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June 17, 2016

By Hand Delivery and Electronic Mail
Honorable Irene Kim Asbury, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: CRA Straw Proposal and Proposed Fiscal Year 2017 Budgets
I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2017 Clean Energy Program
BPU Docket No. QO16040352
and I/M/O the Clean Energy Programs and Budget for the Fiscal Year 2017
BPU Docket No. QO16040353

Dear Secretary Asbury:

Please accept this original and ten copies of Comments submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-captioned matter. Copies of the comments are being provided to all parties on the e-service list by electronic mail and hard copies will be provided upon request to our office.

We are enclosing one additional copy of the comments. Please stamp and date the extra copy as "filed" and return it in our self-addressed stamped envelope.

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Thank you for your consideration and assistance.

Respectfully submitted,

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CRA Straw Proposal and Proposed Fiscal Year 2017 Budgets

I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2017 Clean Energy Program BPU Docket No. QO16040352

and

I/M/O the Clean Energy Programs and Budget for the Fiscal Year 2017 BPU Docket No. QO16040353

Comments of the New Jersey Division of Rate Counsel

June 17, 2016

INTRODUCTION

The Division of Rate Counsel ("Rate Counsel") would like to thank the Board of Public Utilities ("BPU" or "Board") for the opportunity to present comments on the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis ("CRA") Straw Proposal and proposed Fiscal Year 2017 Budgets for the New Jersey Clean Energy Program ("NJCEP" or "CEP").

On May 31, 2016, the Board's Office of Clean Energy ("OCE" or "Staff") released for public comment a "Straw Proposal" and supporting schedules describing the history and current status of the CEP and providing Staff's recommendations regarding the CEP budget for Fiscal Year 2017. In addition, Staff posted Compliance Filings containing descriptions and budgets for OCE's proposed individual program offerings. The Board's Program Administrator, Applied Energy Group ("AEG"), submitted a Compliance Filing containing the details of a broad portfolio of programs designed to promote energy efficiency, distributed energy and renewable energy. The State's seven electric and gas utilities submitted a Compliance Filing describing their proposals for the State's Comfort Partners program, which is a program administered by the utilities using CEP funding to improve the affordability of energy for low-income households through energy efficiency and conservation. The OCE submitted a Compliance Filing containing its proposals regarding OCE's administrative activities and for the CEP-funded programs managed by the New Jersey Economic Development Authority ("EDA") and Sustainable Jersey." Finally, the OCE released for comments proposed updates to its Protocols to Measure Resource Savings.

In accordance with the Notice posted by the Board on May 31, 2016, a public hearing on the above proposal was held on June 10, 2016. Rate Counsel participated in that hearing and presented some initial observations on the OCE's proposal.

The current CRA process is occurring a few months after the New Jersey Department of the Treasury's December 1, 2015 award of a Program Administrator contract to AEG. (OCE Straw Proposal, pp. 4-5.) As noted in the Straw Proposal, AEG is currently developing proposed refinements to the OCE's existing Clean Energy program offerings, while simultaneously initiating a broader strategic planning process aimed toward more comprehensive changes staring in Fiscal Year 2018. (OCE Straw Proposal, p. 6.) Staff is accordingly presenting proposal for a single fiscal year, Fiscal Year 2017 ("FY17"), with the expectation of returning to a multi-year CRA process starting with Fiscal Year 2018. (OCE Straw Proposal, p. 5.)

In view of the transitional status of the NJCEP, the limited changes in the current programs being proposed at the present time, and the short time period provided for comment, Rate Counsel is not providing comprehensive comments on the materials posted for comment on May 31, 2016. The comments below are to provide the Board with some general observations and concerns about the Board's CRA process in general and about some specific program elements. Rate Counsel also provides comments on the proposed Protocols for measuring energy savings.

GENERAL COMMENTS

Strategic Planning and Evaluation

As noted above, the OCE is proposing a single-year CRA which essentially maintains the status quo, with some refinements, while working toward a comprehensive program re-design to be incorporated in a multi-year CRA. As stated in the OCE' Straw Proposal, while AEG had begun to implement some refinements in the OCE's existing programs, the broader strategic planning process that is needed to develop a multi-year CRA has just begun. (OCE Straw Proposal, p. 6.) In order to maintain continuity, it is reasonable to maintain the status quo for one more year.

