Petition of SQF, LLC for Approval of Change in Control and Management Services Agreement.

BACKGROUND: On April 5, 2019, SQF, LLC (SQF or Petitioner) submitted a Petition requesting Board approval of a transaction, whereby an investment by SDC Tilson Investor, LLC (SDC) into SQF will result in a transfer of control of SQF (the Transaction). The Petitioner also sought approval of a Services Agreement between SQF and Tilson

Technology Management, Inc., (Tilson) to provide direct staffing, general and administrative services, and site development services.

Following closing of the Transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to SQF customers.

The New Jersey Division of Rate Counsel submitted comments by letter dated April 30, 2019, stating it did not object to Board approval of the Petitioners' requests in this matter.

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 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 Petitioner's competitive posture in the telecommunications market. Staff has also reviewed said agreement and determined that it replicates the agreement that SQF originally had when SQF was a directly wholly-owned subsidiary of Tilson and does not disadvantage any party; therefore, Staff recommended approval of the agreement as filed without modification. Staff also recommended that the Petitioner 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.

C. Docket No. TF19060751 – In the Matter of the Verified Joint Petition of Zayo Group, LLC and Front Range Topco, Inc. for Approval for Zayo Group, LLC to Participate in Certain Financing Arrangements.

BACKGROUND: On June 25, 2019, Front Range TopCo, Inc. (Front Range) and Zayo Group, LLC (ZGL) (together, Petitioners) submitted a Petition to the Board requesting approval for ZGL to participate in certain financing arrangements up to an aggregate amount of \$11 billion in connection with the Petitioners' proposed transfer of indirect control of ZGL to Front Range (the Transaction).

Pursuant to an Agreement and Plan of Merger dated May 8, 2019, by and among ZGH, Front Range and Front Range BidCo, Inc. (Merger Sub), ZGH will be merged with and into Merger Sub with ZGH continuing its existence as the surviving corporation. The Transaction will result in ZGH transitioning from a publicly-traded company to a private company. At the closing of the Transaction, ZGL will become an indirect, wholly owned subsidiary of Front Range. Following consummation of the Transaction, ZGL is expected to participate in certain Financing Arrangements of Front Range.

According to the Petition, the financing arrangements will serve the public interest by providing Front Range with the ability to use debt financing for some of the consideration for the Transaction, which itself will serve the public interest. The financing arrangements will also serve the public interest in promoting competition among telecommunications carriers by providing ZGL with access to greater financial resources that will allow it to become a more effective competitor to larger incumbent telecommunications providers. Specifically, the Petitioners stated that the financing arrangements may be used to fund future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other general corporate purposes. The Petitioners therefore asserted that the financing arrangements are

necessary and appropriate, are consistent with the performance by ZGL of its services to the public, will not impair the ability of ZGL to perform such services, and will promote the corporate purposes of the Petitioners. The Petitioners also emphasized that the financing will be transparent to customers and will not disrupt service or cause customer confusion or inconvenience.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest, and therefore recommended approval of this petition.

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

V. WATER

A. Docket No. WR19060770 – In the Matter of the Petition of Mount Olive Villages Water Company, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.

BACKGROUND: On June 28, 2019, Mount Olive Villages Water Company, Inc. (Company) filed a petition with the Board seeking to increase and revise its rates and charges for wastewater service amounting to approximately \$186,160 or 71.79%. The change in rates proposed to become effective for service on and after August 1, 2019.

On July 3, 2019, the Company submitted a letter to the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's August 7, 2019 agenda meeting.

In view of the fact that this proceeding will not be completed by August 1, 2019, Staff recommended that the Board issue an Order suspending the rates until December 1, 2019.

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

B. Docket No. WR19060769 – In the Matter of the Petition of Mount Olive Villages Sewer Company, Inc. for Approval of an Increase in Rates for Sewer Service and Other Tariff Changes.

BACKGROUND: On June 28, 2019 Mount Olive Villages Sewer Company, Inc. (Company) filed a Petition with the board seeking to increase and revise its rates and charges for wastewater service amounting to approximately \$215,865 or 33.12%.

On July 3, 2019 the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's August 7, 2019 Agenda meeting. This matter was transmitted to the Office of Administrative Law (OAL) on July 2, 2019 for hearings as a contested case. An Administrative Law Judge will be assigned and the hearings will proceed accordingly.

The Company sought the increase to make necessary improvements and repairs to its thirty-year old sewer system.

Staff recommended that the Board issue an Initial Suspension Order which suspends sewer rates until December 1, 2019.

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

VI. RELIABILITY & 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 Minutes for the June 21, 2019 Agenda Meeting; and

Approval of the following Executive Session Minutes:

- July 25, 2018 – Items 8B and 9A
- February 7, 2019 – Item 2A.

BACKGROUND: Staff presented the regular agenda minutes of June 21, 2019, the executive session minutes of July 25, 2018 items 8B and 9A, and the special meeting minutes of February 7, 2019, and recommended 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

Alice A. Bator, Director, Division of Audits, presented these matters.

A. Docket No. ES19060719 – In the Matter of the Alleged Failure of Green Mountain Energy Company to Comply 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.

