



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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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 New Jersey Board of Public Utilities was held on September 7, 2022, via online @ <https://youtu.be/xuXyDs-xxYE>.

Adequate notice of the meeting was provided pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-9.3. Notice was also provided in accordance with the requirements of N.J.S.A 48:2-32.8, and notice was posted to the Board's website and posted on the Board's bulletin board located at 44 South Clinton Ave., Trenton, New Jersey.

The following members of the New Jersey Board of Public Utilities were present:

Joseph L. Fiordaliso, President
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Robert M. Gordon, Commissioner
Dr. Zenon Christodoulou, Commissioner

President Fiordaliso presided at the meeting and Carmen D. Diaz, Acting Secretary of the Board, carried out the duties of the Secretary.

It was also announced that the next regular Board Meeting will be held on September 28, 2022 at 10:00 a.m. and would be a hybrid meeting at the Board's Hearing Room at 44 South Clinton Avenue, Trenton and livestreamed via YouTube.

EXECUTIVE SESSION

After appropriate motion, the following matter, which involved attorney-client privilege and/or contract negotiations exceptions, was discussed in Executive Session.

1. AUDITS

- A. Docket No. GA22020074 – In the Matter of an Audit of the Affiliated Transactions Between New Jersey Natural Gas Company and New Jersey Resources Corporation and its Affiliates and NJNG’s Compliance with Affiliate Relations and Fair Competition Standards and Electric Discount and Energy Competition Act and a Comprehensive Management Audit of New Jersey Natural Gas Pursuant to N.J.S.A. 48:2-16.4, 48:3- 49, 48:3-58 and N.J.A.C. 14:3-12.4, 14:4-5 et seq.**

Alice Bator, Director, Division of Audits, presented this matter.

BACKGROUND: This matter related to the audit of affiliated transactions of New Jersey Natural Gas Company (“NJNG”), its parent New Jersey Resources Corporation, affiliates and subsidiaries, and a comprehensive management audit of NJNG. Specifically, before the New Jersey Board of Public Utilities (“Board”) is the selection of the consultant.

Board Staff (“Staff”) recommended the Board approve Staff’s recommendation consistent with the discussion in executive session.

After appropriate motion, the Board reconvened to open session.

CONSENT AGENDA

I. AUDITS

There were no items in this category.

II. ENERGY

A. Docket No. GR22040253 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions.

BACKGROUND: On April 14, 2022, South Jersey Gas Company (“SJG”), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, seeking approval of an increase in its operating revenues of approximately \$73.1 million excluding Sales and Use Tax (“SUT”), to be effective for gas service provided on or after May 16, 2022. By Order dated May 18, 2022, the Board suspended the proposed rate increase until September 13, 2022 pending further action on this matter. The matter was subsequently transmitted to the New Jersey Office of Administrative Law as a contested case, and was assigned to Administrative Law Judge Jacob S. Gertsman for consideration and hearing.

Since a review of this matter would not be completed prior to September 13, 2022, Board Staff recommended that the Board issue an order further suspending the proposed rate increase until January 13, 2023, pending further action on this matter.

III. CABLE TELEVISION

A. Docket No. CM16090907 – In the Matter of the Joint Petition of Comcast of Mercer County, LLC and Comcast of Hopewell Valley, Inc., for Approval of a Merger and the Transfer of Certificates of Approval.

BACKGROUND: On October 25, 2017, Comcast of Hopewell Valley (“COHV”) and Comcast of Mercer County (“CMC”), both wholly owned subsidiaries of the Comcast Corporation, filed an amended petition with the New Jersey Board of Public Utilities (“Board”) requesting approval of a merger of COHV and CMC. The proposed transaction would result in COHV being merged with and into CMC and ultimately resulting in COHV’s Certificate of Approval (“COA”) being transferred from COHV to CMC, thus transferring all COHV’s customers and COHV’s COAs to CMC, where afterwards COHV will be effectively dissolved. Additionally, in the amended petition, COHV and CMC requested waivers from certain requirements under N.J.A.C. 14:17-6.18(a) (3), (4), (7) and (14). According to COHV and CMC, services would continue to be provided to the affected customers pursuant the Schedule of Prices and Terms and Conditions on file with the Board and that there will be no changes to the rates and services provided as a result of the transaction. COHV and CMC asserted that the transaction is in the public interest, will yield greater corporate efficiencies, produce synergy savings and administrative benefits that will allow the COHV and CMC to continue to provide high quality and innovative services after the transition.