Rate Counsel is encouraged by the progress that has occurred to date following the award of the Program Administrator contract to AEG. As noted below, AEG appears to be working toward improved coordination between the NJCEP programs and the programs offered by the State's energy utilities. There also appears to be a focus on simplifying processes for program participants and contractors, and on improving levels of participation. Rate Counsel also is encouraged by the OCE's efforts to strengthen its data collection and evaluation program. As the OCE notes, strategic planning is a dynamic process that needs to be informed by market feedback, program experience and evaluation results. (OCE Straw Proposal, p. 7.) OCE's proposal recognizes program evaluation as an integral part of the Clean Energy Program, and describes the specific evaluation activities planned for FY17. (OCE Straw Proposal, pp. 7-8.) Rate Counsel looks forward to continuing to work with the OCE and the new Program Administrator to develop a comprehensive portfolio of Clean Energy programs for the State.

Budgeting Process

Rate Counsel has identified some concerns about the NJCEP budgeting process that should be addressed in future CRA and budget proceedings. The OCE's proposed FY17 budget and the related compliance filings were released for public review and comment late in the afternoon on May 31, 2016, allowing only 10 calendar days to prepare for the public hearing held on June 10, 2016 and less than three weeks to prepare written comments by the June 17, 2017 deadline. This is not a sufficient time to allow for a meaningful review of a budget totaling in excess of $500 million.

Further, the materials provided for review are not sufficient to inform the public of the basis for the amounts budgeted. The OCE's proposed budget is presented in a summary table appearing at page 10 of the Straw Proposal, and seven pages of more detailed tables entitled "NJ Clean Energy Program Proposed FY2017 Budget" ("OCE Budget Tables") that were posted on the OCE's website. Neither source contains any narrative explanation of the historical experience, assumptions, and policy choices underlying the proposed budget amounts.

It is difficult to glean much information about the budgeting process from the OCE Budget Tables. The OCE appears to have based its budget proposals on forecast results for Fiscal Year 2016, which is presented in summary form on the fourth of the OCE Budget Tables. The forecasted results for Fiscal Year 2016 are merely listed by broad budget categories; there is no explanation of the basis for the forecasted results, and no indication of how these forecasts relate to actual expenditures to date. The OCE also has not explained the rationale for increasing or decreasing the budgeted amounts for each budget category and program to arrive at its proposed budget allocations for Fiscal Year 2017. Such explanation is also lacking in the compliance filings provided by AEG, the OCE and the utilities. For example, AEG's compliance filing provides detailed descriptions of the many programs it is responsible for administering and a table depicting a detailed budget—but no explanation of how proposed budget for each program was determined.

In the future, the OCE and AEG should provide the public with additional information to allow for a meaningful review of its proposed budget. In addition to the summary schedules such as those provided in the current budget process, the public should be provided with supporting schedules that show how the budget proposals were calculated. In addition, the OCE Straw Proposal and the related Compliance Filings should also include explanations of the history, assumptions and policy choices underlying the proposals.

There is also a lack of transparency with regard to the "State Energy Initiatives" budget category. Based on prior NJCEP budget proceedings, this budget category appears to refer to Clean Energy funds amounts expected to be appropriated by the New Jersey Legislature as part of the State Budget. The OCE's Straw Proposal includes only the following brief description of this budget category:

> **State Energy Initiatives**
> The expenditure for State energy initiatives recognizes that the State's EE initiatives extend beyond the BPU. Through energy efficiency efforts implemented by sister agencies, the office of Air Quality, Energy and Sustainability in DEP, the State conducts valuable research on clean energy technologies. Funding SAGE [the State's System for Administering Grants Electronically] is consistent with EDECA in that a goal of SAGE is to accelerate the transition to a clean energy economy. Specifically, SAGE aims to "speed deployment of solar energy, offshore wind, sustainable biomass, geothermal, alternative fuels and vehicles, and innovative technologies like energy storage, fuel cells and tidal energy." By supporting SAGE, the NJCEP is furthering its commitment to EE and RE programs. Likewise, NJ Transit aims to implement strategic energy efficiency initiatives to lower utility costs. Such efforts have a direct impact on utility costs and should be encouraged. [OCE Straw Proposal, pp. 12-13.]