BACKGROUND AND DISCUSSION: This matter involved potential violations under the Energy Discount and Energy Competition Act (EDECA, or the Act), and N.J.A.C. 14:4-1.1 et seq. (the Regulations) by Green Mountain Energy Company (Green Mountain), which has been operating as a third party supplier to provide electric power supply services to residential and small commercial customers in New Jersey. As a result of correspondence, telephone conversations, and meetings between Staff and Green Mountain, Green Mountain submitted an Offer of Settlement (Offer) regarding its alleged violations. In the Offer of Settlement, Green Mountain did not admit to any violations and made a monetary offer in the amount of \$5,000.00 in order to resolve all issues concerning the violations alleged by Staff.

Staff recommended that the Board issue an order accepting the Offer of Settlement of \$5,000.00 as it represents a reasonable settlement of potential violations with five conditions:

- 1) Green Mountain will pay to the State of New Jersey the sum of \$5,000.00 in full and final settlement of any and all potential violations under the Act and/or the Regulations which have been or could have been alleged by the Board or the Staff against Green Mountain, up to and including March 20, 2019.
- 2) The Offer of Settlement shall not relieve Green Mountain or its parents, affiliates, subsidiaries or successors, from any violations, if any, of the Act, the Regulations, or Board Orders that may occur after March 20, 2019.
- 3) Any future repeated violation(s) of the Act, the Regulations, or Board Orders by Green Mountain or its parent, affiliates, subsidiaries, or successors that may now or in the future provide energy services that is the subject of this Offer of Settlement, shall be deemed to be a second, third, or subsequent violation, as appropriate.
- 4) Green Mountain will comply with all provisions of the Act and Regulations regarding TPS licensing renewal requirement.
- 5) The execution of this Offer of Settlement shall not be relied upon by Green Mountain or its affiliates, subsidiaries or successors in any attempt to mitigate any future claim that any such entity has violated the terms and conditions of the Act, the Regulations, or any Board Order.

Staff recommended that the Board accept Green Mountain's offer of Settlement.

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 also recommended that the Board approve the initial application filed by Green Mountain.

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. EA17020137 – In the Matter of an Audit of the Affiliated Transactions between Rockland Electric Company, Orange and Rockland Utilities, Inc., Consolidated Edison, Inc., and Affiliates, Pursuant to N.J.S.A. 48:3-49, 48:3-55, 48:3-56, 48:3-58 and N.J.A.C. 14:4-3.7(e) and (f), and a Comprehensive Management Audit of Rockland Electric Company, Pursuant to N.J.S.A. 48:2-16.4 and N.J.A.C. 14:3-12.1 – 12.4.

BACKGROUND AND DISCUSSION: On July 18, 2019, Silverpoint Consulting LLC (Silverpoint) submitted the final report in the above-referenced audit (Final Report).

At its agenda meeting on April 21, 2017, the Board authorized staff to initiate an audit of affiliated transactions between Rockland Electric Company (RECO or Company), Orange and Rockland Utilities, Inc., Consolidated Edison, Inc., and affiliates, and a Comprehensive Management Audit of RECO. The Board also authorized Staff to send an Request for Proposal (RFP) to the seven pre-approved management consulting firms under State Term Contract A82916.

In accordance with the RFP, bid proposals were submitted to the Board Division of Audits by July 12, 2017 from Silverpoint Consulting, SAGE Management Consultants, Schumaker and Company, NorthStar Consulting Group, and Saleeby Consulting. Liberty Consulting Group and Overland Consulting advised Board Staff, in writing, that they would not bid on this project. The bid proposals were subsequently forwarded to the Evaluation Committee for review and analysis. The Evaluation Committee consisted of eight staff members from the Division of Audits, the Division of Water, and the New Jersey Division of Rate Counsel's Office.

At its November 21, 2017 agenda meeting, the Board approved the Evaluation Committee's recommendation of Silverpoint to perform the audit at a not-to-exceed cost of \$655,200.00. The Board further authorized former President Mroz to execute a consulting agreement with Silverpoint.

This matter included a comprehensive management audit of all major and functional areas of RECO's operations and the effect of the Company's association with Orange and Rockland Utilities, Inc., Consolidated Edison, Inc., and affiliates. This audit included an examination of executive management and corporate governance, organizational structure, human resources, strategic planning, systems operations, customer service, external relations, support services, finance, cash management, accounting and property records, affiliate cost allocation and relationships, procurement and purchasing, and Company contractor performance.

On July 18, 2019, Silverpoint submitted the Final Report.

Staff recommended that the Board accept the report as Final, for filing purposes only. Staff also recommended issuance of a Secretary's letter requesting that the report be released to the public for comments due by September 6, 2019. After review and receipt of these comments, the matter will be returned to the Board's agenda for consideration of an implementation plan.

It was Staff's position that Silverpoint had satisfactorily completed the audit report, and recommended, consistent with the terms of the Agreement, that the hold-back of fees in the amount of \$131,040.00, pending acceptance of the audit report, be released to Silverpoint.

