



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on February 22, 2017, at the State House Annex, Committee Room 4, 125 West State Street, Trenton, New Jersey 08625.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press  
Atlantic City Press  
Burlington County Times  
Courier Post (Camden)  
Home News Tribune (New Brunswick)  
North Jersey Herald and News (Passaic)  
The Record (Hackensack)  
The Star Ledger (Newark)  
The Trenton Times

The following members of the Board of Public Utilities were present:

Richard S. Mroz, President  
Joseph L. Fiordaliso, Commissioner  
Mary-Anna Holden, Commissioner  
Dianne Solomon, Commissioner  
Upendra J. Chivukula, Commissioner

President Mroz presided at the meeting and Irene Kim Asbury, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on March 24, 2017 at the State House Annex, Committee Room 6, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

#### A. Energy Agent Initial Registrations

EE16100941L	Energy for a Cause Inc.	I – EA
EE16070686L	NuEnergex, LLC	I – EA
EE16111051L	NAUP Brokerage, LLC	I – EA

#### Energy Agent and/or Private Aggregator Renewal Registrations

EE16090912L	T.E. Energy Consultants, LLC	R – EA
EE16070685L	The Eric Ryan Corporation	R – EA
EE16060585L	Energy Professionals, LLC	R – EA/PA
GE16060586L		

#### Natural Gas Supplier Initial License

GE16090914L	NTherm, LLC	I – GSL
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**BACKGROUND:** The Board must register all energy agents and consultants, and the Board must license all third party electric power suppliers and gas suppliers. An electric power supplier, gas supplier, or clean power marketer license shall be valid for one year from the date of issue, except where a licensee has submitted a complete renewal application at least 30 days before the expiration of the existing license, in which case the existing license shall not expire until a decision has been reached upon the renewal application. An energy agent, private aggregator or energy consultant registration shall be valid for one year from the date of issue. Annually thereafter, licensed electric power suppliers, gas suppliers, and clean power marketers, as well as energy agents, private aggregators and energy consultants, are required to renew timely their licenses in order to continue to do business in New Jersey.

Staff recommended that the following applicants be issued initial registrations as an energy agent for one year:

- Energy for a Cause Inc.
- NuEnergex, LLC
- NAUP Brokerage, LLC

In addition, Staff recommended that the following applicants be issued renewal registrations as an energy agent and/or private aggregator for one year:

- T.E. Energy Consultants LLC
- The Eric Ryan Corporation
- Energy Professionals, LLC

Finally, Staff recommended that the following applicant be issued an initial license as a natural gas supplier for one year:

- NTherm, LLC

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

## II. ENERGY

### A. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. EL17-36 and EL17-32 – Advanced Energy Management Alliance and Old Dominion Electric Cooperative, et al. v. PJM Interconnection, LLC (Not-Consolidated).

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission (FERC) rules of practice. The FERC e-filing rules allow for doc-less interventions within a specified time period. Staff intervened to establish the Board as a party in this proceeding. Comments were filed and will be addressed on the regular agenda.

On December 23, 2016, Old Dominion Electric Cooperative, Direct Energy Business, LLC, and American Municipal Power, Inc. (collectively, December 23 Complainants) filed a formal complaint against PJM Interconnection, LLC (PJM) requesting that the FERC take action to prevent the loss of participation by certain resources, referred to as “Seasonal Capacity Performance Resources,” in PJM’s Reliability Pricing Model and determine that PJM’s Open Access Transmission Tariff and the Reliability Assurance Agreement regarding Seasonal Capacity Performance Resources in the RPM auctions are no longer just and reasonable.

On January 5, 2017, the Advanced Energy Management Alliance (AEMA) filed a Complaint against PJM concurrent with the filing of a Motion for Consolidation of its Complaint with the proceedings in December 23 Complaint. AEMA similarly requested fast-track processing to “protect customers in the PJM Region from unnecessary and dramatic increases in electricity costs that will result” if Seasonal Capacity Performance Resources are precluded from participating in the May 2017 Basic Residual Auction the 2020/2021 Delivery Year.

Staff recommended that the Board ratify this intervention.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

### B. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. EL16-49 – Calpine Corporation, et al. v. PJM Interconnection, LLC.

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission (FERC) rules of practice. The FERC e-filing rules allow for doc-less interventions within a specified time period, beyond which the state commission must file a motion to intervene. The purpose of this intervention is to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the Board.

On March 22, 2016, Calpine CPN and a group of independent power producers filed a Sect 206 complaint against PJM Interconnection LLC at the FERC, charging that its Minimum Offer Price Rule (MOPR) failed to appropriately consider all sorts of market depressing incentives.

On January 9, 2017, the Complainants amended their complaint to challenge the Illinois zero-emission credit legislation with claims that the new legislation underscores the urgent need for modifications to the MOPR to address this problem.

Staff recommended that the Board ratify this intervention.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**C. Docket No. GR17010071 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions.**

**BACKGROUND:** On January 27, 2017, South Jersey Gas Company (Company) filed a petition with the Board for approval of an increase in its operating revenues of approximately \$74.9 million or 15.3% to be effective for gas service provided on or after February 28, 2017, as well as for certain other tariff changes and proposals. The Company also sought Board approval to maintain its existing composite depreciation rate. In addition, the Company sought authorization to defer, until the Company's next base rate case, certain incremental expenses related to pension and post-retirement healthcare expenses.

According to the petition, the primary reasons for the requested increase is the need to earn a fair return on capital investments and projects made since the filing of the Company's last base rate case in 2013 in order to ensure that the Company can continue to attract capital at reasonable rates and invest in the infrastructure necessary to provide safe and reliable service.

The Company sought to implement its proposed rates to become effective for service rendered on or after February 28, 2017.

Staff recommended that the Board issue an order further suspending the proposed rate increase until June 28, 2017 pending further action on this matter.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**III. CABLE TELEVISION**

**A. Docket Nos. BPU CE14101143 and OAL CTV 01079-16 – In the Matter of the Petition of Time Warner Cable New York City, LLC, d/b/a Time Warner Cable, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Englewood, County of Bergen, State of New Jersey.**

**BACKGROUND:** This matter involved a petition by Time Warner Cable New York City, LLC, d/b/a Time Warner Cable (Time Warner Cable) seeking the Board approval for a Renewal Certificate of Approval for the City of Englewood (City) for a term of ten years from the date of issuance of the Certificate.

The record indicated that Time Warner Cable filed an application for renewal municipal consent on October 25, 2001, but that the City took no action to grant renewal municipal consent to Time Warner Cable.

On October 9, 2014, Time Warner Cable filed a petition with the Board based on the arbitrary refusal provision of the New Jersey State Cable Television Act.

On January 13, 2016, the Board transmitted the matter to the Office of Administrative Law (OAL). A telephone prehearing conference was scheduled on February 24, 2016, however, prior to the prehearing conference; a settlement was reached by the parties.

On December 6, 2016, Administrative Law Judge Michael Antoniewicz issued an Initial Decision finding that the terms of the Stipulation of Settlement were voluntary and fully disposed of all issues in controversy.