Fiscal Year 2017 Budgeted Amounts

The proposed total Clean Energy Fund budget (including appropriations) for FY17 of $513 million is higher than both the originally adopted Fiscal Year 2016 budget of $479 million total and the true up budget of $492 million. The total CEP budget is about $14 million higher than the originally adopted Fiscal Year 2016 budget, and State Energy Initiatives budget is $20 million higher. With respect to sources of funds, SBC collections remain the same, at about $345 million. Other resources of $16 million, including loan repayments, interest, and carry forward of unspent /uncommitted balances from FY16, and a $152 million carryover of the forecasted committed balance for FY16, bring the total proposed FY17 CEP budget to $513 million.

In the past, Rate Counsel has expressed concerns about the OCE's record of failing to expend budgeted amounts and carrying over increasingly large amounts of unexpended funds to the following year's budget. This trend appears to have continued in Fiscal Year 2017. Rate Counsel is hopeful that, as a result of the strategic planning process, the OCE will be better able to utilize budgeted funds in the future. In any event, as Rate Counsel has suggested in other comments, that the Board should establish a mechanism for returning unexpended funds to ratepayers, rather than continuing the practice of simply rolling unexpended funds into the budget for the following fiscal year.

ENERGY EFFICIENCY

The FY17 CRA straw proposal for energy efficiency ("EE") programs includes a number of well-considered improvements to the previous programs, incentives, and budgets, and seems to be geared towards improved coordination between CEP programs and the utility programs. There also appears to be a significant focus on making things easier, more convenient, and less confusing for contractors and customers, and on improving levels of participation among customers.

Overall, it seems like the OCE and AEG have proposed a modest and sensible set of changes for 2017 while the Board works on the multi-year strategic plan, the new marketing plan, and new website. Going forward, Rate Counsel looks forward to participating fully in the multi-year strategic planning process and associated implementation proceedings. Rate Counsel offers more specific comments below on the EE proposals.

While many of the proposed initiatives found in the CRA Straw Proposal are appropriate as described, Rate Counsel has specific recommendations for improvements in the following areas:

1. Program Evaluation;
2. Cost Benefit Analysis ("CBA");
3. Protocols to Measure Energy Savings;
4. CEP Programs; and
5. Comfort Partners Program.

The following subsection sets forth Rate Counsel's comments on these areas

Program Evaluation

There has recently been an increased focus on evaluation and accountability by the OCE and the program administrators, which should help to ensure that maximum benefits are derived from ratepayers' investments in energy efficiency and low-income programs. This focus and associated improvements derive in part from recent studies such as the *ERS Process Evaluation Study* (January 2016) ("ERS Process Evaluation Study"), the APPRISE *New Jersey Comfort Partners Final Evaluation Report* (December 2014), CEEEP's *2014-2015 Evaluation and Research Plan: New Jersey's Clean Energy Program Energy Efficiency and Renewable Energy*

Programs (April 2014) and the ERS *Review and Benchmarking of the New Jersey Clean Energy Program* Report (February 2015) ("ERS Benchmarking Study").

For example, according to the OCE's FY17 Compliance Filing (p.6):

> Rutgers University's Center for Energy, Economic and Environmental Policy (CEEEP) has been engaged by the Office of Clean Energy (OCE) to manage program evaluation and related research activities and to perform cost-benefit analyses. CEEEP will develop evaluation and related research plans, solicit input on the plans from the OCE, the Energy Efficiency (EE) and Renewable Energy (RE) Committees, program administrators and managers and others, and it will implement such plans upon approval by the OCE.

CEEEP is also assigned a role in implementation, and/or in the development of RFPs for outside contractors to perform the evaluations, to track implementation, and "to track progress towards the EE and RE goals set out in the EMP [Energy Master Plan]." (FY17 Compliance Filing p.6) The OCE further notes the ongoing program evaluation activities scheduled to be completed in FY17 (OCE Compliance Filing, pp. 7-8.). These include impact evaluation studies, Commercial and Industrial ("C&I") and residential baseline studies, protocols evaluation and update, cost-benefit analysis, and other program evaluation studies. Rate Counsel recommends that the results of these studies should be available in time to inform the multi-year compliance filings anticipated for Fiscal Year 18 and beyond.