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. Non-docketed Matter – In the Matter of the Request for Authorization for Release of a Bid Solicitation, Bid No. 19DPP00416 for a State Term Contract under T2482 for Management and Financial Consulting – Contracted Management/Financial Auditing Firms, Board of Public Utilities, through the Department of Treasury.

BACKGROUND AND DISCUSSION: This matter involved Staff requesting Board to authorize the release of the Bid Solicitation by the Department of Treasury, Division of Purchase and Property, Purchase Bureau (Treasury) on behalf of the Board to solicit bid proposals for management/financial auditing firms to provide various types of audits, including, but not limited to, management, affiliate transaction, compliance, operational or performance, information systems/technology, and internal controls of state utilities. In addition to the types of audits under the current contract this Bid Solicitation expands the Board's opportunities to hire consultants to perform financial audits, including but not limited to, the review of costs recovered through utility clause cost recovery mechanisms for utility renewable programs, such as energy efficiency and solar, storm hardening, infrastructure, Non-Utility Generation, and other costs like Basic Generation Costs, and Basic Gas Supply Service Costs and Board mandated focus audits of utilities. The intent of this Bid Solicitation is to award contracts to 10 responsible bidders whose bid

proposals for such audits conform to this Bid Solicitation and are most advantageous to the State, price, and other factors considered. The State reserves the right to award contracts in excess of the 10 bids if it is determined its in the best interest of the State.

Under the terms of the Bid Solicitation, the contract shall be for a period of four years and may be extended for all or part of two one-year periods by the written mutual consent of the Contractor/Vendor and the Director of the Division of Purchase and Property at the same terms, conditions and pricing, at the rates in effect in the last year of the contract or rates more favorable to the State. All expenses of the audits resulting from the contract will be borne by the respective utilities and will be recognized as proper business expenses for ratemaking purposes, unless otherwise determined by the Board. An evaluation committee will be formed to evaluate the bidders after treasury weeds out those that do not meet the State requirements. The balance of bidders will be evaluated by the evaluation committee which will include several Board Staff, generally from the Division of Audits, and representatives from Legal and the Economists office as well a Treasury.

The contract resulting from this Bid Solicitation will replace the State's contract entered into on behalf of the Board to procure management auditing services previously. That contract, which will expire on December 31, 2019, worked to streamline the procurement process. All seven firms hired under that contract performed favorably during the term of the agreement.

Staff recommended that the Board authorize the release of the Bid Solicitation by Treasury.

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

2. ENERGY

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

A. Docket No. ER19060763 – In the Matter of the Provision of Basic Generation Service, the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff and Submission of Revised Tariff Sheets Related to Reliability Must Run Charges for Yorktown 1 and 2 and B.L. England Generating Units.

BACKGROUND AND DISCUSSION: On June 27, 2019, Public Service Electric and Gas Company, Atlantic City Electric Company, Jersey Central Power & Light Company, PSE&G, and Rockland Electric Company (collectively, the EDCs) filed a joint petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC)-approved changes in firm transmission service related charges. The EDCs requested

that the changes in rates, if approved, be effective for service rendered on or after September 1, 2019.

The EDCs' proposed tariff changes reflect changes to the Basic Generation Service (BGS) Residential and Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM Interconnection, LLC (PJM) Open Access Transmission Tariff (OATT).

Additionally, the EDCs' proposed tariff changes reflect changes to the BGS-RSCP and BGS-CIEP rates to customers resulting from changes in the PJM OATT relating to costs the suppliers will be assessed by PJM pursuant to Reliability Must Run (RMR) charges approved by FERC.

No comments were received from the New Jersey Division of Rate Counsel or any other party.

Staff recommended that the EDCs be authorized to collect these costs from BGS customers and track such collections until receipt of a Final FERC Order in the matters. For the remaining TEC changes, Staff recommended that the EDCs be authorized to compensate BGS suppliers subject to the terms and conditions of the SMAs. For the Yorktown RMR payment to suppliers, Staff also recommended that the EDCs not be authorized to pay suppliers for these costs until receipt of a Final FERC Order.

Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings by September 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. ER18101094 – 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 Rider RRC – RGGI Recovery Charge of its Filed Tariff (2017 Rider RRC Filing), and Seeking Review and Approval of its Administrative Fee for the SREC II Program Effective as of January 1, 2019.

BACKGROUND AND DISCUSSION: On October 1, 2018, Jersey Central Power & Light Company (JCP&L or Company) filed a petition (October 2018 Petition) with the Board seeking review and approval of the deferred balances accumulated with respect to amounts the Company incurred under Board-approved demand response and renewable energy programs. In addition, the October 2018 Petition requested approval to decrease JCP&L's overall Rider RRC (RRC) rate from \$0.000948 per kilowatt-hour (kWh) (excluding Sales and Use Tax (SUT)) to a credit of \$0.000399 per kWh (excluding SUT). JCP&L's proposed decrease in the RRC would have resulted in a decrease of approximately \$27.8 million per year in RRC revenues, without considering the (then)

pending 2016 RRC Filing. Additionally, in the October 2018 Petition, JCP&L requested authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods and maintain the Solar Renewable Energy Certificates II (SREC) administrative fee at \$17.00 per purchased SREC.