Following a review of the petition, Board Staff recommended approval of the amended petition and the requested waiver from certain requirements under N.J.A.C. 14:17-6.18 as specified in the amended petition.

B. Docket No. CE20110731 – In the Matter of the Petition of Comcast of Wildwood, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Maple Shade, County of Burlington, State of New Jersey.

BACKGROUND: On September 25, 2020, the Township of Maple Shade (“Maple Shade”) was notified by Comcast of Wildwood, LLC (“Comcast”) of its intention to utilize the automatic renewal provision of its municipal consent. Maple Shade’s ordinance granting municipal consent, which was adopted February 15, 2006, granted a term of 15 years with an automatic renewal term of 10 years. The initial term expired on October 26, 2020. On November 24, 2020, Comcast filed a petition with the New Jersey Board of Public Utilities (“Board”) for an Automatic Renewal Certificate.

After review, Board Staff recommended approval of the Automatic Renewal Certificate. The certificate shall expire on October 26, 2030.

C. Docket No. CE21060922 – 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 Ocean City, County of Cape May, State of New Jersey.

BACKGROUND: On December 30, 2020, the City of Ocean City (“Ocean City”) was notified by Comcast of South Jersey, LLC (“Comcast”) of its intention to utilize the automatic renewal provision of its municipal consent. Ocean City’s ordinance granting municipal consent, which was adopted August 16, 2007, granted a term of 15 years with an automatic renewal term of 10 years. The initial term expired on January 31, 2021. On June 17, 2021, Comcast filed a petition with the New Jersey Board of Public Utilities (“Board”) for an Automatic Renewal Certificate.

After review, Board Staff recommended approval of the Automatic Renewal Certificate. The certificate shall expire on January 31, 2031.

D. Docket No. CE21060923 – 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 Township of Mullica, County of Atlantic, State of New Jersey.

BACKGROUND: On August 14, 2020, the Township of Mullica (“Mullica”) was notified by Comcast of South Jersey, LLC (“Comcast”) of its intention to utilize the automatic renewal provision of its municipal consent. Mullica’s ordinance granting municipal consent, which was adopted July 15, 2006, granted a term of 15 years with an automatic renewal term of 10 years. The initial term expired on September 14, 2020. On June 17, 2021, Comcast filed a petition with the New Jersey Board of Public Utilities (“Board”) for an Automatic Renewal Certificate.

After review, Board Staff recommended approval of the Automatic Renewal Certificate. The certificate shall expire on September 14, 2030.

IV. TELECOMMUNICATIONS

A. Docket No. TO20080542 – In the Matter of the Petition of Telrite Corporation d/b/a Life Wireless for Designation as an Eligible Telecommunications Carrier in the State of New Jersey.

BACKGROUND: On August 26, 2020, Telrite Corporation d/b/a Life Wireless (“Telrite”), filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting designation as an Eligible Telecommunications Carrier to provide Lifeline service to qualifying New Jersey consumers. Telrite did not seeking access to funds from the federal Universal Service Fund for the purpose of participating in the Link-Up Program or providing service to high-cost areas.

After a review of the petition, Staff recommended approval.

V. WATER

There were no items in this category.

VI. RELIABILITY AND SECURITY

A. Docket Nos. WS22080489K, ES22080490K, GS22080491K, GS22080492K, GS22080493K, GS22080494K, ES22080496K, GS22080497K, GS22080498K, GS22080499K, GS22080500K, GS22080501K, GS22080502K, GS22080503K, GS22080504K, GS22080505K and GS22080506K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 to -91.