Rate Counsel supports the continued use of CEEEP as an independent third-party manager of program evaluation, and for performance of cost-benefit analyses ("CBA"). CEEEP should develop and implement standard practices for program evaluation and cost-benefit analysis that should be applied by, or on behalf of, the utilities in support of their programs. This will ensure consistency of evaluation and CBA practices, and will help to prevent double-counting of benefits between CEP and utility incentive measures and programs.

With respect to the review and evaluation of protocols and CBA, Rate Counsel notes that in the past both the CEP and the State's utilities have not focused on spillover effects and free-ridership, assuming in many cases that these effects cancel out and yield a net-to-gross ratio of 1. Rate Counsel believes that research is now available that would assist the State's program administrators to better estimate the magnitude of these effects, and to provide a more sophisticated representation of them in all relevant program evaluations. This omission was noted in the ERS Benchmarking Study, as was the observation that comparison programs in other states "report both gross and net savings values, implying that they are performing regular impact evaluation that includes an assessment of free ridership." (ERS Benchmarking Study, p. 32) Rate Counsel believes that objective, quantitative estimates of free ridership are essential to obtaining meaningful and accurate program evaluation and CBA.

AEG's Draft Compliance Filing (AEG, *Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2017*, draft dated May 31, 2016) cites a number of recommendations from the ERS Process Evaluation Study that will be "addressed in FY17 and in the comprehensive strategic planning process that will take place throughout FY17 to develop next year's FY18- FY21 Compliance Filing" (p.6), to wit:

- Update the IMS and improve tracking and reporting of energy savings goals and other metrics;
- Ensure that evaluations are used to effect program changes;
- Design and implement an online portal for customers and contractors to submit applications;
- Review the minimum eligibility requirements for custom C&I projects;
- Simplify the CHP program structure, and
- Develop a targeted outreach and trade ally engagement plan that includes increasing marketing expenditures to approximately seven percent of program budgets, consistent with industry best practices.

However, there is almost no mention of specific improvements in these areas in the report. AEG should be more specific throughout its final compliance filing about how the recommendations from the ERS Process Evaluation Study were taken into account in developing its compliance filing and planning activities for FY17 and beyond. In addition, AEG should clarify its proposed priorities for improving program evaluation practices, including but not necessarily limited to deficiencies, opportunities, and priorities identified in the ERS Process Evaluation Study and the ERS Benchmarking Study.

Cost-Benefit Analysis ("CBA")

AEG has provided CBA results for each of CEP programs, presented on Page 131 of its Compliance Filing. Rate Counsel has not had an opportunity to fully review the BenCost model used in this analysis, nor to vet the underlying assumptions supporting these results. In the past, Rate Counsel has found that free ridership has not necessarily been adequately assessed in OCE and utility CBA studies; nor has adequate account been taken of the fact that many customers qualify for and receive a combination of CEP and utility incentives.

Rate Counsel believes that a thorough discussion of combined incentives and free-ridership should be included in the final compliance filing. Rate Counsel also looks forward to providing a thorough review of the BenCost model and underlying assumptions, and to providing further comments based on that review.

Protocols to Measure Energy Savings Revisions

The OCE has proposed a number of revisions to its Protocols to Measure Resource Savings for FY2017 ("Protocols"). It would be very helpful to have the source(s) and/or rationale behind each of the proposed revisions, both in the primary document and in the summary of changes. In particular, a number of revisions to the Protocols were recommended in the ERS Benchmarking Study. To the extent that these recommendations were implemented in the protocols revisions, it would be helpful to have these changes identified. If the OCE has chosen not to implement specific recommendations from the ERS Benchmarking Study, it would be helpful to identify these rejected recommendations and to provide a rationale accordingly. Only by providing such a thorough response to the ERS Benchmarking Study, and to other independent evaluation reports, can the OCE, third-party evaluators, and stakeholders make consistent progress in improving New Jersey's evaluation, measurement, and verification practices.