Throughout the course of the proceeding, JCP&L updated the revenue requirements associated with the October 2018 Petition to reflect the Board's approval of the Company's 2016 Rider RRC petition and actual data through calendar year 2018. As a result of the Company's updates, the net deferred balance related to the Integrated Distributed Energy Resource Program at December 31, 2018 would be an under recovery of \$12,171,114.00, including carrying costs. Additionally, the net deferred balance for the SREC I and II Program costs at December 31, 2018 was an over recovery of \$21,565,954.00, including carrying costs. As a result of the updates, JCP&L requested approval to decrease the overall Rider RRC rate from \$0.000221 per kWh (excluding SUT) to a credit of \$0.000460 per kWh (excluding SUT). Based on the updated information, JCP&L's proposed decrease in the RRC would result in a decrease of approximately \$13.914 million per year in RRC revenues.

On July 23, 2019, JCP&L, Staff, and the New Jersey Division of Rate Counsel (the Parties) executed a stipulation of settlement (Stipulation) requesting that the Board authorize the maintenance of the rates approved in the Board's 2016 Rider RRC 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 September 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. GR18121258 – In the Matter of the Petition of Public Service Electric and Gas Company to Modify Its Manufactured Gas Plant Remediation Component Within Its Electric Societal Benefits Charge and Its Gas SBC; During the Remediation Adjustment Charge 26 Period, August 1, 2017, to July 31, 2018.

BACKGROUND AND DISCUSSION: On November 30, 2018, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking review and approval of the Company's Manufactured Gas Plant (MGP) Remediation Adjustment Clause (RAC) activities and net MGP costs incurred from August 1, 2017 through July 31, 2018 (RAC 26 Period).

PSE&G requested approval of net RAC 26 Period expenditures of \$35,889,683.00. As a result of the allocation of MGP costs between electric and gas customers, the expenditures totaled \$21,540,763.00 for electric customers and \$14,360,509.00 for gas customers for the RAC 26 Period. The expenditures also include a deferred Natural Resource Damage expense of (\$11,589.00).

Through discovery, the Company provided updated revenue requirement calculations that included a \$2.113 million stipulated deficiency from RAC 25 that was the result of the Tax Cuts and Jobs Act of 2017. With this new information, the updated annual revenue collected from electric customers increased by \$4,338,000.00, and the annual revenue collected from gas customers increased by \$6,268,000.00, a total increase of \$10,606,000.00 on an annual basis for customers receiving service under tariff rates. Throughout the course of the proceeding, PSE&G, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) engaged in extensive discovery requests and discussions. As a result, on July 19, 2019, the Parties executed a Stipulation of Settlement (Stipulation).

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct PSE&G to file tariffs consistent with the Board's Order by September 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

Cynthia L. M. Holland, Esq., Director, Office of Federal and Regional Policy, presented these matters.

D. Docket No. ER19010009 – In the Matter of Federal Energy Items for 2019 – FERC Docket No. PL19-3 – Notice of Inquiry re Commission's Electric Transmission Incentives Policy.

BACKGROUND AND DISCUSSION: This matter involved Staff filing Reply Comments for filing with the Federal Energy Regulatory Commission (FERC or Commission) in response to its March 21, 2019 Notice of Inquiry on the Commission's Electric Transmission Incentives Policy. The Board's Initial Comments asserted that the current state of the market, when paired with available metrics, indicates that FERC has successfully increased transmission investment such that continuing those incentives under the same strategy would be unreasonably beneficial to the utilities at the expense of ratepayers/consumers.

Staff encouraged the Commission to provide a Return on Equity as the exclusive financial incentive. If FERC continues offering Order No. 679 incentive adders, they must be backed by data that depicts equitable benefits for the ratepayers.

In the Initial Comments, the Board provides support for eliminating the Regional Transmission Organization (RTO) participation adder or, as an alternative, establish a sunset period for this adder. Several parties also submitted their recommendations to the Commission. Some of which, including PJM and PJM Transmission Owners, conflict with the Board's Initial Comments. Staff recommended Board approval to submit Reply Comments defending its position, requesting a change to the RTO participation adder by the August 26, 2019 deadline.

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. ER19010009 – In the Matter of Federal Energy Items for 2019 – FERC Docket No. EL19-58 PJM Interconnection LLC re: Revisions to Operating Agreement, Reserve Market Enhancements; and

Docket No. ER19010009 – In the Matter of Federal Energy Items for 2019 – FERC Docket No. ER19-1486 PJM Interconnection LLC re: Revisions to Tariff, Reserve Market Enhancements.