The Initial Decision in this matter was received by the Board on December 7, 2016. The 45-day period in which the Board is to consider this matter and render a final decision was January 21, 2017.

Because additional time was required for Staff to perform a full review of the record, an additional 45-day extension of the time in which the Board may render a final decision, thereby extending the time for review until March 7, 2017. On December 12, 2016, the Board requested an extension from the OAL. On December 14, 2016, the OAL granted the extension.

During the pendency of this case, Charter Communications, Inc. acquired Time Warner Cable. Charter Communications, Inc. is responsible for all undertakings set forth in the Stipulation of Settlement, the Initial Decision and the order approving the Initial Decision-Settlement and issuing the Renewal Certificate of Approval.

After review, Staff recommended the Board adopt the Initial Decision and approve the proposed Renewal Certificate of Approval. This Certificate shall expire on March 4, 2027.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**B. Docket No. CE16090920 – In the Matter of the Application of CSC TKR, LLC for the Renewal of Its System-wide Cable Television Franchise.**

**BACKGROUND:** On September 30, 2016, CSC TKR, LLC (CSC TKR) filed an application for renewal of its System-wide Cable Television Franchise for a term of seven years.

On February 11, 2010, the Board issued an order memorializing the conversion by CSC TKR of its municipal consent-based franchise in the Borough of Allentown to a System-wide Cable Television Franchise in Docket No. CE10010024, for a term of seven years to expire on January 10, 2017. CSC TKR has added an additional 32 municipalities to its System-wide Cable Television Franchise. The addition of these municipalities was memorialized by Orders of Amendment issued by the Board on August 4, 2010, for five municipalities; on September 16, 2010, for five municipalities; on December 6, 2010, for eight municipalities; on February 10, 2011, for nine municipalities; on September 21, 2011, for two municipalities; on December 18, 2013, for two municipalities; and on February 24, 2016, for one municipality.

Subsequent to CSC TKR's application filing, the Board held two public hearings on the application, on December 6, 2016 at 5:00pm in Wharton and on December 20, 2016 in Union Beach. One comment was taken from the public, the Mayor of Wharton Borough supporting the renewal of the system-wide cable television franchise. The New Jersey Division of Rate Counsel submitted written comments outlining the responsibilities of CSC TKR under its Renewal System-wide Cable Television Franchise. An additional comment was submitted by Mark Rodgers who stated that as long as CSC TKR complies with all environmental and safety regulations; he welcomes CSC TKR's competition with Verizon and Comcast.

On May 26, 2016, in Docket No. CM15111255, the Board approved the merger of Altice, USA and Cablevision Systems Corporation, the parent of CSC TKR. Altice is obligated to abide by all commitments under CSC TKR's franchise agreements.

CSC TKR is required to provide adequate evidence that it possesses the financial, technical and legal qualifications necessary to continue offering service subject to the conditions of the Board Order granting the Renewal System-wide Cable Television Franchise and the applicable statutes and rules.

After review, the Office of Cable Television & Telecommunications recommended that the Board approve issuance of an order for a Renewal System-wide Cable Television Franchise to CSC TKR, LLC for a term of seven years, expiring on January 19, 2024.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**C. Docket No. CE16090919 – In the Matter of the Application of Cablevision of Monmouth, LLC for the Renewal of Its System-wide Cable Television Franchise.**

**BACKGROUND:** On September 30, 2016, Cablevision of Monmouth County, LLC (Cablevision of Monmouth County or Cablevision) filed an application for renewal of its System-wide Cable Television Franchise for a term of seven years.

On February 11, 2010, the Board issued an order memorializing the conversion by Cablevision of Monmouth County of its municipal consent-based franchise in the Borough of Interlaken to a System-wide Cable Television Franchise in Docket No. CE10010023, for a term of seven years to expire on January 11, 2017. Cablevision of Monmouth County has added an additional 19 municipalities to its System-wide Cable Television Franchise. The addition of these municipalities was memorialized by Orders of Amendment issued by the Board: on June 7, 2010, for one municipality; on October 20, 2010 for six municipalities; on February 10, 2011, for five municipalities; on May 16, 2011 for one municipality; on September 22, 2011, for one municipality; on October 13, 2011 for four municipalities and on December 20, 2013, for one municipality.

Subsequent to Cablevision of Monmouth County's application filing, the Board held two public hearings on the application: December 6, 2016 at 4:00 p.m. in Wall Township and 6:30 p.m. in Toms River. One written comment was submitted by Assemblyman David P. Rible, 30<sup>th</sup> District supporting the renewal of the system-wide cable television franchise.

On May 26, 2016, in Docket No. CM15111255, the Board approved the merger of Altice, USA and Cablevision Systems Corporation, the parent of Cablevision of Monmouth. Altice is obligated to abide by all commitments under Cablevision of Monmouth's franchise commitments.

Cablevision of Monmouth County is required to provide adequate evidence that it subject to the conditions of the Board Order granting the Renewal System-wide Cable Television Franchise and the applicable statutes and rules.

After review, the Office of Cable Television & Telecommunications recommended that the Board approve issuance of an order for a Renewal System-wide Cable Television Franchise to Cablevision of Monmouth County for a term of seven years, expiring on January 11, 2024.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

#### IV. TELECOMMUNICATIONS

##### **A. Docket No. TM16121136 – In the Matter of the Verified Joint Petition of Communications Sales & Leasing, Inc. and PEG Bandwidth NJ, LLC and Talk America Services, LLC for Approval of a Pro Forma Change in Indirect Ownership.**

**BACKGROUND:** On December 1, 2016, PEG Bandwidth NJ, LLC (PEG Bandwidth Licensee) and Talk America Services, LLC (TAS) (collectively, Licensees) and Communications Sales & Leasing, Inc. (CS&L) (CS&L and Licensees, collectively Petitioners), submitted a Petition to the Board requesting approval to complete a pro forma change in indirect ownership that will result in a change in the intermediate holding company structure between Licensees and CS&L, with no change in the ultimate owners of the company. By letter filed with the Board on December 21, 2016, the Petitioners supplemented its petition to include the transfer of TAS within the CS&L corporate organizational structure to become a direct subsidiary of CS&L. These proposed pro forma changes and the pro forma transfer in ownership are collectively referred to as the transaction. Following the proposed transaction, Licensees will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

CS&L, a Maryland corporation headquartered at 10802 Executive Center Drive, Benton Building, Suite 300, Little Rock, Arkansas 72211, is a publicly-traded real estate investment trust that engages in the acquisition and construction of infrastructure in the telecommunications industry. Prior to April 24, 2015, CS&L was a wholly-owned subsidiary of Windstream Services, LLC, a wholly-owned subsidiary of Windstream Holdings, Inc. (together with its subsidiaries, Windstream). On April 24, 2015, Windstream contributed to CS&L certain telecommunications network assets, in certain states, including fiber and copper networks and other real estate through a sale-lease back transaction, and then spun off CS&L to Windstream stockholders. CS&L (and its subsidiaries) now operates as an independent, publicly-traded company, and leases telecommunications network assets and property to Windstream for Windstream's business operations. CS&L does not provide services, however it owns and operates numerous licensed telecommunications providers in all states and the District of Columbia, except Alaska, California and Hawaii. In New Jersey, CS&L's subsidiaries,

PEG Bandwidth Licensee and TAS, are authorized to provide facilities-based and resold local telephone services in New Jersey.