The Protocols estimate peak electric demand savings only for the Summer period. Seasonal peaks should also be studied in light of recent trends. For example, the PJM Interconnection ("PJM") may be moving towards markets for seasonal capacity products, in recognition of the need for meeting both summer and winter peak demand and the fact that many types of resources do not have the same peak energy benefit in summer and winter. Even in the absence of a seasonal capacity market, PJM requires that most capacity resources be available in both summer and winter. Many energy efficiency measures are seasonal in nature – to state the most obvious, heating efficiency is most effective in winter, while air conditioning efficiency reduces summer peak load.

The draft Protocols only estimate peak reductions for the summer period (*Protocols,* p. 12). The Protocols should recognize this distinction, and in the future provide protocols for measuring seasonal peak reduction as appropriate. This will facilitate full participation in PJM's capacity markets, as well as a more detailed and comprehensive estimates of capacity savings associated with each EE measure.

Comments on CEP EE Programs

Incentives - Generally

The AEG draft compliance filing and its appendices detail the specific incentives to be provided through the NJCEP programs. In many cases, incentives are available at a range of levels, increasing as the recipient opts for higher efficiency construction, appliance, or retrofit options. Rate Counsel is concerned that some of these programs may be too generous in providing incentives for equipment that meets lower efficiency standards. As a general principle, customers should be required to invest in higher-efficiency equipment in order to obtain rebates. Paying customers incentives for equipment that only meets minimal efficiency standards not only misses the immediate opportunity for the installation of more efficient equipment, it also locks in the lower-efficiency equipment for years or decades to come. In many cases, incenting lower-efficiency practices and products will yield higher levels of free-ridership, as customers who are responding to incentives would more likely choose the higher-efficiency option. Finally, offering an incentive for lower-efficiency equipment effectively decreases the marginal incentive to select higher-efficiency equipment.

Comments on Specific EE Programs

Rate Counsel offers the following specific comments on certain EE program proposals:

- **Residential New Construction (Appendix A, p. 82).** No incentive should be offered for a HERS level higher than 55. These low incentive levels will likely not affect customers' equipment decisions in any case – and eliminating them may improve the incentive for getting the HERS score to 55 or below.
- **COOLAdvantage and WARMAdvantage (Appendix A, p. 86).** No incentive should be offered for Central A/C or heat pumps with SEER < 18. Furthermore, no incentive should be offered for Tier II gas furnaces, or for oil furnaces. The incentive for non-heat-pump water heaters should be reviewed, especially in light of higher federal standards for the New Jersey region. Rate Counsel also notes that the cost per therm for gas savings for these programs is extremely high at $37.32 per therm (See Appendix G, p. 128.).

Eliminating the incentives for lower-efficiency equipment could help to bring the cost per therm down.

- **Appliance and Consumer Electronics Incentives (Appendix A, p. 88).** The incentive for Tier I clothes dryers should be reviewed in light of current minimum standards for energy efficient dryers. In addition, as Rate Counsel has previously noted, the $40 Tier II power strip incentive is too high – and is more so now as the retail price for these products has declined. Tier II power strips can now be purchased undiscounted for around $30. The incentive for Tier I power strips should be eliminated or reduced.
- **"Value" LEDs (Table 1, Table 15).** No incentive should be paid for lower-performing LEDs that do not meet Energy Star standards. In addition to thwarting the purpose of the program, customers who purchase inferior LED products will be discouraged from purchasing more energy efficient LEDs in the future if the lower-quality LEDs fail to perform as expected.
- **C&I New Construction and Retrofit Incentives.** While Rate Counsel has no specific recommendations in this area, Rate Counsel recommends that these incentives should also be generally reviewed to ensure that recipients are actually achieving greater levels of efficiency than they would be without the incentives.

Comfort Partners

According to the draft compliance filing submitted by the utilities, it appears that the Comfort Partners program is now implementing the APPRISE recommendation of providing a wider scope of EE services to a smaller number of customers. This approach should reduce administrative and marketing costs to some degree. However, as this program involves a great deal of judgment and custom, on-the-spot project design, there exists the potential for a higher level of overhead expense.

The Comfort Partners filing does not address the issue of performance. As Rate Counsel note in its comments on the 2016 Comfort Partners Compliance filing, "Apprise…found a high rate of job inspection failures: of the 18 percent of jobs in the treatment group that had a third party inspection, 33 percent failed the inspection, most commonly due to health and safety problems and missed opportunities." However, it is difficult to estimate without in-depth analysis what a reasonable level of failure would be. Nonetheless, it should certainly be a priority to keep both health and safety problems, and missed opportunities, to a minimum.