BACKGROUND AND DISCUSSION: On July 29, 2019, Staff, on behalf of the Board, in conjunction with other customer interests and state commissions, filed a motion for leave to answer and answer (Answer) in the above dockets regarding PJM's *Enhanced Price Formation in Reserve Markets* proposal (Proposal). In this proceeding, Staff and the Division of Law have joined these other customer interests in a coalition supported by a Joint Litigation Agreement (JLA). The Answer restates the position of the JLA parties that the PJM Proposal is unjust, unreasonable, and inconsistent with the Federal Energy Regulatory (FERC or Commission) price formation goals. In the event that the Commission disagrees and finds some revisions necessary, the Answer provides several options for incremental change addressing the issues raised in the Proposal, without the extreme cost burden. The Answer also explains that a transition mechanism, accounting for increased revenues from the PJM Proposal, must be addressed by FERC for any proposal to be found just and reasonable. Staff actively collaborated with the JLA to draft the Answer.

Staff recommended that the Board ratify the filing of answer of JLA parties filed on July 19, 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. EO19030308 – In the Matter of the Universal Service Fund Program – Order Adjusting Universal Service Fund Eligibility Criteria.

Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: In April 2003, the Board created the Universal Service Fund (USF) program in response to the Electric Discount and Energy Competition Act (EDECA). USF exists to ensure that low-income electric and natural gas customers have access to more affordable energy.

Sixteen years have passed since the Board set the original USF program parameters, Board Staff believed it was an appropriate time to seek public input regarding how USF could better serve the needs of the low-income population. In May 2019, a public stakeholder meeting was held and written comments were received.

A public stakeholder meeting was held on May 10, 2019, and written comments were received regarding four discussion points. Comments were provided by seven organizations and are summarized below:

1. AARP recommended the Board:
 - evaluate utilities' outreach programs to ensure that public awareness of USF is widespread;
 - explore if USF program costs can be shared between ratepayers and shareholders; and
 - conduct a study of all the Board's energy assistance programs, energy efficiency programs and Winter Moratorium Program. In regard to USF, the study should explore:
 - raising the USF income ceiling to at least 200% Federal Poverty Level (FPL)
 - decreasing the USF energy affordability threshold currently set at 3%;
 - seek more information on the appropriateness of \$1,800.00 USF benefit cap; and
 - seek more information on the appropriateness of a USF incentive credit for participation in New Jersey's energy efficiency programs.
2. Affordable Housing Alliance recommended the Board:
 - Increase benefit levels to low income programs; and
 - lower the USF income limits so that the Board's PAGE program can serve more customers.
3. La Casa de don Pedro recommended the Board:
 - increase USF income ceiling to 200% FPL to match Low Income Home Energy Assistance Program;
 - change USF energy affordability threshold for certain heating types;
 - no change to USF benefit cap however, if raised should not exceed \$2,000.00; and
 - provide a \$200.00 USF incentive credit to households that are weatherized.
4. Legal Services of New Jersey concurs with AARP's comments and recommended the Board:

- increase USF income ceiling to 200-250% FPL;
 - reduce USF energy affordability threshold and consider tiered system;
 - eliminate \$1,800.00 USF benefit cap; and
 - support a USF incentive credit.
5. NJSHARES recommended the Board make the following changes following data collection with costs to all ratepayers considered:
 - increase USF income ceiling to 200% FPL;
 - not change the USF energy affordability threshold;
 - create a crisis fund in lieu of benefit cap; and
 - conduct research to determine if weatherization programs are under-utilized.
 6. New Jersey Utilities Association (NJUA) believed that each of the program changes contemplated will increase costs and have a rate impact on all customers. Therefore, NJUA recommended that the Board first develop projections regarding incremental costs of any proposed recommendations.
 7. New Jersey Division of Rate Counsel concurred with AARP’s comments, in particular that the Board review the utilities’ outreach programs and also recommends the Board provide substantial opportunity for public comment before the Board makes any changes to the USF program.

As a comprehensive evaluation of the Board’s energy assistance programs will take some time, raising the income ceiling slightly to 185% FPL is a measure the Board can take now to expand the program to a limited number of households. While interest groups support an income ceiling of 200% FPL or higher, 185% FPL better balances the obligation to provide affordable energy to the poorest of the state with the consideration of the costs borne by all ratepayers.

The potential USF cost impact of raising the USF income ceiling to 185% FPL versus 200% FPL is detailed below for comparison purposes:

USF Income Ceiling	Estimated Increase in Income-Eligible Households	Estimated Increase in USF Electric Benefits	Estimated Increase in USF Gas Benefits	Total Estimated Increase in USF Benefits
185% FPL	5,700	\$3,958,008.00	\$1,361,214.00	\$5,319,222.00
200% FPL	12,100	\$8,366,840.00	\$2,877,246.00	\$11,244,086.00

An additional benefit of expanding enrollment to a slightly higher income group is that first time participants in the USF program with arrears of \$60 or more will be eligible for Fresh Start energy debt forgiveness if they pay their monthly bills on time and full for one year after enrollment.

185% FPL is the income limit currently used by New Jersey Department of Human Services’ Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps). Therefore with this action all SNAP eligible households with a gas or electric account in their name will be able to be screened for USF energy assistance benefits.

