



Agenda Date: 10/7/09  
Agenda Item: 2I

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
Two Gateway Center  
Newark, NJ 07102  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

DIVISION OF ENERGY &  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF ENERGY EFFICIENCY ) ORDER ADOPTING STIPUATION  
PROGRAMS AND ASSOCIATED COST )  
RECOVERY MECHANISMS ) DOCKET NO. EO09010056

IN THE MATTER OF THE VERIFIED PETITION  
OF JERSEY CENTRAL POWER & LIGHT  
COMPANY CONCERNING A PROPOSAL FOR  
ECONOMIC STIMULUS DEMAND RESPONSE  
AND ENERGY EFFICIENCY PROGRAMS AND  
ASSOCIATED COST RECOVERY MECHANISM DOCKET NO. EO09010062

(SERVICE LIST ATTACHED)

BY THE BOARD

On October 2, 2009, Jersey Central Power & Light ("JCP&L" or "Company"), the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), the Staff of the New Jersey Board of Public Utilities ("Board Staff") and Gerdau Ameristeel ("Gerdau"), (collectively, the "Signatory Parties") entered into an agreement ("Stipulation") for an extension of the 180-day review period provision for cost recovery under N.J.S.A. 48:3-98.1(b), in connection with the Company's proposed Energy Efficiency Stimulus Programs ("EE Programs"). The only other party, the Natural Resources Defense Counsel ("NRDC"), was provided with the proposed Stipulation but did not indicate any position on the extension.

By this Order, the New Jersey Board of Public Utilities ("Board") considers the Stipulation extending the time frame for review of JCP&L's EE Programs.

Background and Procedural History

On February 20, 2009, JCP&L filed a petition ("EE Stimulus Petition") with the Board pursuant to N.J.S.A. 48:3-98.1. On March 20, 2009, Board Staff notified JCP&L that the filing was not administratively complete. By letter dated April 10, 2009 and filed on April 13, 2009, the

Company submitted a supplemental filing.<sup>1</sup> By letter dated May 9, 2009, Board Staff notified the Company that the EE Stimulus Petition, as supplemented on April 13, 2009, was deemed to be administratively complete with respect only to the EE Programs.<sup>2</sup> Thus, the 180 review period commenced on April 13, 2009 and, according to the Stipulation considered by this Order, ends on October 9, 2009 for each of the EE Programs.

### JCP&L EE Stimulus Petition

In the EE Stimulus Petition, JCP&L proposed to implement, among other things, the following EE Programs: (1) a “whole house” energy efficiency program for residential customers; and (2) a “whole building” energy efficiency program for non-residential customers. As noted above, the Company also proposed four small scale/pilot demand response programs that had been previously filed and remained pending before the Board in Docket No. EO08080542.<sup>3</sup> It is estimated that the two EE Programs will cost approximately \$12.7 million (including administrative costs) and will support approximately 84 jobs, plus three administrative positions.

The proposed segments are as follows:

- Residential Customers – The Whole House Energy Efficiency Program for Residential Customers, with a budget of approximately \$9.1 million, plus administrative costs, is designed to incentivize existing residential customers to use a whole house approach to reduce energy consumption when considering home improvements, heating and cooling system installations or replacing appliances. Among other things, the program will offer an on-line energy audit, buy-down of financing costs associated with the New Jersey Clean Energy Program (“NJCEP”) Home Performance With Energy Star program, enhanced incentives for heating and cooling appliance replacement and upgrades supported by the NJCEP, and community outreach and other efforts. The Company expects that management and implementation of this program will be provided through the NJCEP residential market managers or through third party providers.
- Non-Residential Customers – The Whole Building Energy Efficiency Program for Non-Residential Customers, with a budget of approximately \$3.1 million, plus administrative costs, is designed to enhance and complement existing NJCEP offerings by enabling continued non-residential investments in energy efficiency technologies supported by the New Jersey SmartStart Building (“SSB”) program, particularly targeting municipal, school

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<sup>1</sup> The Company's supplemental filing is date-stamped April 12, 2009. However, that date was Easter Sunday of this year, and it appears that some electronic or mechanical error must have occurred. Accordingly, the 180-day period for a Board determination on cost recovery associated with the EE Programs commenced on the following business day, April 13, 2009. The Stipulation memorializes the end of the 180-day period as October 9, 2009. However, further calculation shows that this date should actually be October 13, 2009.

<sup>2</sup> N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days, and, when a petition is determined to be administratively complete, set the beginning of the 180-day period from the date of the filing or the date of the filing of the last remediating document. In The Matter Of Electric Public Utilities And Gas Public Utilities Offering Energy Efficiency And Conservation Programs, Investing In Class I Renewable Energy Resources, And Offering Class I Renewable Energy Programs In Their Respective Service Territories On A Regulated Basis Pursuant To N.J.S.A. 48:3-98.1, BPU Docket No. EO08030164 (May 12, 2008).