The Petitioners asserted that the transaction will be transparent to customers, as the Licensees will continue to provide service to their customers, and the change is not expected to result in any discontinuance, reduction, loss or impairment of service, as Licensee operations will continue to be overseen by the same management team.

By letter dated December 23, 2016, the New Jersey Division of Rate Counsel advised the Board that it has no objection to the Board's grant of Petitioners' request under the verified Petition.

Having reviewed the Petition and supporting documents, Staff did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioners' competitive posture in the telecommunications market. Therefore, Staff recommended that the Petitioners be allowed to proceed with the proposed transaction.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

## V. WATER

### A. Docket No. WR16100957 – In the Matter of the Petition of the Atlantic City Sewerage Company for Authorization to Increase Tariff Rates and Charges for Sewerage Service.

**BACKGROUND:** On October 13, 2016, Atlantic City Sewerage Company (Petitioner or Company), filed a petition with the Board for authority to increase its base tariff rates and charges for sewerage service amounting to approximately \$3,003,981.00 or 15%.

The increase in rates was proposed to become effective on November 15, 2016. According to the petition, the need for the base rate relief is primarily driven by two factors: (1) the continuing prudent capital investment by the Company in its sewerage system; and (2) the continuing erosion of the Atlantic City casino industry. The Company services approximately 7,400 customers located in the City of Atlantic City in Atlantic County, New Jersey.

On October 26, 2016, the Company submitted a letter to the Board Secretary advising that it will not implement rates on an interim basis prior to the effective date of the Board's Initial Suspension Order resulting from the November 30, 2016 agenda meeting.

Since the case will not be completed by March 15, 2017, and since the proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, Staff recommended that the Board issue an Order suspending the rates until July 15, 2017.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.



## VI. RELIABILITY & SECURITY

### A. Docket Nos. ES17010014K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

**BACKGROUND:** This matter involved settlements of alleged violations of the Underground Facility Protection Act (the Act) by both excavators and operators of underground facilities. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy seeks to establish appropriate disincentives for actions which violate the Act.

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 39, with a total of \$112,000.00 in penalties.

Staff employed a single order to close multiple cases in order to create a more streamlined and effective enforcement process. Staff recommended that the Board approve all those cases in which offers of settlement and payment have been received.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

## VII. CUSTOMER ASSISTANCE

### A. Docket Nos. BPU GC16030251U and OAL PUC 11834-16 – In the Matter of Jerry Judka, Petitioner v. Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Jerry Judka (Petitioner) and Elizabethtown Gas (ETG). The petition was transmitted to the Office of Administrative Law on August 4, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Michael Antoniewicz filed an Initial Decision in this matter with the Board on January 19, 2017, approving the Stipulation of the Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, ETG agreed to reduce the disputed amount to \$14,252.70. The Petitioner agreed to enter into a deferred payment agreement (DPA) to pay this amount over a six year period. The first payment of the DPA will be due within 45 days of an Administrative Law Initial Decision approving the settlement or within 10 days of a Board Order approving such Initial Decision, whichever is earlier.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Antoniewicz. Staff recommended that the Board adopt the Initial Decision of ALJ Antoniewicz.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**B. Docket Nos. BPU EC16020114U and OAL PUC 05183-16 – In the Matter of Gregory Love, Petitioner v. Atlantic City Electric Company, Respondent – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on January 26, 2017; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on March 13, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until April 27, 2017.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**VIII. CLEAN ENERGY**

**A. Docket No. QO16030250 – In the Matter of the Appeal from Denial of Incentive Application by the New Jersey’s Clean Energy Program Combined Heat and Power/ Fuel Cell Program for Condensing Turbine – Merck Rahway.**

**BACKGROUND:** Commissioner Joseph Fiordaliso recused himself and did not participate in or vote on this matter. At its November 23, 2016 Agenda meeting, the Board denied the appeal of Merck Rahway from the denial of its application for an incentive by the New Jersey Clean Energy Program. In the Order that was signed, mailed to service list, and posted on the agency’s website, there were two formatting errors. A few lines of text were missing from page 2 and several lines which appeared on page 3 were duplicated on page 4. These errors did not affect the analysis or the outcome of this matter. Nonetheless, because there exists a significant possibility of an appeal, Staff prepared a Corrected Order for the Commissioners’ signatures. Staff recommended that the Board approve the Corrected Order on the Consent Agenda, after which it will be signed, mailed to the service list, and re-posted.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Recused</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**IX. MISCELLANEOUS**

There were no items in this category.

**After appropriate motion, the consent agenda was approved.**

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

There were no items in this category.

### 2. ENERGY

#### A. Docket Nos. BPU GC16040281 and OAL PUC 07479-16 – In the Matter of Alfred Croce, Petitioner v. Public Service Electric and Gas Company, Respondent.

**BACKGROUND AND DISCUSSION:** This matter involved a complaint for harassment and related damages against Public Service Electric and Gas (PSE&G or Company). Mr. Croce (Petitioner) alleged that PSE&G Chief Wiring Inspector Alberto Nobre and his supervisor, Brian Logue, harassed him with regard to the replacement of electrical equipment located at the Petitioner's multi-family dwelling in Hoboken, NJ.

The Petitioner filed a petition with the Board on March 31, 2016. PSE&G filed a response to the petition on April 29, 2016. The petition was transmitted to the Office of Administrative Law (OAL) on May 12, 2016, for hearing as a contested case. The Petitioner also filed a complaint regarding this matter in the Superior Court of New Jersey, Law Division, Special Civil Part, Hudson County on September 12, 2016.

The Petitioner alleged that PSE&G employees engaged in harassment against him, and threatened to turn off his electricity, regarding four electric meters at his property that were not running properly. The Petitioner also alleged that these PSE&G employees further told him that the meters had to be replaced at his expense. He requested that the Board provide assistance in resolving this matter with the Company.

The Petitioner and the Company (collectively, the Parties) reached a Settlement Agreement (Settlement), and Administrative Law Judge Ellen S. Bass filed an Initial Decision in this matter with the Board on February 2, 2017, which approved the Settlement.

Pursuant to the terms of the Settlement and in order to fully resolve this matter, the Company agreed to credit the Petitioner's electric account in the amount of \$2,500.00 when the following conditions have been satisfied: 1) the Petitioner has withdrawn his petition in BPU Docket No. GC16040281, OAL Docket No. PUC 07479-16; and 2) the Petitioner has caused the Superior Court of New Jersey, Law Division, Special Civil Part, Hudson County, to mark Docket No. HUD-DC-8752-16 as settled and dismissed. The Parties also agreed that Petitioner will contact PSE&G's Senior Customer Relations Consultant should future issues arise.

Staff recommended the Board approve the Initial Decision and Settlement of the Parties.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

Thomas N. Walker, P.E., Director, Division of Energy, presented these matters.