Board Staff Recommended the Board:

1. Direct staff to initiate a study of the Board's energy assistance programs;
2. Order Department of Community Affairs (USF program administrator) to raise the USF income ceiling to 185% FPL in time for next heating season which begins October 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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

A. Docket No. TS19070794 – In the Matter of Vitcom, LLC Failure to Comply with Regulations Requiring the Filing of its Annual Report, Statement of Gross Intrastate Revenues and the Payment of its Assessment.

Lawanda R. Gilbert, Esq., Director, Office of Cable Television & Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved an Order to Show Cause stemming from the failure of Vitcom, LLC (Vitcom) to comply with statutory requirements. Vitcom has not complied with requirements to file its respective Annual Report on time, failed to file its Statement of Gross Intrastate Revenue, and failed to pay its minimum assessment.

Vitcom filed its Annual Report which was due March 31, 2019, sixty-five days late on June 5, 2019, and was advised it was in violation of N.J.S.A. 48:2-16.3 and assessed a penalty of \$5.00 per day for a total late filing penalty of \$325.00. Vitcom also failed to file its statement of Gross Intrastate Revenue for Calendar Year (CY) 2017 and pay its annual assessment of \$500.00 for the fiscal year 2019.

If respondent fails to pay its minimum assessment of \$500.00 for FY 2019 and pay its penalty of \$325.00 for the late filing of its Annual Report for CY 2017 by September 16, 2019, Staff recommended revocation of respondent's respective authority.

Vitcom was granted authority to provide local telecommunications services throughout New Jersey by Order dated March 19, 2014 in Docket No. TE14010054.

Staff from the Division of Audits made five attempts by phone, email and letter to advise Vitcom to file its Annual Report, Statement of Gross Intrastate Revenues and pay its annual assessment.

Staff from the Office of Cable Television and Telecommunications mailed a certified letter on June 20, 2019, notifying respondent that it was in violation of the above statutes and non-compliance would prompt further Board action if remittance of payment was not received within ten business days.

Staff recommended the Board approve the issuance of the Order in this matter to show cause, and Staff further recommended revocation of Vitcom authority should it fail to respond within 30 days of the effective date of the order.

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

5. WATER

There were no items in this category.

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket Nos. BPU GC18101214U and OAL PUC 18107-18 – In the Matter of Robert Filipczak, Petitioner v. South Jersey Gas Company, Respondent – Billing Dispute.

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

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Robert Filipczak (Petitioner) and South Jersey Gas Company (SJG or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Dorothy Incarvito-Garrabrant filed an Initial Decision in this matter with the Board on July 11, 2019.

The Petitioner alleged that SJG incorrectly billed him in the amount of \$2,739.88. He further alleged that a majority of these charges occurred from January through April of 2015.

SJG, in its answer dated November 21, 2018, contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. SJG also contended that in November 2013, the Petitioner requested to enroll in a monthly equal payment plan, which was in the amount of \$178.00 per month. Due to increased rates charged by his third party supplier, Constellation Energy, the \$178.00 per month was not enough to cover the gas usage and a balance began to accumulate. The Company requested that the relief sought be denied on the basis that the Petitioner failed to set forth a claim upon which relief may be granted.

ALJ Incarvito-Garrabrant, in her Initial Decision concluded that SJG appropriately and properly billed its charges and Constellation's charges to the Petitioner. The amount in dispute arose from a situation in which the Petitioner, for the most part of the months in question, paid his monthly budget payment plan amount. However, that amount was insufficient to satisfy his entire monthly charges. ALJ Incarvito-Garrabrant concluded that the Petitioner was responsible for the past due amount of \$2,739.88. Therefore, ALJ Incarvito-Garrabrant ruled that the petition be dismissed.

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

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

A. Docket No. QO17101024 – In the Matter of the New Jersey Board of Public Utilities – Natural Gas Vehicle Incremental Cost Grant Program Modifications.

Jim Ferris, Bureau Chief of New Technology, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: The Board allocated \$200,000.00 of its 2017–2018 SEP funds to an Alternative Fuel Vehicles Compressed Natural Gas Vehicle Incremental Cost Grant Program. The primary goal of the programs is to improve New Jersey's air quality and reduce reliance on and consumption of foreign oil through the use of domestic natural gas as a transportation fuel.

The Board accepted applications for the program from November 20 to December 20, 2017 and January 2 to April 2, 2018. Between July and September of 2018, the Board awarded grants on a first-come, first-served basis to Voorhees Township, Cape May County Municipal Utility Authority (CMCMUA), Atlantic County Utility Authority (ACUA), and One Way Enterprises, LLC. A total of \$190,000.00 was awarded for nine vehicles.

Three of the grant recipients submitted written requests for no-cost extensions to complete purchase of their vehicles (one vehicle by Voorhees Township, two vehicles by CMCMUA, and one vehicle by ACUA), which the Board approved at the August 2018 agenda meeting. ACUA purchased its remaining vehicle in October 2018.

Voorhees Township and CMCMUA submitted written requests for final no-cost extensions to complete purchase of their remaining vehicles, for reasons explained below.

