



Agenda Date: 2/11/15  
Agenda Item: 2H

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY )  
NATURAL GAS COMPANY FOR APPROVAL OF THE )  
EXTENSION OF ENERGY EFFICIENCY PROGRAMS )  
AND THE ASSOCIATED COST RECOVERY )  
MECHANISM PURSUANT TO N.J.S.A. 48:3-98.1 )  
DOCKET NO. GO14121412

**Parties of Record:**

**Andrew Dembia, Esq.**, New Jersey Natural Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 (the "Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize energy efficiencies.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

On July 17, 2009, the Board authorized New Jersey Natural Gas Company ("NJNG" or "Company") to implement three energy efficiency programs: 1) Home Performance with Energy Star ("HPES") Enhancements; 2) Enhanced Warm Advantage Rebate Program; and 3)

Commercial Customer Direct Install Program as part of the Economic Stimulus Plan announced in October 2008<sup>1</sup> ("Original Programs"). The programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings including the ongoing WarmAdvantage, COOLAdvantage, HPES, Commercial Direct Install and Smart Start Building programs. The NJNG programs were available to eligible customers for approximately twelve months. In the event there was still program funding available after that period, NJNG could continue to offer the approved programs through December 31, 2010.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011<sup>2</sup>. In addition to authorizing modifications to the Original Programs, the September 2010 Order authorized the Company to implement an OPOWER pilot through which customers could obtain information about their specific energy use in comparison to comparable households, an incremental incentive for Combined Heat and Power ("CHP") projects undertaken in conjunction with NJCEP, and a program with that offers eligible customers an opportunity for customized provisions, Fostering Environmental and Economic Development ("FEED") (collectively, "NJNG SAVEGREEN Project").

By Order dated January 18, 2012, the Board further extended the NJNG SAVEGREEN Project, with modifications, for an additional 12 months.<sup>3</sup> In addition, NJNG also received approval to implement its proposed Access Program, which offered higher efficiency heating equipment through conversions to natural gas for electric heat customers receiving benefits from the Universal Service Fund Program. By Order dated June 21, 2013, the Board authorized NJNG to further extend the NJNG SAVEGREEN Project, with modifications through June 30, 2015.<sup>4</sup>

### **December 2014 Filing**

On December 17, 2014, NJNG filed the instant petition with the Board. The Company seeks approval to continue, with modifications, the current energy-efficiency programs and the no-interest on-bill-repayment-program offered in the NJNG SAVEGREEN Project over a three year period beginning no later than July 2015. The petition also seeks approval for a continuation of the Board-approved mechanism for cost recovery.

The total proposed gross investment for these programs is \$127.95 million. NJNG proposes to recover the costs through Rider F in NJNG's tariff.

### **DISCUSSION**

The Board determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Upendra J. Chivukula as the presiding officer who is authorized to rule on all motions that arise during the

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<sup>1</sup> In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND I/M/O the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and GO09010057, Order dated July 17, 2009.

<sup>2</sup> In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010.

<sup>3</sup> In re the Petition of New Jersey Natural Gas Company for Approval of an Extension of the Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 18, 2012.

<sup>4</sup> In re the Petition of New Jersey Natural Gas Company for Approval of an Extension of the Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013.

pendency of these proceedings, and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Further, the Board **HEREBY DIRECTS** that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by February 27, 2015.


To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1, and to allow development of a complete record, the Board **HEREBY AUTHORIZES** Commissioner Upendra J. Chivukula to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180 day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding.

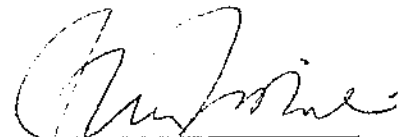
Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

The effective date of this Order is February 23, 2015.

DATED: 2/11/15

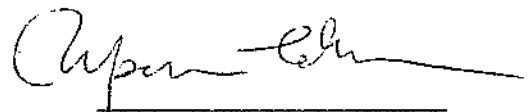
BOARD OF PUBLIC UTILITIES  
BY:

  
RICHARD S. MROZ  
PRESIDENT

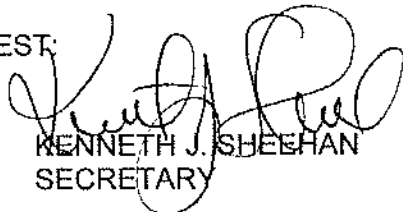
  
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DIANNE SOLOMON  
COMMISSIONER

  
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:

  
KENNETH J. SHEEHAN  
SECRETARY

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



IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR  
APPROVAL OF THE EXTENSION OF ENERGY-EFFICIENCY PROGRAMS AND THE  
ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO N.J.S.A. 48:3-98.1  
BPU DOCKET NO. GO14121412

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