**B. Docket Nos. BPU ER16050428 and OAL PUC 12099-16 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Service, and Its Depreciation Rates; Approval of an Advanced Metering Program; and for Other Relief (2016 Base Rate Filing).**

**BACKGROUND AND DISCUSSION:** On May 13, 2016, Rockland Electric Company (RECO or Company), filed a petition with the Board for approval of an increase in its base rates of approximately \$9.6 million (exclusive of Sales and Use Tax) or 3.8% to be effective for electric service provided on or after June 12, 2016, as well as changes to certain electric and general plant depreciation rates and various tariff changes. In addition, RECO requested that the Board relieve the Company of its obligation to file an alternative cost of service study using a peak and average coincident peak method as required by the Board in Docket No. ER13111135. The petition further requested approval from the Board to deploy an Advanced Meter Infrastructure (AMI) program throughout its service territory and for other relief. According to the petition, the primary reasons for the requested increase are due to increased taxes, rising interest rates that have increased financing costs, inflationary pressures that have increased the cost of labor and materials, additional vegetation management expenses, and increases in the cost to provide retiree pensions and other post-employment benefits.

The Company's filing, accompanied by exhibits and pre-filed testimony, was based on a test year of the twelve months ending December 31, 2016, with three months of estimated data and nine months of actual data.

By Order dated May 25, 2016, the Board issued a suspension order in this matter, and thereby suspending the implementation of proposed rates through October 12, 2016. On June 29, 2016, the Board issued an amended suspension order, which also bifurcated the AMI portion of the petition. (June 29, 2016 Order) The June 29, 2016 Order retained the AMI portion of the petition for hearing by the Board in a separate docketed matter, ordered that the remainder of the petition relating to the base rate case be transferred to the Office of Administrative Law (OAL), and appointed Commissioner Chivukula as Presiding Commissioner. On September 23, 2016, the Board issued an order further suspending increases, changes or alterations in rates for services until February 12, 2017.

Pursuant to the June 29, 2016 Order, the petition was transmitted to the OAL for evidentiary hearings and assigned to the Administrative Law Judge (ALJ) Gail Cookson. On September 8, 2016, ALJ Cookson held a telephonic Prehearing Conference, and issued a Prehearing Order dated September 21, 2016, establishing a procedural schedule including evidentiary hearings on February 21, 22, 23, 24, 27 and 28, 2017, and March 1 and 3, 2017. No motions to intervene were filed. Public Service Electric and Gas Company moved for and was granted participant status.

On July 28, 2016, RECO provided its 6+6 update to the parties reflecting an updated revenue requirement of \$8.522 million or an increase of 3.5% in total revenue. On October 28, 2016, the Company provided its 9+3 update to the parties. The 9+3 update reflected an updated revenue requirement of \$6.371 million, or an increase of 2.6% in total revenue.

Throughout the course of the proceeding, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) held in-person and telephonic settlement conferences. On December 2, 2016, the Parties advised ALJ Cookson that they had reached a settlement in principle, pending receipt of the 12+0 update, and would be submitting a stipulation for consideration. Consequently, ALJ Cookson suspended the testimony and discovery dates in the Prehearing Order.

On January 27, 2017, RECO submitted its 12+0 update to the parties reflecting actual data for the full test year. The 12+0 update reflected an updated revenue requirement of \$8.760 million, or an increase of 3.7% in total revenue.

Public hearings on RECO's proposed distribution base rate increase were held on November 9, 2016, at 4:30 and 6:30 p.m., in Mahwah, New Jersey. No members of the public attended the public hearings.

On February 8, 2017, after receipt and review of the 12+0 update, the Parties executed a stipulation of settlement (Stipulation) in this matter. Public Service Electric and Gas submitted a letter indicating its non-objection to the Stipulation.

On February 10, 2017, ALJ Cookson issued an Initial Decision approving the Stipulation of the Parties finding that the Stipulation was voluntary, consistent with the law, and fully disposes of all issues in controversy.

Staff recommended that the Board adopt the Initial Decision and approve the Stipulation for service rendered on or after March 1, 2017. Staff further recommended that the Board direct RECO to file tariffs consistent with its order prior to March 1, 2017.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket No. ER16090918 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Electric Base Rate Adjustments Pursuant to the Energy Strong Program.**

**BACKGROUND AND DISCUSSION:** On September 30, 2016, the Public Service Electric And Gas Company (PSEG or Company) filed a Petition with the Board seeking approval to establish rates to recover an annualized increase in the electric revenue requirement associated with electric Energy Strong (ES) Program investment costs. (September 2016 Petition) The September 2016 Petition sought approval to recover an additional \$15.190 million based on actual costs from June 1, 2016 through August 31, 2016 and projected program expenditures from September 1, 2016 through November 30, 2016.

The Company is allowed provisional base rate recovery on expenditures related to facilities that have been placed in service, subject to refund. Electric base rates are adjusted semi-annually, while gas base rates are adjusted annually. The prudence review of ES expenditures are to be assessed in conjunction with the Company's next base rate case which is to be filed no later than November 1, 2017.

On December 15, 2016, PSE&G updated the September 2016 Petition to include actual electric ES Program expenditures through November 30, 2016. The update reflected a reduction in the September 2016 Petition revenue requirement to \$11.793 million. On January 9, 2017, the Company provided a revised update to reflect a portion of a project that was inadvertently excluded from the Company's December 15, 2016 update. The revenue requirement reflected in the January 9, 2017 was an increase of approximately \$12.450 million.

On January 27, 2017, the Company, Board Staff and the New Jersey Division of Rate Counsel executed a Stipulation of Settlement (Stipulation) that allows the Company to recover revenues of \$12.450 million pertaining to electric ES expenditures as of November 30, 2016.

Staff recommended that the Board issue an order approving the Stipulation. Staff further recommended that the Board direct PSE&G to file tariffs consistent with the Board's Order prior to March 1, 2017.

President Mroz noted that although his comment was not specifically related to this agenda matter, but it relates to the BGS auction results of two weeks ago. He indicated that the results were good for customers in New Jersey and the energy prices have fallen and that is a direct benefit to the people, but it also gives us that opportunity to continue to support the kind of investments that New Jersey needs. This matter and probably the rate case we just did are a reflection that looking at this holistically overall, it's a good story. We're realizing lower prices, but at the same time, coordinate the investments that we really need for the long-term to advance infrastructure and to make sure that our utility infrastructure keeps New Jersey competitive.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**Cynthia Holland, Esq., Legal Specialist, Office of the Chief Counsel**, presented these matters.

**D. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-217 – Jersey Central Power & Light Company Submitted Revisions to OATT re: Attachment H Formula Rate/Protocol.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing Protest of the Deficiency Response of Jersey Central Power & Light (JCP&L) in its pending formula rate proceeding. In November 2016, the Board joined with the New Jersey Division of Rate Counsel (Rate Counsel), the U.S. Department of Defense/Federal Executive Agencies, and the Public Power Association of New Jersey to protest the formula rate filing of JCP&L.

On December 28, 2016, Federal Energy Regulatory Commission (FERC) issued JCP&L a Deficiency Letter. JCP&L responded to the Deficiency Letter in January, which restarted the clock in this proceeding. To preserve rights, Staff joined a renewed Protest of the formula rates, including specific challenges about JCP&L's failure to adequately respond to the Deficiency Letter.

On October 28, 2016, JCP&L sought approval of a change in the revenue requirement used to establish the transmission rates charged for the JCP&L Zone under the PJM Interconnection, LLC (PJM) Open Access Transmission Tariff (PJM Tariff) that is set forth in Attachment H-4 of the PJM Tariff.

The change in rates will be accomplished by replacing the current Attachment H-4 with a new transmission formula rate template (Template) and formula rate protocols (Protocols) set forth in Attachments H-4, H-4A and H-4B of the PJM Tariff. The transmission facilities owned by JCP&L in New Jersey are subject to the functional control of PJM.

JCP&L claimed that the Template and Protocols filed are just and reasonable and consistent with Commission precedent regarding forward-looking transmission formula rates. JCP&L further requested that FERC accept the Template and Protocols, with an effective date of January 1, 2017. According to JCP&L, establishing the requested effective date for this filing will allow JCP&L's forward-looking formula rate to take effect as designed on the first day of the calendar year.

The Rate Counsel took the lead in developing a Protest to the JCP&L formula rate filing. JCP&L filed an Answer on December 5, 2016. In response to the protest, JCP&L alleges that its position is accurate and supported by FERC precedent. JCP&L alleged that the protesting parties (including the Board) have misinterpreted and misunderstood FERC precedent and standards.

The Rate Counsel also took the lead in drafting a Reply to the allegations raised in the JCP&L Answer, which was ratified by the Board in January 2017. The Reply was filed on December 15, 2016. The Reply argued the following:

- JCP&L has distorted the Commission's precedent favoring formula rates.
- JCP&L still fails to provide adequate support for the high Return on Equity sought.
- JCP&L misinterprets FERC precedent regarding recovery of regulatory assets.



- FERC precedent does not excuse JCP&L's failure to timely file to recover Hurricane Sandy restoration costs.
- JCP&L has distorted Indicated Intervenors' opposition to its vegetation management regulatory asset.
- JCP&L has not justified the use of an alternative allocator for General and Intangible Plant.

In its Deficiency Letter, FERC told JCP&L that it hasn't provided a sufficiently complete filing for FERC to process. The Company was given 30 days to answer FERC's extensive questions (e.g., to explain why it used a plant allocator for certain general overheads, rather than the standard labor allocator as advocated by our protest).

JCP&L responded on January 10, 2017, (this is called the Deficiency Response). This filing restarted the 60-day clock for FERC to accept/suspend the filing:

- The Deficiency Response is effectively a new pleading, which then requires a new response by protesting parties.

The Protesting Parties sought settlement and hearing proceedings and suspension of the rate for five months, which would allow for the creation of a record in this proceeding.

Staff recommended the Board ratify the Protest to the Deficiency Response.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**E. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. RM16-23 and AD16-20 – Notice of Proposed Rulemaking on Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, acting on behalf of the Board filing comments on a Notice of Proposed Rulemaking (NOPR) with the Maryland Public Service Commission. On November 17, 2016, Federal Energy Regulatory Commission (FERC) issued a NOPR, seeking to amend its regulations to enhance and add some consistency to participation in organized wholesale markets of: 1) electric storage; and 2) distributed energy resources.

The comments pending before the Board ask that FERC confirm the boundaries between State and Federal jurisdiction over these resources; ensure the market manipulation concerns are addressed by the market monitor; address the potential for dual compensation; and respect the on-going stakeholder processes related to these energy resources.

This is FERC's biggest step toward integrating the reliability and economic benefits of these resources into organized wholesale markets. Instead of these resources fitting in to an existing market role under each Regional Transmission Organization and Independent System Operator Tariff, the proposed rule seeks to establish a consistent participation model across the nation's market operators that reflects the physical and operational characteristics of electric storage resources.

Maryland Public Service Commission drafted comments and Staff, acting on behalf of the Board, was authorized to join the comments, subject to ratification. The Comment Deadline was February 13, 2017.

Staff recommended that the Board ratify the comments.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**F. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. EL17-36 and EL17-32 – Advanced Energy Management Alliance and Old Dominion Electric Cooperative, et al. v. PJM Interconnection, LLC (Not-Consolidated).**

**BACKGROUND AND DISCUSSION:** On December 23, 2016, Old Dominion Electric Cooperative, Direct Energy Business, LLC, and American Municipal Power, Inc. (collectively, December 23 Complainants or Complainants) filed a formal complaint against PJM Interconnection, LLC (PJM) requesting that the Federal Energy Regulatory Commission (FERC) take action to prevent the loss of participation by certain resources, referred to as "Seasonal Capacity Performance Resources," in PJM's Reliability Pricing Model (RPM) and determine that PJM's Open Access Transmission Tariff and the Reliability Assurance Agreement regarding Seasonal Capacity Performance Resources in the RPM auctions are no longer just and reasonable.

Staff, on behalf of the Board, filed comments in general support of the complaints, and shared the concerns of complainants about the cost increases, without corresponding benefits, associated with the transition away from Base Capacity Resources to only Capacity Performance Resources. The Board has actively challenged Capacity Performance since its introduction due to its high cost and uncertain reliability improvements. The complaints filed raise similar concerns about this new modification to Capacity Performance.

On January 5, 2017, the Advanced Energy Management Alliance (AEMA) filed a Complaint against PJM concurrent with the filing of a Motion for Consolidation of its Complaint with the proceedings in December 23 Complaint. AEMA similarly requested fast-track processing to "protect customers in the PJM Region from unnecessary and dramatic increases in electricity costs that will result" if Seasonal Capacity Performance Resources are precluded from participating in the May 2017 Base Residual Auction for the 2020/2021 Delivery Year.

Staff recommended that the Board ratify the submission of supporting comments.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**G. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-856 – Rockland Electric Company Submitted Tariff Revisions re: Update to Stated Transmission Rate.**

**BACKGROUND AND DISCUSSION:** On January 27, 2017, Rockland Electric Company (RECO) filed a Federal Power Act Section 205 rate increase application. The filing sought to increase by more than 50% the transmission revenue requirement, transmission rate, and Schedule 1 ancillary service rate for the RECO zone of PJM Interconnection, LLC (PJM). RECO sought to increase the per MW-year stated rate for network integration transmission service from the existing \$32,114.00 to a requested \$49,695.00.

The deadline for comments and protests on the filing was February 16, 2017. The New Jersey Division of Rate Counsel (Rate Counsel) engaged consultants to analyze the filing and identified the following issues with RECO's filing. Return on Equity of 10.7%. Although this Return on Equity (ROE) is lower than RECO's current 11.11%, the ROE is still excessive given current trends lowering transmission ROE's and the position of the Board in other transmission rate proceedings. Staff, on behalf of the Board, joined the Rate Counsel also contending that the rates for the RECO Zone in PJM should not include costs for facilities operated by the New York Independent System Operator nor costs associated with a former Pennsylvania affiliate (Pike County Light and Power). Staff and Rate Counsel also challenged that other elements of the RECO filing raise warrant additional scrutiny.

Staff recommended that the Board ratify the filing of this Protest.

Commissioner Fiordaliso stated that he was thrilled that the Board is monitoring the transmission charges and return on equity. "Because, as we know, these charges have been skyrocketing for a number of years now. And so I think we have to continue to monitor that and, hopefully, at some point we can curb those increases." President Mroz concurred, stating that we have talked about these matters very publicly in the past, and, as we saw in the BGS, an all-in price to consumers is considered. The costs associated with capacity performance, which was one of the other matters, we are been raising questions at FERC about, as well as transmission are the first and second in order in terms of cost factor, besides the energy components, and they have been increasing over the years. And it is important. It is really essential that we remain vigilant in our scrutiny of those components for both capacity, as well as transmission cost.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

There were no items in this category.

**5. WATER**

There were no items in this category.

**6. RELIABILITY & SECURITY**

There were no items in this category.

**7. CUSTOMER ASSISTANCE**

**A. Docket No. EO17020094U – In the Matter of the Proposed Memorandum of Understanding Between the Board of Public Utilities and the Division of Consumer Affairs – Review of Complaints Against Certain Third Party Suppliers.**

**Jake Gertsman, Legal Specialist, Office of Chief Counsel,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved a Memorandum of Understanding (MOU), which supersedes the MOU signed on May 16, 2014, and is made for the purpose of carrying out cooperative efforts by the Board and the Division of Consumer Affairs (Consumer Affairs) in the investigation of and possible prosecution of claims against third party suppliers (TPSs) for violations of the Board's consumer protection standards.

The Legislature has charged the Board with implementing consumer protection standards, and the Board has adopted advertising, marketing, and contract standards for TPSs. Pursuant to the Consumer Affairs Act of 1971, the Legislature has transferred to Consumer Affairs all of the functions, powers and duties of the Attorney General under the Consumer Fraud Act, and has recognized that closer coordination among the various State agencies concerning consumer issues will enhance the effectiveness of the State's efforts to adequately protect New Jersey consumers.

During the winter season prior to the 2014 MOU, both agencies received complaints against TPSs alleging, among other things, high bills, misrepresentation of terms of service, and slamming. Because of the high volume of complaints received by the Board, the agencies decided to join efforts to investigate and prosecute any violations of consumer protection standards.

This MOU establishes the responsibilities of each agency and identifies how the agencies will share costs.

After consultation with the Board regarding which companies warrant investigation, Consumer Affairs will be responsible for investigating the marketing, advertising, contract and other practices of the TPSs. If litigation is commenced, Consumer Affairs will advise the Board of the intent to prosecute claims before the commencement of litigation. Consumer Affairs will devote personnel and other resources to the investigation and the litigation without charge to the Board.

The Board will provide assistance to Consumer Affairs for the investigation and prosecution of the claims against TPSs. The assistance shall include, but not be limited to, providing Consumer Affairs and Department of Law copies of books, records, and data in the Board's possession.

Staff believed that the MOU will continue to benefit energy consumers by ensuring that TPSs comply with the Board's consumer protection standards and by strengthening consumer confidence in the TPS market. Based on the above, Staff recommended that the Board authorize President Mroz to execute the MOU between the Board and Consumer Affairs.

Commissioner Holden stated that she enthusiastically supports this MOU. President Mroz noted that the Board has not recently had a vast number of complaints. He stated that a number of years ago when prices were bouncing around which related around the polar vortex and circumstances regarding change in bills of people really getting caught up by some bad actors. President Mroz added that unfortunately it is necessary to have this active engagement and collaboration with our colleagues at the Division of Consumer Affairs. President Mroz further stated that we wants to thank them too for their work in the past, and on an ongoing basis, we obviously work with them, to make sure that the third-party suppliers and all are in compliance.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**Eric Hartsfield, Director, Division of Customer Assistance**, presented these matters.

**B. Docket Nos. BPU GC15101194U and OAL PUC 02089-16 – In the Matter of Timothy Sherry, Petitioner v. New Jersey Natural Gas Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Timothy Sherry (Petitioner) and New Jersey Natural Gas (NJNG or Company). The petition was transmitted to the Office of Administrative Law (OAL) on December 17, 2015, for hearing as a contested case. Administrative Law Judge (ALJ) Joseph Lavery filed an Initial Decision in this matter with the Board on December 6, 2016. At its December 12, 2016, Board meeting staff recommended and was granted a 45-day extension of time for issuing a final decision.

The Petitioner stated that he received a high bill although the house was vacant due to Hurricane Sandy, and the Company had turned off the service. He further stated that on May 30, 2014, a NJNG technician inspected the meter and found that the meter was not running and that there was no gas supply going to the house.

NJNG, in its December 11, 2015 answer, denied the allegations that the Petitioner was incorrectly billed. NJNG stated that the meter in question was removed for testing on or about March 30, 2014. The test confirmed that the meter was functioning properly and operating within the limits set forth by the Board. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff.

NJNG filed a motion for summary decision on September 6, 2016, seeking to dismiss the petition, contending the meter properly registered usage during the billing period and no records reflected the discontinuance of gas service or shut off at the residence, therefore, the Petitioner is responsible for the balance. In support of its motion, NJNG submitted documents showing the meter reading history and the billing history including the monthly invoices and the meter test record. NJNG further argued that the Petitioner's monetary claim should be dismissed for lack of jurisdiction. Accordingly, NJNG sought dismissal of the petition with prejudice and an Order indicating that the Petitioner was properly billed and directing the Petitioner to pay the outstanding balance.

The Petitioner submitted no response to the motion for summary decision.

ALJ Lavery stated that the Petitioner, although obligated to rebut NJNG's claims, did not counter NJNG's motion. Further, the Petitioner provided no reason for failing to answer or address the motion. Therefore, the ALJ concluded that the motion record demands that the relief sought by NJNG's summary decision motion be granted. Additionally, the ALJ Lavery ordered that the petition be dismissed with prejudice.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Lavery. Staff completed its review of the record and recommended the Board adopt the Initial Decision of ALJ Lavery.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket No. EO16100982 – In the Matter of the Petition of Public Service Electric and Gas Company Pursuant to N.J.A.C. 14:3-5.1(c) for Approval of the Relocation of Its Perth Amboy Customer Service Center from 313 Madison Avenue to 271 King Street, Perth Amboy, New Jersey.**

**BACKGROUND AND DISCUSSION:** On October 19, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting authority to relocate its Perth Amboy Customer Service Center (CSC) from 313 Madison Avenue to 271 King Street, Perth Amboy, New Jersey, which is 0.2 miles from the current location. The Company has complied with N.J.A.C. 14:3-5.1(c) and (e) in their entirety, including mailing copies of the petition to the Clerk of the affected municipality, as well as to the New Jersey Division of Rate Counsel (Rate Counsel).