Based on the order in which the Board received applications, the Board awarded grants to the following recipients:

1. Voorhees Township
 - a. Grant award: \$50,000.00 for two vehicles / Paid to date: \$25,000.00;
 - b. BPU award letter dated August 30, 2018;
 - c. First vehicle purchased February 2018 for a total cost of \$317,500.00;
 - d. Second vehicle: Via letter dated September 27, 2018, Voorhees Township requested a no-cost grant agreement extension to June 1, 2019 to complete purchase of the vehicle (at an estimated cost of \$267,500.00) and ensure eligibility to receive the remaining \$25,000.00. Via letter dated June 27, 2019 Voorhees Township requested a second no-cost grant agreement extension to October 1, 2019 to complete purchase.
2. Cape May County Municipal Utility Authority (CMCMUA)
 - a. Grant award: \$50,000.00 for two vehicles / Paid to date: \$0;
 - b. BPU award letter dated September 10, 2018;
 - c. Via letter dated September 25, CMCMUA requested a no-cost grant agreement extension to June 30, 2019 to complete purchase of two natural gas-powered heavy trucks (at an estimated total cost of \$107,814.00 per vehicle) and ensure eligibility to receive the \$50,000.00. Via letter dated June 24, 2019, CMCMUA requested a second no-cost extension to June 30, 2020 to complete purchase of the vehicles.
3. Atlantic County Utility Authority (ACUA)
 - a. Grant award: \$40,000.00 for two vehicles / Paid to date: \$40,000.00 (i.e., grant is fully awarded and closed out);
 - b. BPU award letter dated July 23, 2018;
 - c. First vehicle purchased September 2018 for a total cost of \$291,123.00;
 - d. Second vehicle: Via letter dated September 25, 2018, ACUA requested a no-cost grant agreement extension to October 31, 2018 to complete purchase of the vehicle (at an estimated cost of \$300,000.00) and ensure eligibility to receive the remaining \$20,000.00. ACUA purchased the second vehicle in October 2018.
4. One Way Enterprises, LLC
 - a. Grant award: \$50,000.00 for three vehicles / Paid to date: \$50,000.00 (i.e., grant is fully awarded and closed out);
 - b. BPU award letter dated July 18, 2018;
 - c. All three vehicles were purchased (at a total cost of \$416,428.00) and have been in use since April 2018.

Staff recommended that the Board approve second amendments to the grant agreements with Voorhees Township and Cape May County Municipal Utility Authority that allow for no-cost extensions of the vehicle purchase deadline, per each recipient's written requests and authorize the President to execute the amendments.

Staff also recommended that the Board authorize an Agreement Amendment to the grant agreement to approve no-cost time extensions for six months or less consistent with BPU's Standard Agreement.

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. 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.

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

BACKGROUND AND DISCUSSION: On March 26, 2019, the Board received from the Mid-Atlantic Solar and Storage Industries Association (MSSIA) a Motion for Reconsideration of the Board's February 27, 2019 Order (February Order). The motion sought to grandfather an indeterminate number of solar projects in the Solar Renewal Energy Certificate (SREC) Registration Program (SRP) pipeline that had submitted complete SREC registration applications prior to or by February 27th, and all projects that submitted applications between October 29, 2018 and February 27, 2019. MSSIA also filed a Supplemental Certification on March 30th as well as a request for a Settlement Conference on May 24.

The February Order was the second of two Orders addressing SREC eligibility requirements from the Clean Energy Act of 2018 (CEA or Act). The Order addressed the requirement to close the SREC market to new registrants upon the state's attainment of 5.1% of kilowatt hours sold being sourced from solar electric power generators. The Board clarified that projects registered after October 29, 2018 which do not commence commercial operations prior to the state's attainment of the 5.1% milestone may not be eligible to participate in the SREC market.

On October 29, 2018, the Board issued an order addressing the requirement of the Act to reduce the SREC term of eligibility for solar electric power generators (October Order). The October Order provided that projects that register after October 29, 2018 have an SREC term, or Qualification Life as referred to in the Board's rules, of ten years.

The CEA contains several provisions requiring the Board to amend, modify or replace the primary means by which the Board provides incentives to eligible solar electric power generators. The Act requires that the Board modify the State's Solar Renewable

Portfolio Standard, close the SREC program, reduce the SREC term and impose a cap on the cost to ratepayers of certain Class I renewable energy requirements. Additionally, the law required the Board to take any steps necessary to prevent the exceedance of the cost cap.

Staff recommended that the Board deny MSSIA's Motion for Reconsideration and reaffirm the directives from the February and October Orders with respect to SREC registrations and applications for designation and the conditions for SREC eligibility of those received after October 29, 2018. Staff also recommended the Board reject the requests filed by MSSIA on March 30.

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. 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: On July 10, 2019, the Board issued an Order clarifying the method of calculation of the bill credit for subscribers participating in the Community Solar Energy Pilot Program (Pilot Program). Specifically, the July 10 Order defined on what basis the bill credit was to be calculated, and which charges were to be excluded from the calculation of the bill credit as “non-bypassable”.