BACKGROUND: This matter involved settlements of alleged violations of the Underground Facility Protection Act by both excavators and operators of underground facilities. This matter did not contain settlements involving catastrophic situations, death, or major property damage. The categories of infraction are failure to provide proper notice, failure to use reasonable care, and mismarking of facilities. The cases were settled in accordance with a penalty strategy, which escalates in relationship to aggravating factors, such as injury, property damage, fire, evacuation, road closure, and other public safety concerns, and provides disincentives for violations. There were 17 settlements which total \$51,000.00.

Staff of the New Jersey Board of Public Utilities (“Board”) recommended that the Board approve the settlements provided in the appendix.

VII. CUSTOMER ASSISTANCE

There were no items in this category.

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

There were no items in this category.

After appropriate motion, the consent agenda was approved.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Gordon	Aye
	Commissioner Christodoulou	Aye

AGENDA

1. AUDITS

A. Docket No. GA22020074 – In the Matter of an Audit of the Affiliated Transactions Between New Jersey Natural Gas Company and New Jersey Resources Corporation and its Affiliates and NJNG’s Compliance with Affiliate Relations and Fair Competition Standards and Electric Discount and Energy Competition Act and a Comprehensive Management Audit of New Jersey Natural Gas Pursuant to N.J.S.A. 48:2-16.4, 48:3- 49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-5 et seq. – Executive Session

Alice Bator, Director, Division of Audits, presented this matter.

BACKGROUND: This matter related to the audit of affiliated transactions of New Jersey Natural Gas Company (“NJNG”), its parent New Jersey Resources Corporation, affiliates and subsidiaries, and a comprehensive management audit of NJNG. Specifically, before the New Jersey Board of Public Utilities (“Board”) is the selection of the consultant.

Board Staff (“Staff”) recommended that the Board approve Staff’s recommendations consistent with the discussion 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 Gordon	Aye
	Commissioner Christodoulou	Aye

2. ENERGY

A. Docket No. GR22060373 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for F/Y 2023.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: June 1, 2022, New Jersey Natural Gas Company (“NJNG”) filed its annual Basic Gas Supply Service (“BGSS”) petition seeking approval to modified its current per therm BGSS, balancing charge, and Conservation Incentive Program (“CIP”) rates. Combining the BGSS, balancing charge and CIP recoveries result in an increase to after tax revenues of approximately \$111.58 million. Through discovery, NJNG updated its CIP schedules resulting in after tax revenue of approximately \$107.82 million. The parties determined that, while additional time was needed to complete a review of the petition, it was reasonable and in the public interest for NJNG to implement provisional rates. The parties entered into a stipulation. The stipulation for provisional rates would allow NJNG to provisionally modify the per therm BGSS balancing charge and CIP rates

subject to refund. As a result of the stipulation, a typical residential heating customer would experience an increase in their monthly bill of \$21.00.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board issue an order adopting the stipulation for service rendered on and after October 1, 2022, direct NJNG to file revised tariffs by September 30, 2022, and transmit this matter to the New Jersey Office of Administrative Law for hearing.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

B. Docket No. GR22060363 – In the Matter of Public Service Electric and Gas Company’s 2022/2023 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On June 1, 2022, Public Service Electric and Gas Company (“PSE&G”) filed its annual Basic Gas Supply Service (“BGSS”) petition seeking approval to increase its current per therm BGSS and balancing charge rates. PSE&G estimated that an increase in BGSS revenue of approximately \$339 million was required for the period October 1, 2022 through September 30, 2023 in order to eliminate the projected under recovery. The parties determined that, while additional time is needed to complete a review of the petition, it was reasonable and in the public interest for PSE&G to implement provisional rates. The parties executed a stipulation for provisional rates that would allow PSE&G to provisionally modify its per therm BGSS and balancing charge rates subject to refund. As a result of the stipulation, a typical residential customer would see an increase in their monthly bill of \$24.77, which does not include PSE&G’s proposed gas CIP filing.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board issue an order adopting the stipulation for service rendered on and after October 1, 2022, direct PSE&G to file revised tariffs by September 30, 2022, and transmit this matter to the New Jersey Office of Administrative Law for hearing.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

