

Agenda Date: 4/25/18 Agenda Item: 8C

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS AND ENERGY EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1

ORDER DESIGNATING COMMISSIONER, SETTING MANNER OF SERVICE AND BAR DATE

DOCKET NO. GO18030350

Parties of Record:

Stacy A. Mitchell, Esq., South Jersey Gas Company **Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, <u>L</u>. 2007, <u>c</u>. 340 ("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 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 costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

By Order dated July 24, 2009, the Board authorized South Jersey Gas Company ("SJG" or "Company") to implement five energy efficiency programs ("EEPs"): 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 3) Combined Heat and Power; 4) Commercial Customer Direct Install Financing; and

Agenda Date: 4/25/18 Agenda Item: 8C

5) Non-Residential Energy Efficiency Investment as part of the Economic Stimulus Plan announced in October 2008¹ ("Original Programs"). The programs were designed to complement or supplement existing New Jersey Clean Energy Program offerings. The SJG programs were to be available to eligible customers for approximately twenty-one (21) months.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carryover individual program under-spending of the Original Programs through December 31, 2011² ("January 2011 Order"). The January 2011 Order also allowed an extension of SJG's monthly program investment and operating and maintenance ("O&M") costs associated with the Original Programs to continue until April 30, 2012. In addition, the January 2011 Order also authorized the Company to reallocate money within the Original Programs.

By Order dated June 21, 2013 ("June 2013 Order"), the Board authorized SJG to continue offering four EEPs through June 30, 2015: the Residential Home Performance and Finance Energy Efficiency Program; the Non-Residential Energy Efficiency Investment Program; the Enhanced Residential HVAC Rebate Program; and the Commercial Customer Direct Install Financing Program.³ The June 2013 Order also authorized SJG to continue its Energy Efficiency Tracker ("EET") to recover all prudently incurred costs associated with the EEPs. By Order dated August 19, 2015 ("August 2015 Order"), the Board authorized SJG to continue its existing programs with modifications and to implement a new marketing program, as well as continuing cost recovery through a separate component of the EET cost recovery mechanism.⁴ On January 25, 2017, the Board authorized a no cost extension of the existing energy efficiency programs.⁵

March 2018 Filing

On March 29, 2018, SJG filed the instant petition with the Board. In the filing, the Company seeks approval to continue its existing energy efficiency programs with certain modifications and with new names. In addition, the Company requests approval of six new programs. SJG proposes to implement the new and existing programs over a five year period commencing upon issuance of a Board Order with a total budget of approximately \$195 million. The Company proposes to recover the costs associated with the EEPs through the EET set forth in Rider N of the Company's tariff.

2

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket Nos. E009010056 and G009010059 (July 24, 2009).

² In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an <u>Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1</u>, BPU Docket No. GO10110861 (January 19, 2011).

³ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an <u>Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1</u>, BPU Docket No. GO12050363 (June 21, 2013).

⁴ <u>I/M/O the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency</u> <u>Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1</u>, Dkt. No. ER15010090 (August 19, 2015).

⁵ <u>I/M/O the Petition of South Jersey Gas Company</u> for Approval to Continue its Energy Efficiency <u>Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1</u>, Dkt. No. ER15010090 (January 25, 2017).

DISCUSSION

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, <u>HEREBY</u> <u>DESIGNATES</u> Commissioner Dianne Solomon as the presiding officer who is authorized to rule on all motions that arise during the 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 <u>HEREBY</u> <u>DIRECTS</u> that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by May 27, 2018.

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 <u>HEREBY</u> <u>AUTHORIZES</u> Commissioner Dianne Solomon to render decisions on stipulations 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. The authority so delegated is limited to extensions that do not collectively exceed 180 days, with any further requests for extensions to be directed to the Board.

Also in the interests of economy, all parties are <u>HEREBY</u> <u>DIRECTED</u> 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 two hard copies to each party, unless otherwise requested by the parties. Finally, the Board <u>HEREBY</u> <u>DIRECTS</u> Staff to post this Order on the Board's website.

This Order shall be effective on May 5, 2018

DATED: 4/25/18

BOARD OF PUBLIC UTILITIES BY:

IOŚEPH L. FIORDALISO PRESIDENT

3

MARY-ANNA HOLDEI COMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

DIANNE

COMMISSIONER

ROBERT M. GORDON COMMSSIONER

ATTEST:

AIDA CAMAC SECRETARY

HEREBY CENTIFY that the within document is a true copy of the origination in the files of the Board of Public Utilities. BPU DOCKET No. GO18030350

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4

Agenda Date: 4/25/18 Agenda Item: 8C

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