



Agenda Date: 12/17/09

Agenda Item: 2N

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PJM DEMAND SIDE
RESOURCE REGISTRATION PROCESS

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ORDER

DOCKET NO. EO09120978

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") is charged under New Jersey law with the general supervision and regulation of, and jurisdiction and control over, all public utilities within the state, including electric utilities. N.J.S.A. 48:2-13; N.J.S.A. 48:2-21. The Board has the responsibility to require public utilities to furnish safe, adequate and proper service at just and reasonable rates. N.J.S.A. 48:2-23; N.J.S.A. 48:2-21. N.J.S.A. 48:2-13(d) provides the Board with the necessary jurisdiction with respect to the production of electricity and gas to assure the reliability of electricity and gas supply to retail customers in the State as prescribed by the Board or any other federal or multi-jurisdictional agency responsible for reliability and capacity in the State.

On November 20, 2009, PJM made a compliance filing with the Federal Energy Regulatory Commission ("FERC") in FERC Docket Nos. RM07-19-001 and ER09-701-000. PJM submitted to the FERC tariff revisions that address how PJM will process existing and future Economic Load Response and Emergency Load Response registrations. These tariff revisions specifically recognize the Board's ability to prohibit, condition, or permit the eligibility of end-use customers to participate as a demand side resource in the PJM markets. The tariff makes a distinction between electric distribution companies ("EDCs") and load serving entities ("LSEs") that distributed more than 4 million Megawatt hours ("MWh") in the previous fiscal year versus those EDCs and LSEs that distributed 4 million MWh or less in the previous fiscal year.

For EDCs and LSEs that distributed more than 4 million MWh in the previous fiscal year, the end use customers can remain participants in PJM's demand side resource ("DSR") programs without Board action.¹ For EDCs and LSEs that distributed 4 million MWh or less in the previous fiscal year, the end use customers are not permitted to participate in PJM's DSR programs without Board action. Furthermore, PJM has stated that it will terminate certain DSR registrations for end-use sites that are served by EDCs and LSEs that distributed 4 million MWh or less in the previous fiscal year on December 18, 2009 unless the EDC or LSE provides

¹ While the Board retains the authority to prohibit or condition end use customers from participating in PJM's DSR programs, this Order does not address those conditions.

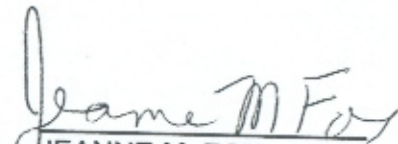
evidence to PJM of the relevant electric retail regulatory authority permission or conditioned permission to participate in PJM's DSR programs.

Currently, there are end use customers served by EDCs and LSEs within New Jersey that distributed 4 million MWh or less in the previous fiscal year and that are registered in PJM's DSR programs. The demand response that these customers provide helps to maintain the integrity of the electric grid by reducing load when the system is nearing peak load, and avoids the adverse economic and environmental impacts of running the grid's costliest and least efficient generating plants to meet that peak. In short, end use customers that are registered in PJM's DSR programs provide benefits to electric consumers in the State which is in the public interest. This public interest is served by those end use customers served by all EDCs and LSEs, and the 4 million MWh threshold is not significant to the Board's current understanding of the public benefit derived from these programs.

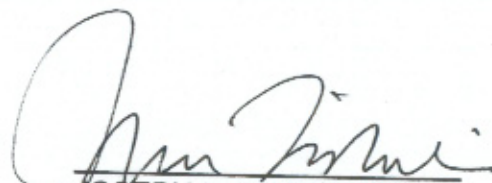
Accordingly, the Board HEREBY RECOGNIZES AND AFFIRMS that it is an electric retail regulatory authority as referenced in FERC Order 719 and Order 719-A. The Board HEREBY FINDS that the continuation of all end-use customer registrations in PJM's DSR programs on December 18, 2009 is in the public interest. Therefore, the Board HEREBY AUTHORIZES those end use customers that are served by an EDC or LSE that has distributed 4 million MWh or less in the previous year to participate in PJM's DSR programs in general, and FURTHER AUTHORIZES those demand responses to be bid into the market as deemed appropriate by the relevant end use customers, EDCs, and/ or LSEs.

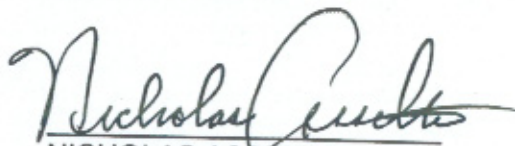
DATED: 12/17/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

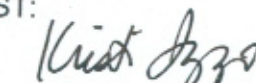

FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
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