C. Docket No. GR22060366 – In the Matter of the Petition of Elizabethtown Gas Company to Review Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On June 1, 2022, Elizabethtown Gas Company (“Elizabethtown”) filed its annual Basic Gas Supply Service (“BGSS”) petition seeking approval to modify its current per therm periodic BGSS (“BGSS-P”) and Conservation Incentive Program (“CIP”) rates. Elizabethtown projected that its recoverable gas costs at the proposed rate would be approximately \$57.6 million higher than the level recovered by the current BGSS-P rates. Elizabethtown provided updated CIP schedules reflecting actual data from July 1, 2021 through June 30, 2022 that further modified the proposed CIP rates. The parties determined that, while additional time was needed to complete a review of the petition, it was reasonable and in the public interest for Elizabethtown to implement provisional rates. The parties executed a stipulation for provisional rates that would allow Elizabethtown to provisionally increase its per therm BGSS-P and modify the CIP rates consistent with the update, subject to refund. As a result of the stipulation, a typical residential customer would see an increase in their monthly bill of \$25.33.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board issue an order adopting the stipulation for service rendered on and after October 1, 2022, direct Elizabethtown to file revised tariffs by September 30, 2022, and transmit the matter to the New Jersey Office of Administrative Law for hearing.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

D. Docket No. GR22060364 – In the Matter of the Petition of South Jersey Gas Company to Revise Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On June 1, 2022, South Jersey Gas Company (“SJG”) filed its annual Basic Gas Supply Service (“BGSS”) petition seeking to increase its periodic BGSS rate, increase its balancing service clause, and modify its per therm Conservation Incentive Program (“CIP”) rates. Combining the BGSS balancing service clause and CIP recoveries resulted in an increase of \$91.3 million, including taxes. The parties determined that, while additional time was needed to complete a review of the petition, it was reasonable and in the public interest for SJG to implement provisional rates. The parties executed a stipulation for provisional rates that would allow SJG to provisionally modify its BGSS, balancing charge, and CIP rates subject to refund. As a result of this stipulation, a typical residential heating customer would see an increase in their monthly bill of \$31.49.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board issue an order adopting the stipulation for service rendered on and after October 1, 2022, direct SJG to file revised tariffs by September 30, 2022, and transmit this matter to the New Jersey Office of Administrative Law for hearing.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

E. Docket No. EM22050338 – In the Matter of the Letter Petition of Atlantic City Electric Company for a Waiver of the Requirements of N.J.A.C. 14:1-5.6 and for Approval Pursuant to N.J.A.C. 14:1-1.2 of the Sale of Certain Utility Assets to Lund’s Fisheries, Inc.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On May 12, 2022, Atlantic City Electric Company (“ACE”) filed a letter petition with the New Jersey Board of Public Utilities (“Board”) seeking a waiver of requirements of New Jersey Administrative Code 14:1-5.6 and approval of the sale of certain utility assets to Lund’s Fisheries, Inc. (“Lund”) for \$70,108.00 pursuant to N.J.A.C. 14:1-1.2. Pursuant to N.J.A.C. 14:1-5.6(d)(1), there are certain sales exempted from requiring a petition and Board approval where either, one, the sale of an asset is deemed to be in the ordinary course of business or, two, the sale price of the asset is less than \$100,000.00 and the asset is no longer used by or useful to the utility. Lund approached ACE requesting an analysis of what would be required to change its class of service from secondary service to primary service under ACE’s current tariff. ACE advised Lund that the change would require, one, acquiring ACE’s utility assets or, two, independently purchasing and installing similar equipment from a third-party supplier. It was expected that the change in service classification would save Lund \$73,000.00 annually. On July 6, 2022, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed comments with the Board recommending the sale be subject to certain conditions. One, the accounting for the proceeds of the sale be reviewed in ACE’s next base rate case or other appropriate proceeding directed by the Board. Two, ACE should credit the proceeds from the sale to its deferred liability account with interest to accrue for the benefit of ratepayers from the time of closing on the sale until ACE’s next base rate case. And, three, Rate Counsel reserves all rights to review ACE’s accounting for all costs and revenues from the installation, ownership, operation, maintenance, and sale in ACE’s next base rate filing or other appropriate proceeding for prudence, recoverability, and allocation. On August 8, 2022, ACE filed reply comments with the Board stating that from an accounting perspective, there would be no gain or proceeds on the sale since the purchase price represents the value of the undepreciated utility assets which offsets the property, plant, and equipment balance sheet account and requested that this recommendation not be included in the Board’s order.