DISTRIBUTED ENERGY RESOURCES

CHP-Fuel Cells

The OCE has significantly increased the CHP-Fuel Cell budget. The amount budgeted for Fiscal Year 2016, including the Board's transfer of $19.8 million to this budget category in January 2016, was $41.6 million. The FY17 proposed budget amount for CHP and fuel cells is about $49.8 million. Rate Counsel has concerns about the OCE's ability to expend this amount. Based on the "Historical Results" table at page 9 of the OCE's straw proposal the Fiscal Year 2016 "total program need" was $17.6 million through December 2015. However, most of that amount represents "year-end commitments." Actual expenditures through the end of 2015 were only $1,440, 787. Actual expenditures for Fiscal Years 2014 and 2015 were respectively, only $1,474,906 and $2,448, 358. (OCE Straw Proposal, p. 9.) The materials posted for public comment provide no details on how the OCE expects to be able to expend the increased budget for Fiscal Year 2017.

Rate Counsel has concerns about ratepayer subsidies for fossil-fueled CHP and fuel cells. While voicing its concerns about the fossil-fueled fuel cell program in general, Rate Counsel supports the OCE's proposal to limit incentives to fuel cells with waste heat recovery. As AEG explains in its Summary of Proposed Program Modifications for Fiscal Year 2017, fuel cells without heat recovery have higher costs in relation to benefits than other distributed generation technologies, and concerns have also been raised about their CO_2 emissions levels. (AEG Summary Program Changes, pp. 22-23.) Rate Counsel is in agreement with AEG's analysis. If

Clean Energy funds are going to be used to promote fossil fuel technologies, then at a minimum such funding should be limited to technologies that provide greater benefits.

Renewable Energy Storage

The Renewable Electric Storage Program is currently being operated as an open enrollment program with prescribed rebates. As noted in past comments, Rate Counsel believes a competitive solicitation process would result in a more cost-effective program. The OCE's proposal notes that the Rutgers University Laboratory of Energy Smart Systems ("RU LESS") is conducting research that should help to inform how this program should be structured to maximize the results of ratepayer investments. (See AEG Compliance Filing, p. 77.) Rate Counsel supports this process, and looks forward to participating in efforts to develop a competitive solicitation process for the Renewable Electric Storage program that will maximize the impact of ratepayer investments in this program.

Regarding the proposed FY17 budget, Rate Counsel submits that the basis for the Renewable Energy Storage budget is unclear. The Fiscal Year 2016 budget for this program was $6 million, of which $3 million was designated for an open enrollment program with prescribed rebates, and the remainder for a competitive solicitation. The proposed FY17 budget is $7.825 million, which appears to be the sum of adding $6.3 million of "current-year funding need" to a $1.525 million "commitment backlog." (OCE Budget Tables, p. 7.) However it is not clear how the OCE anticipates that this funding will be expended, especially in view of the fact that the program for Fiscal Year 2017 is still under development. The OCE's plans for Fiscal Year 2017 should be clarified.

RENEWABLE ENERGY

Proposed FY17 Renewable Energy Budget

As noted in the OCE Straw Proposal, proposed Renewable Energy budget reflects the transfer of the Renewable Energy Storage and biomass components of the Renewable Energy Incentive Program to the newly-created category for "Distributed Energy Resources." (OCE Straw Proposal, p. 13.) With these transfers, the Renewable Energy Program budget now includes only $2 million for the SRP Registration program, plus $450,000 in committed funds remaining from the Offshore Wind program. Overall, the Renewable Energy budget of $2.45 million is $629,000 less than the FY2016 Forecast. Rate Counsel supports this recommendation.

It is important to note that the proposed Renewable Energy funding in this CRA is just a fraction (or small percentage) of the overall commitment made by New Jersey ratepayers to renewable energy development. As the OCE recognizes in its Straw Proposal. The proposed NJCEP funding does not include the cost of compliance with New Jersey's Renewable Portfolio Standard, the subsidies provided through net metering of customer-sited renewables, or the costs of renewable energy programs managed by the State's energy utilities. (OCE Straw Proposal, p. 13.)