PSE&G, provided customers and other interested parties with adequate notification of the pending relocation, by posting a Notice at the existing site. In addition, PSE&G published copies of the Notice in area newspapers: The Star Ledger and the Home News Tribune. All Company inquiry and collection telephone personnel will have the relocation information in order that they may direct customers to the proposed new location.

Staff recommended that the Board grant PSE&G's request and authorize the relocation of its Perth Amboy CSC, currently located at 313 Madison Avenue to 271 King Street, Perth Amboy, New Jersey.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**D. Docket Nos. BPU EC16030212U and OAL PUC 07384-16 – In the Matter of Robert Bouhon, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Robert Bouhon (Petitioner) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law on May 13, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Sarah G. Crowley filed an Initial Decision in this matter with the Board on December 22, 2016. At the January 25, 2017,

Board meeting staff requested and was granted a 45-day extension of time for issuing a final decision.

The Petitioner stated that he received a high bill from ACE in November 2015 for \$14,451.20. He claimed that the bill was a result of incorrect estimated meter reads. He also stated that the Company claimed that there was evidence of meter tampering. The Petitioner further claimed that he made regular monthly payments and was unaware of any occurrence of tampering of the meter.

ACE, in its answer dated April 20, 2016, denied the allegations that the Petitioner was incorrectly billed. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. ACE requested that the relief sought be denied on the basis that the Petitioner failed to set forth a claim upon which relief may be granted.

ALJ Crowley, in her Initial Decision, concluded that the Petitioner had not proved by a preponderance of the evidence that the estimated bills in question were improper or that the meter was not tampered with. There was evidence of meter tampering, and no explanation was offered as to why there was a hole drilled in his meter. Therefore, ALJ Crowley ruled that the petition of the Petitioner be dismissed, and the Petitioner was ordered to pay the \$14,451.20.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Crowley. Staff recommended that the Board adopt the Initial Decision.

President Mroz noted that "it does not appear there's any evidence in the record that would in my mind substantiate any revision of the judge's order and findings so I, for one, will be prepared to support the recommendations. I will say that for the record here. Commissioner Fiordaliso concurred".

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>



**8. CLEAN ENERGY**

**Marisa Slaten, Director, Division of Economic Development and the Division of Economic Development & Emerging Issues, presented these matters.**

**A. Docket No. EO12090799 – In the Matter of the Verified Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II);**

**Docket No. EO12080750 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for a SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II); and**

**Docket No. EO13020118 – In the Matter of the Verified Petition of Rockland Electric Company Concerning a Proposal for a SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II).**

**BACKGROUND AND DISCUSSION:** This matter involved the final recommendations of Navigant Consulting, Inc. (Navigant), the Solicitation Manager (SM) for the fifth solicitation conducted under the Electric Distribution Companies' Solar Renewable Energy Certificate II (SREC II) Programs for long-term financing. The SM received 40 qualified bid proposals in three markets: Segment 1: Residential/ Commercial under 50 kW – Of 29 bids totaling 552 kW, 19 bids totaling 271.72 kW were recommended (9 rejected due to uncompetitive pricing, one withdrawn). Simple average prices for SRECs was \$165.00; Segment 2: Residential/Commercial from 51 kW to 2 MW – Of 12 bids totaling 3.3 MW, 7 bids totaling 1.7 MW were recommended (5 rejected due to uncompetitive pricing), with simple average price for SRECs of \$168.24; no bids received for Segment 3 Landfill/Brownfield/Area of Historic Fill. A soft cap by which the SM evaluates bids takes variables such as spot market price into account. As of the November 30, 2016 bid due date, the spot market price was \$206.00 per SREC. Therefore, Staff expected to see bid proposals come in at less than the spot market because these are 10 year, long-term contracts, providing safety to bidders for that duration.

Staff recommended that the Board approve the SM's final recommendations.

President Mroz expressed satisfaction with a good number of bids received into different tranches, as well as with the pricing. Commissioner Fiordaliso pointed out that this was the largest number of participants over the course of the program, a healthy indicator of greater interest in long-term contracts. He commended the State's monitoring of SREC prices and ability to alter supply to ensure prices do not fall precipitously. Commissioner Holden noted that some states have no SREC program. Commissioner Chivukula voiced industry concern of a sudden drop driving down SREC prices. Staff felt evaluations indicate the market is strong right now and a cliff date is speculative.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket No. QX15091096 – In the Matter of the Renewable Energy and Energy Efficiency Rules – N.J.A.C. 14:8 – Amendments to Subchapter 8 – Rule Adoption.**

**BACKGROUND AND DISCUSSION:** On March 7, 2016, the Board published a Rule Proposal to propose new definitions, amend definitions, and make amendments to its rules governing the Renewable Portfolio Standards (RPS) and Solar Registration Program (SRP), primarily to bring those definitions and rules into compliance with P.L. 2012, c. 24 (Solar Act). In addition, the proposed amendments included minor edits based on experience in implementing the SRP, as well as date and address changes for rules on energy that qualifies for Class I and for Class II Renewable Energy Certificates (RECs). Most importantly, the amendments included a new process for most grid supply projects to follow for approval as connected to the distribution system.

The Solar Act modified the size of hydro-powered facilities eligible for Class II RECs at greater than 3 megawatts (MW) and less than 30 MW. There are updates in the proposed rules to solar RPS obligations and processes for calculating obligations beginning Energy Year 2015. Solar Renewable Energy Certificate based on energy generated after 7/23/12 must pay prevailing wage if the facility is 1 MW or more. SRP registration timeline requirements for facilities that need BPU approval would change the deadline for submitting initial SRP registration forms from 10 to 14 business days. A six-month extension, if requested, must be approved by the BPU.

Staff recommended that the Board approve the final rule, with minor amendments based on public comment, for publication in the New Jersey Register.

President Mroz noted that the year-long stakeholder process helped to inform the Board to make a decision on whether to adopt the rule proposal. After the Board approved the draft rule published in the New Jersey Register, there was a formal 60-day period for submission of comments, to which Staff provided written responses.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, c. 24, The Solar Act of 2012;**

**Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87(Q)(R)(S) – Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System; and**

**Docket No. QO16020130 – In the Matter of the Implementation of N.J.S.A. 48:3-87(R) – Designating Grid-Supply Projects as Connected to the Distribution System.**

**BACKGROUND AND DISCUSSION:** In this matter, the Board amended and extended the interim process for N.J.S.A. 4:3-87(r) (Subsection r) which it authorized on May 25, 2016. Subsection (r) grid supply projects are areas that do not qualify for Subsection (t) on landfills, brownfields and areas of historic fill. Subsection (r) criteria is that there must be: 1) no detrimental impact on solar development in the state or the Solar Renewable Energy Certificate (SREC) Programs market; 2) no impact on preservation of open space; 3) no impingement on safe, adequate and proper serve and 4) no adverse impact on rates or economic development.