Board Staff (“Staff”) recommended that the Board grant ACE’s waiver request and

approve the sale subject to the following conditions. One, ACE shall notify the Board and Rate Counsel if it anticipates any material changes in the sale. Two, the Board and Rate Counsel retain all rights to review all accounting, costs, and proceeds related to the acquisition, installation, ownership, operation, maintenance, and sale of the assets in ACE's next base rate case or other appropriate proceeding. Three, approval of the sale does not include or imply any position as to the prudence, recoverability, or allocation of the cost of acquiring, owning, operating, maintaining, or selling the assets. And four, the order shall not affect nor in any way limit the exercise of the authority of the Board or of the State in any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or any other matter affecting ACE.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

F. Docket No. GR22040247 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval for a Base Rate Adjustment Pursuant to the Infrastructure Investment Program.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On March 31, 2022, New Jersey Natural Gas Company ("NJNG") filed a petition seeking approval to adjust its base rates to provide for cost recovery associated with its Infrastructure Investment Program which was approved by the New Jersey Board of Public Utilities ("Board") in an order dated October 28, 2020. In the petition and as subsequently updated, NJNG sought to recover the projected revenue requirement associated with the capital investment cost through June 30, 2022 not yet recovered in base rates of approximately \$3.15 million. The parties executed a stipulation that would allow NJNG to recover a revenue requirement of approximately \$3.15 million consistent with the update on a provisional basis subject to refund. As a result of the stipulation, a typical residential customer would see an increase in their monthly bill of \$0.48.

Board Staff ("Staff") recommended that the Board issue an order approving the stipulation and direct NJNG to file revised tariffs by September 30, 2022.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

G. Docket No. GR22070466 – In the Matter of the Petition of Elizabethtown Gas

Company to (1) Suspend its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit.

Paul Lupo, Bureau Chief, Division of Water and Energy, presented this matter.

BACKGROUND: On July 29, 2022, Elizabethtown Gas Company (“Elizabethtown”) filed a petition seeking approval to suspend its Weather Normalization Clause (“WNC”) rate and revise its rates related to the New Jersey Clean Energy Program (“CEP”) component of its Societal Benefits Charge and its on-system margin sharing system credit (“OSMC”). The parties determined that, while additional time was needed to complete a review of the petition, it was reasonable and in the public interest for Elizabethtown to implement provisional rates. The parties executed a stipulation that would allow Elizabethtown to suspend its WNC rate and modify its CEP and OSMC rates on a provisional basis subject to refund. As a result of the stipulation, a typical residential heating customer would see a decrease in their monthly bill of \$0.26.

Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) recommended that the Board issue an order approving the stipulation and directing Elizabethtown to file revised tariffs by September 30, 2022.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

There were no items in this category.

6. RELIABILITY AND SECURITY

A. Docket No. GX22020048 – In the Matter of the Proposed Readoption of Substantial Amendments to N.J.A.C. 14:7 – Natural Gas Pipelines.

Francis Gaffney, Director, Division of Reliability and Security, presented this matter.

BACKGROUND: This matter related to the proposed readoption with substantial amendments to N.J.A.C. 14:7, natural gas pipelines. Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) proposed to readopt with substantial changes the Board’s existing rules contained within N.J.A.C. 14:7, et seq, entitled Natural Gas Pipelines, which would expire on December 16, 2022. These rules address the construction, operation, and maintenance of intrastate natural gas transmission and distribution pipelines and provide a mechanism to address violations of these rules. According to Staff, N.J.A.C. 14:7 is necessary and appropriate and that these rules will ensure that New Jersey’s natural gas pipeline operators will provide safe, adequate, and proper service.