<sup>3</sup> By letter dated May 15, 2009, JCP&L agreed to separate the processing of its then-pending four proposed demand response programs from the processing of the EE Stimulus Petition.

and state facilities. This program will entail, among other things, training seminars for customers, supplemental rebates for non-lighting energy efficiency investments supported by the SSB, supplemental grants for municipal, school, State and multi-family customers and evaluation of the energy savings impacts of the energy efficiency programs relative to customers' existing equipment. In implementing this program, the Company expects to work directly with the market managers as well as through one or more new contractors.

According to the EE Stimulus Petition, the Company wishes to recover the expenditures under the EE Programs with a full return over the 12-month period commencing immediately upon issuance of a Board Order approving the EE Programs. JCP&L has requested carrying costs on any unrecovered expenditures at a rate equal to its Weighted Average Cost of Capital ("WACC"), including income tax effects, as determined in its last base rate case (11.61 %). The applicable Rider or clause will be subject to deferred accounting, with interest at the same rate on over-and under-recoveries based on a 12-month amortization.

By Order dated February 19, 2009, the Board retained all EE matters for review and hearing and, as authorized by N.J.S.A. 48:3-32, designated President Jeanne M. Fox as the presiding officer who was authorized to rule on all motions that arise during the proceeding and modify any schedule(s) that may be set as necessary to secure just and expeditious determinations in this matter. Motions to intervene in this proceeding filed by Gerdau and the NRDC were granted by Orders dated April 6, 2009 and April 28, 2009, respectively, signed by Board President Jeanne M. Fox as presiding officer for this case.

Since the filing of the February 20 Petition, the Signatory Parties have engaged in extensive discovery and participated in a number of settlement and discovery conferences. In addition, the EE Programs were forwarded to the Center for Energy, Economic and Environmental Policy ("CEEPP") for performance of a Cost Benefit Analysis ("CBA") for each of the components of the EE Programs. While the Signatory Parties continued to discuss modifications to the EE Programs, as of October 7, 2009, the Signatory Parties had not been able to reach a settlement of all outstanding issues.

In light of the fact that the Signatory Parties' discussions may not be completed and a Stipulation of Settlement may not be ready for submission to the Board by the 180-day deadline, the Signatory Parties have agreed to request an extension to provide the Board with additional time to complete the processing of the EE Stimulus Petition and issue a final determination in this matter.

#### PROPOSED STIPULATION

The Signatory Parties have agreed that pursuant to N.J.S.A. 48:2-21.3, solely in connection with the EE Programs included in the EE Stimulus Petition, that the 180-day review period provision of RGGI shall now be deemed to expire on November 17, 2009 instead of on October 9, 2009. The Signatory Parties have agreed that the extension of the statutory deadline will provide additional time to develop their positions, so that the Board will have a fuller and more accurate record for review of the EE Programs before it issues a final determination in this matter. No parties oppose the Stipulation. NRDC was given notice of the proposed Stipulation and took no position.

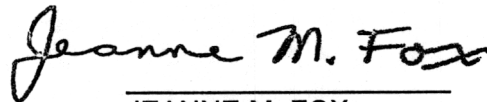
## DISCUSSION AND FINDING

N.J.S.A. 48:2-21.3 allows any public utility to file with the Board a written stipulation waiving the effective date of any tariff or rate, subject to the Board's approval. In this case, no parties have opposed the Stipulation and the extension of the review period it contains. JCP&L has agreed to an extension until November 17, 2009. The Board **FINDS** that the need of the parties to continue their discussions while developing their positions further and the time required for review of the expanded record of the proposed EE Programs which will result, justifies an extension of time beyond the current period to November 17, 2009.

For the foregoing reasons, the Board **HEREBY APPROVES** the attached Stipulation.

DATED: 10/8/09

BOARD OF PUBLIC UTILITIES  
BY:



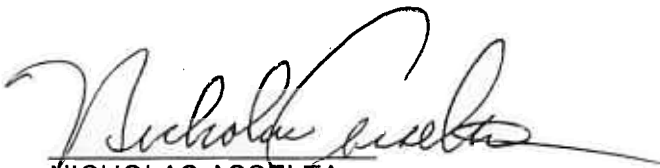
JEANNE M. FOX  
PRESIDENT



FREDERICK F. BUTLER  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER

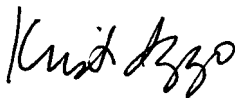


NICHOLAS ASSEFFA  
COMMISSIONER



ELIZABETH RANDALL  
COMMISSIONER

ATTEST



KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities

