



Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

Aida Camacho-Welch
Secretary of the Board
Tel. # (609) 292-1599

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

NOTICE¹

New Jersey Energy Efficiency Transition **Stakeholder Meeting – Utility Targets**

Pursuant to the “Open Public Meetings Act,” N.J.S.A. 10:4-6 *et seq.*, the New Jersey Board of Public Utilities (“NJBPU” or “Board”) hereby gives notice of a Public Stakeholder Meeting to discuss the New Jersey Energy Efficiency Transition.

NJBPU Staff continues its efforts to engage with stakeholders and continues to hold several issue-specific public stakeholder sessions related to energy efficiency. This is the sixth meeting in this series and will focus on the topic of the application of utility energy use reduction targets. NJBPU will be soliciting stakeholder input on a draft proposal related to the development and implementation of utility energy use reduction targets, quantitative performance indicators (QPIs), and the review of utility performance related to energy efficiency and peak demand reduction programs, which will be shared in advance of the meeting.

The public meeting will be held at the following date, time, and place:

Date: Tuesday, February 4, 2020
Time: 11:00 a.m. to 1:00 p.m.
Location: Thomas Edison State College
111 W State Street
Trenton, NJ 08608

Background

On May 23, 2018, Governor Phil Murphy signed into law P.L. 2018, c. 17 (C.48:3-87.3-87.7) (“Act”). N.J.S.A. 48:3-87.9 requires public utilities in the state to reduce the use of electricity and natural gas in their service territories. Specifically, the Act states that, by May 23, 2019, the Board shall require (a) each electric public utility to achieve, within its territory by its customers, annual reductions of 2 percent of the average annual electricity usage in the prior three years within five years of implementation of its electric energy efficiency program; and (b) each natural gas public

¹Not a Paid Legal Advertisement.

utility to achieve, within its territory by its customers, annual reductions in the use of natural gas of 0.75 percent of the average annual natural gas usage in the prior three years within five years of implementation of its gas energy efficiency program. N.J.S.A. 48:3- 87.9(a).

In addition, the law requires that:

. . . the board shall adopt quantitative performance indicators pursuant to the “Administrative Procedure Act,” P.L. 1968, c. 401 (C.52:14B-1 et seq) for each electric public utility and gas public utility, which shall establish reasonably achievable targets for energy usage reductions and peak demand reductions and take into account the public utility’s energy efficiency measures and other non-utility energy efficiency measures including measures to support the development and implementation of building code changes, appliance efficiency standards, the Clean Energy program, any other State-sponsored energy efficiency or peak demand reduction programs, and public utility energy efficiency programs that exist on the date of enactment of P.L. 2018, c. 17 (C.48:3-87.8 et al.). In establishing quantitative performance indicators, the board shall use a methodology that incorporates weather, economic factors, customer growth, outage-adjusted efficiency factors, and any other appropriate factors to ensure that the public utility’s incentives or penalties determined pursuant to subsection e. of this section and section 13 of P.L. 2007, c. 340 (C.48:3-98.1) are based upon performance and take into account the growth in the use of electric vehicles, microgrids, and distributed energy resources. In establishing quantitative performance indicators, the board shall also consider each public utility’s customer class mix and potential for adoption by each of those customer classes of energy efficiency programs offered by the public utility or that are otherwise available. The board shall review each quantitative performance indicator every three years. A public utility may apply all energy savings attributable to programs available to its customers, including demand side management programs, other measures implemented by the public utility, non-utility programs, including those available under energy efficiency programs in existence on the date of enactment of P.L. 2018, c. 17 (C.48:3-87.8 et al.), building codes, and other efficiency standards in effect, to achieve the targets established in this section.

[N.J.S.A. 48:3-87.9(c).]

Other applicable sections of the Act include Section 87.9(e)(1) through (3), which call for each utility to file an annual petition with the Board to demonstrate compliance with the targets established pursuant to the quantitative performance indicators and for incentives and penalties to be applied when a utility achieves or fails to achieve the targets.

Furthermore, the Act states that:

The Board shall establish a stakeholder process to evaluate the economically achievable energy efficiency and peak demand reduction requirements, rate adjustments, quantitative performance indicators, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities.

[N.J.S.A. 48:3-87.9(f)(1).]

The Board solicited input related to energy efficiency and peak demand program administration at a public meeting on September 25, 2019 and invited stakeholders to provide written comments on that topic by October 4, 2019. The Board solicited further input related to energy efficiency and peak demand programs at a public meeting on October 30, 2019 and invited stakeholders to provide written comments on that topic by November 6, 2019. The Board solicited input related to evaluation, measurement, and verification of these programs, as well as about filing and reporting requirements, at meetings on December 18, 2019 and invited stakeholders to provide written comments by January 17, 2020. Additionally, the Board hosted two (2) technical working group meetings on cost recovery on October 31, 2019 and December 13, 2019 and invited stakeholders to provide written comments on the topic by November 14, 2019 and January 3, 2020, respectively; the Board also hosted a public meeting on the topic on January 23, 2020. Staff also released the draft “Energy Efficiency and Peak Demand Program Administration Straw Proposal” on December 20, 2019 and accepted comments through January 17, 2020.

Next Steps

Staff hereby announces this February 4 public stakeholder meeting, which continues stakeholder engagement on the energy efficiency transition. Members of the public are invited to attend and present their views. Please note that this public stakeholder meeting is limited to comments concerning the application of utility energy use reduction targets.

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations for disabled citizens to the Office of the Secretary of the Board at (609) 777-3300 at least 48 hours prior to the scheduled meeting so that appropriate arrangements can be made.

Members of the public may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 9th Floor, Post Office Box 350, Trenton, New Jersey 08625-0350, Attn: Aida Camacho-Welch, regardless of whether they attend the public meetings. Written comments may also be submitted electronically to EnergyEfficiency@bpu.nj.gov in PDF or Word format. **Please include a subject line of “Application of Utility Targets.” All comments must be received on or before 5 p.m. on Friday, February 7, 2020.**



Aida Camacho-Welch
Secretary of the Board

Dated: January 27, 2020