On April 25, 2022, Staff held a stakeholder meeting to address possible amendments to the natural gas pipeline rules, any issues and their effect on the stakeholders. After the stakeholder meeting, the Board accepted comments from the stakeholder community for a period of 30 days through May 25, 2022. The readoption proposal contained substantial and technical amendments to reflect changes in technology and pipeline operator practices. Several key highlights of the proposed amendments included the addition of a definition for covered task, the addition of a requirement for pipeline operators to conduct distribution system emergency response drills, and modification of the emergency valve closure drill requirements. Additionally, the proposal added a new requirement for minute separation of certain backfill materials, modifies existing requirements to allow the use of alternate tracer wires, and modifies the warning tape requirements. There were also additional reporting requirements in several areas, additional leak grading classification and repair requirements. The proposal also contained edits to cleanup and clarify the language, update terminology, links, and references.

Staff recommended that the Board approve the proposed readoption with substantial and technical changes 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 Gordon	Aye
	Commissioner Christodoulou	Aye

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

A. Docket No. QO22070438 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Energy Efficiency Incentives Exceeding \$500,000 – Imclone Systems, Inc.

Dustin Wang, Division of Clean Energy, presented this matter.

BACKGROUND: Imclone Systems, Inc. submitted an application under the Pay For Performance-Existing Buildings program requesting approval from the New Jersey Board of Public Utilities (“Board”) of a financial incentive of \$607,680.22 for the implementation of energy conservation measures at a pharmaceutical manufacturing facility in Branchburg, New Jersey. The proposed project had a total cost of \$2,957,549.07. If approved, the application would cover the replacement of an existing chiller with a high efficiency variable speed chiller, a chilled water pump and motor replacement, variable speed drives on chilled water pumps, variable speed drives on hot water pumps, chiller water pump pressure reset controls, chiller optimization through staging controls, cooling tower optimization through staging controls, chiller glycol pump optimization through staging controls, temperature and pressure reset controls for air handling units, and boiler turndown improvement. Annually, this project was anticipated to conserve 2,544,001 kilowatt hours of electricity and reduce peak demand by 513 kilowatts. The proposed project had an estimated annual energy cost savings of \$177,895.00.

Board Staff (“Staff”) recommended approval of the application for the total estimated incentive amount.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

B. Docket No. QO22060384 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Energy Efficiency Incentives Exceeding \$500,000 – Valley Health System.

Dustin Wang, Division Clean Energy, presented this matter.

BACKGROUND: Valley Health Systems submitted an application under the Combined Heat and Power (“CHP”) Program requesting approval from the New Jersey Board of Public Utilities (“Board”) of a financial incentive of \$2,567,312.50 for the installation of a CHP gas engine at New Valley Hospital in Paramus, New Jersey. The proposed project had a total cost of \$10,735,213.00. If approved, the application would cover the installation of one 2,007 kilowatt CHP gas engine. The equipment will run on natural gas, utilized waste heat to run an absorption chiller for space cooling, and have black start and islanding capability. Annually, the project was anticipated to generate 14,608,400 kilowatt hours of electricity and is estimated to utilize 32,671 MMBtu of natural gas and thermal output. The project had an estimated annual energy cost savings of \$2,365,758.00.

Board Staff (“Staff”) recommended approval of the application for the total estimated incentive amount.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

C. Docket No. QO21071023 – In the Matter of the Implementation of P.L. 2018, c. 17 – Energy and Water Benchmarking of Commercial Buildings.

Philip Chao, Division Clean Energy, presented this matter.

BACKGROUND: On May 23, 2018, Governor Phil Murphy signed the Clean Energy Act (“CEA”) into law as L. 2018, c. 17. The CEA mandated that no later than five years after the date of enactment of the CEA, the New Jersey Board of Public Utilities (“Board”) shall require the owner or operator of each commercial building over 25,000 square feet in the State to benchmark energy and water use for the prior calendar year using the United States Environmental Protection Agency’s Portfolio Manager tool. Goal 3.3.2 of the New Jersey Energy Master Plan (“EMP”) calls for the transparent benchmarking energy labeling through a building energy performance and benchmarking program that reduces wasted energy and promotes market driven increases in energy efficiency. Benchmarking allows commercial building owners and operators to measure and analyze their respective facility’s energy and water use and compare their performance to similar or model buildings. Benchmarking provides building owners and operators with the necessary information to assess opportunities for performance improvements that reduce energy and water use and costs. Energy efficiency program managers can also use data from benchmarking to inform program design and to provide targeted incentives and outreach to qualified commercial buildings. To develop the benchmarking program, the Division of Clean Energy contacted many jurisdictions that already have benchmarking programs and sought feedback from a variety of stakeholders, including commercial real estate interests, utility companies, the United States Environmental Protection Agency, and environmental groups.

Board Staff (“Staff”) released a benchmarking program straw proposal for public comment on December 16, 2021 and held a public stakeholder meeting on January 6, 2022 to present the proposal and accepted comments through January 20, 2022. At the July 13, 2022 Board meeting, the Board approved the procurement of a customer relationship management system and help desk to facilitate communication with and support of building owners to meet the benchmarking requirements. Following review of all of the stakeholder comments and further discussions and research, Staff developed recommendations on the policy and implementation details of New Jersey’s first state-mandated benchmarking program.

Staff recommended that the covered buildings list be constructed from the classes of buildings in the State’s tax assessment database. Staff recommended including commercial buildings, which is class 4A, apartments designed for families, for five families

or more, which is class 4C, and State properties which is a subset of class 15C, which represents all public buildings. Preliminary analysis showed that the covered buildings list consists of approximately 30,000 buildings. The Board's Division of State Energy Services will assist State agencies to benchmark State buildings that are over 25,000 square feet so that the State can lead by example. With regard to campuses, Staff recommended applying the 25,000 square feet requirement and the individual building level such that all buildings on the campus that are over 25,000 square feet will be required to benchmark. The building owners would follow these steps to fulfill their benchmarking obligation. First, the Board would send them a notice informing them that their building is covered. Second, the building owner may apply for an exemption for cases such as when the building is unoccupied or is demolished. Third, if the building owner does not seek an exemption, the building owner will create a portfolio manager account and submit data access requests to their utility or energy and water utilities. Fourth, each of these utilities would apply the so-called 4/50 rule. Under this rule, if there are four, fewer than four tenants in a building or if one tenant exceeds 50 percent of the energy or water use in the building, the building owner must request each tenant's written consent to allow the applicable utility to provide energy and water use data for the consenting tenants. If there are four or more tenants in the building and no one, no one tenant exceeds 50 percent of the energy or water use in the building, the utility provides the aggregated data. If the building owner is also the utility customer, then these last three steps are not needed.

To support the building owners, the Board would provide training workshops, program information on the website, and a help desk. There are two ways for this aggregated building level data to be uploaded in the portfolio manager. The first way is through portfolio manager web services, which is a technology that facilitates the secure exchange of data between the utility and portfolio manager. The second way is through a portfolio manager spreadsheet template. Staff recommended that the regulated electric and gas utilities serving over 50,000 customer accounts implement data access services using the web services and that all other regulated utilities implement access services using the spreadsheet template. Staff stated that its recommendation seeks to protect individual ratepayers energy and water use information during the data exchange among the building owner, the utilities, and portfolio manager through data aggregation. Staff recommended that all regulated utilities provide aggregated building level data to building owners for the purpose of implementing the benchmarking requirement.

Staff also recommended the 4/50 rule and maintained that this data aggregation rule strikes a reasonable balance between ensuring consumer protection of utility data and meeting the EMP's benchmarking transparency goals in order to effectuate compliance with the CEA's benchmarking requirement. Staff proposed obtaining additional stakeholder feedback regarding the details of a public reporting approach that balances public awareness and the transparency goals of benchmarking with the protection of individual consumer's information. The first reporting year is January 2022 to December 2022. Staff recommended that the regulated utilities implement data access services by August 1, 2023 and that building owners make their data submissions for the first reporting year by October 1, 2023. Staff recommended July 1st as the data submission deadline and in subsequent reporting years.

Staff recommended that the Board approve Staff's recommendations as detailed in the Board order to establish the energy and water benchmarking program for large commercial buildings.

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 Gordon	Aye
	Commissioner Christodoulou	Aye

9. MISCELLANEOUS

There were no items in this category.

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



SHERRI L. GOLDEN
BOARD SECRETARY

Date: August 16, 2023