The Electric Distribution Companies (EDCs) requested that the Board provide written clarification on the July 10, 2019 Board Order on the Community Solar bill credit (July 10 Order, effective July 20, 2019):

Atlantic City Electric (ACE) and Jersey Central Power and Light (JCP&L) request: The fixed monthly customer charge (fixed charge) should be considered a non-bypassable charge for purposes of the community solar bill credit. The fixed charge was originally identified as bypassable, as an added benefit provided for community solar subscribers during the Pilot Program. Two new pieces of information were identified during the monthly Board/EDC monthly meeting on community solar: 1) Net metering customers pay the fixed charge, and 2) including the fixed charge in the bill credit may require significant billing system modifications (according to JCP&L).

Staff believed it is appropriate that the fixed charge be identified as a non-bypassable charge. Staff also believed this issue can be addressed via a Board Order amendment.

ACE and JCP&L request: The Non-Utility Generation Charge (NGC) should be considered a non-bypassable charge for purposes of the community solar bill credit.

Presently, as the July 10 Order is written, the NGC is not considered a non-bypassable charge, and thus excluded from the Community Solar credit.

Staff is working closely with the Division of Energy to ensure that the proper names are assigned to charges defined as non-bypassable in the July 10 Order. Staff believes this issue can be addressed via a Secretary's Letter.

ACE request: The Solar Renewable Energy Credit (SREC I and II) should be considered a non-bypassable charge for purposes of the community solar bill credit. Staff believed that no action is necessary on this issue. Staff recommended that the Board approve the proposed Board order.

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

James A. Boyd, Jr., Esq., Administrative Practice Officer, Office of Chief Counsel, presented these matters.

D. 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).

BACKGROUND AND DISCUSSION: This matter involved amendments to the renewable portfolio standard rules on a closure of the Solar Renewal Energy Certificate (SREC) Registration program pursuant to P.L. 2018, c. 7. The Clean Energy Act requires the Board to adopt rules and regulations to close the SREC program to new applications upon the attainment of 5.1 percent of the kilowatt hours installed in the State by each electric power supplier and each basic generation supplier from solar electric power generators connected to the distribution system.

The Clean Energy Act requires the Board to “adopt rules and regulations to close the SREC program to new applications upon the attainment of 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation supplier from solar electric power generators connected to the distribution system.” The Clean Energy Act further requires, “...the closing of the existing SREC program on a date certain but no later than June 1, 2021.”

The Rule Proposal amends the Renewable Portfolio Standard (RPS) provisions governing the Solar Renewal Energy Certificate Registration Program (SRP) to include a process for the Board's determination that 5.1% of the retail electricity sold in New Jersey is attained from solar electric generation facilities. The proposal also adds provisions regarding the terms and conditions for solar projects that have been accepted in the SRP, but have not become operational by the time the Board determines that the 5.1% milestone has been attained and, as a result, closes the SRP. Preambulatory language to the rule proposal commits to a public dialogue on potential implications of

the closure of the SRP, and on whether Board action is necessary to ensure that the solar market in New Jersey continues to remain healthy.

Amendments to the RPS rules are important since the current rules offer a SRP term of one or two years, depending upon project type, and offer an extension of six months if a project is unable to commence commercial operations prior to expiration. It is important to the proper functioning of the solar market and the expectations for current and future investors that the rules and procedures governing incentive eligibility be transparent, clear, timely and fairly applied.

Staff recommended that the Board approve this rule for publication in the New Jersey Register.

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. EX18111244 – In the Matter of Rulemaking Proceeding to Amend the Renewable Portfolio Standard Pursuant to P.L. 2018, c.17 (Rule Adoption).

BACKGROUND AND DISCUSSION: This matter involved Staff recommending the Board to adopt the amendments to N.J.A.C. 14:8-2.3 and -2.6 to conform the current Renewable Portfolio Standard (RPS) rules to certain provisions of P.L. 2018, c. 17 (Clean Energy Act, CEA or Act).

The Clean Energy Act made several changes to RPS compliance obligations of regulated Third Party Electric Suppliers and Basic Generation Service Providers including:

- increasing the Class I RPS obligation to 50% by 2030;
- increasing the solar RPS over the current and the next three energy years while exempting Basic Generation Service (BGS) supply from contributing to the increased solar obligations; allocating the avoided increase from the exemption in a competitively neutral manner;
- setting a cap on the cost to customers of satisfying the Class I RPS that is equal to nine percent of total retail cost to customers in energy years 2019, 2020, and 2021 (EY19, EY20, and EY21) and seven percent of the total retail cost to customers in any energy year thereafter; and
- removing the provision in the law that allowed BGS Providers/TPS to submit Class I Renewable Energy Certificates (RECs) as well as Class II RECs to satisfy their Class II RPS obligations.

The amendments recommended for adoption are intended to implement these provisions. In addition, Staff recommended the Board adopt amendments which, although not expressly mandated by the Clean Energy Act, are necessary to make the processes governed by the RPS rules conform to the CEA requirements regarding the

increases in the Class I and Solar RPS and to reduce the likelihood of triggering the cost cap mandated by the Act.

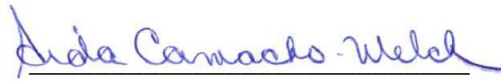
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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.

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



AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

Date: September 27, 2019