In part, the interim process allowed parties seeking approval of projects in Energy Year 17 (EY17) to submit Expressions of Interest (EOI). The May 25 Order prohibited Staff from accepting applications prior to the effective date of the rules. In the previous matter on this Agenda, the Board considered Staff's recommendation to approve adoption of amendments to Subchapter 8. Those rules take effective after the close of final window for applications to be filed in EY17. Several months will elapse before EY18 begins. Therefore, Staff made recommendations to facilitate the transition to the new grid supply application process. The application criteria focuses on capacity, estimated SRECs produced, description of the project and decommissioning plants. Applicants must file an EOI during the first quarter of the preceding EY, then apply during a window from the first of each quarter beginning June 1<sup>st</sup> for a period of 14 days. Prior to the start of the EY, the Board would announce a maximum capacity eligible for designation as connected to the distribution system for the upcoming EY.

Staff recommended that the Board approve Staff's acceptance of new or amended EOIs for EY18 through April 1, 2017 and issue a Straw Proposal with Staff's recommended megawatt cap for EY18 with the acceptance of comments through April 1, 2017.

President Mroz noted the Board's responsibility to ensure proper market management, particularly anticipating large solar projects. EOIs help gauge market interest so the Board can set maximum capacity for the upcoming EY. Commissioner Fiordaliso pointed out that it is a managed market that has served the market and the state well. Commissioner Chivukula commented that ratepayer interests are also a consideration.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**D. Docket No. QG17010064 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Summit Plaza Associates.**

**BACKGROUND AND DISCUSSION:** The Board administers the New Jersey Clean Energy Program Combined Heat & Power/Fuel Cell (CHP/FC) Program, open to all Commercial and Industrial customers paying into the Societal Benefits Charge who install CHP or FC systems to enhance energy efficiency through on-site power generation with recovery and productive use of waste heat, reducing existing and new demands to the electric grid. Summit Plaza Associates submitted an application for a CHP project at 730 Newark Avenue in Jersey City.

Summit Plaza Associates' 2017 CHP/FC project's proposed 300 kW CHP system, consisting of three 100 kW natural gas fueled engines to produce energy for two multifamily buildings totaling 400,000 square feet will have the following estimated savings (through production and heat recovery):

- annual estimated electric production of 1,855,768 kWh;
- annual estimated waste heat recovery of 12,991 MMBtus of natural gas;
- an estimated average annual energy cost savings of \$18,046.00.

The CHP/FC rebate is for a total of \$600,000.00, an estimated project cost of \$2,014,268.00 with a 11.19 year payback without incentives and investment tax credit (ITC), reduced to 7.86 years with incentive and ITC.

Based on the certifications of the Program Administrator and Program Manager, Staff determined that these applications meet the eligibility criteria for the CHP/Fuel Cells Program and recommended that the Board approve the applications.

Commissioner Fiordaliso commented that it is nice to see more companies do this, and it will be going toward something that is going to help low income people.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**E. Docket No. QW17010073 – In the Matter of the Request to Waive Combined Heat and Power/Fuel Cell Requirement – East Hanover Township School District.**

**BACKGROUND AND DISCUSSION:** On August 26, 2016, the East Hanover School District submitted an application to the Combined Heat and Power/Fuel Cell (CHP/FC) program seeking \$135,537.00 in incentive payments for a proposed 75 kW natural gas CHP system with an estimated capital cost of \$401,599.00 to be installed at 477 Ridgedale Avenue, East Hanover. The proposed CHP system does not meet the program required 5,000 run hour or 10 year payback period. The Petitioner requested exceptions from the Payback Requirement and from the Normal Operating Hours Requirement.

The School's System would have an overall energy efficiency of 77.6% as compared to the CHP/FC Program's threshold of 65%. It would also meet all other CHP/FC Program requirements, other than the Payback and Normal Operating Hours Requirements. The School's System would operate 3,878 hours/year, a level below the Program's Normal Operating Hours requirement of 5,000 hours/year, but above the 3,500 hours/year at which the Office of Clean Energy Staff may grant exceptions in favor of critical facilities. The School is identified as the Township's "primary congregate care shelter" in the Township's Emergency Operations, meeting Federal Emergency Management Agency's definition of a "critical facility." The School's System would also have islanding and blackstart capabilities (i.e., it can operate and start up even if the electrical grid is not operating).

The School's System's simple payback period (including federal tax incentives and Program incentives) is 13.6 years as compared to the Program's 10-year maximum. Per Program Guidelines, the School's System equipment has a measure life of 15 years, which is longer than its 13.6-year payback period.

Staff recommended that the Board grant the requested exceptions from the Payback Requirement and the Normal Operating Hours Requirement.

President Mroz and Commissioner Fiordaliso concurred that granting the waiver is for the public good, because of the potential use of the facility in emergencies with power on-site and black-start capability, ultimately benefiting the taxpayers of East Hanover. Commissioner Holden agreed that the project has great intrinsic value and combines different programs in resiliency, residential programs, energy efficiency and Energy Savings Improvement Plans, as well as a great learning experience at the school.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**F. Docket No. QW17010074 – In the Matter of the Request to Waive Combined Heat and Power/Fuel Cell Requirement – Trenton Biogas, LLC; and In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Trenton Biogas, LLC.**

**BACKGROUND AND DISCUSSION:** On August 8 2016, Trenton Biogas, LLC (Trenton Biogas) submitted an application seeking \$2,743,850.00 in incentive payments for a 3.4 megawatt biogas Combined Heat and Power (CHP) system with an estimated capital cost of \$36 million to be installed at the inactive Carver-Greenfield sludge drying facility on Duck Island in Hamilton to be connected to the Trenton Sewer Utility Facility. The Petitioner also requested waiver from Payback and Sizing Requirements.

The project includes three anaerobic digestion tanks that will produce the biogas, three turbines to burn all of the biogas in the CHP system and a heat recovery unit that will recover excess heat exiting the turbines to warm the anaerobic digestion tanks, increasing the solids to gas production efficiency. It will take approximately 21 years of energy cost savings to pay back the total capital costs of approximately \$36 million. The measure life for the biogas system is 20 years, which is consistent with the maximum measure life under program requirements. The payback period was intended to ensure the program would not incentivize projects where simple payback is greater than expected measure life. In this case, the payback period exceeds it by just one year.

The project will generate approximately 26 Megawatt hours (MWh) annually, including an offset of approximately 6.1 MWh in onsite-consumption and 2.6 MWh to be consumed by the adjacent Trenton Sewer Utility facility. The overall intent of the CHP sizing limit requirement is to maximize ratepayer benefits from incentives by correlating the size of projects to the requirement of power to meet on-site needs. The \$844,340.00 worth of electricity anticipated to be available for off-site sale from the Trenton Biogas facility is an incidental result of sizing this system to be able to take all of the biogas.

Staff recommended that the Board approve the waivers of the Payback Requirement and the Sizing Requirement and approve the commitment of the Incentives.

Commissioner Chivukula lauded environmental benefits reducing CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub> and would like more such projects. Commissioner Holden noted that as 30% of energy used in the U.S. is for processing wastewater, the project is a natural attack on energy usage. The payback will also be reduced by tipping fees from restaurants disposing oils and stores disposing waste foods going to the digesters rather than landfills. While there are others in Englewood, Camden Municipal Utilities Authority and Bergen County MUA, this is the first the Board will incentivize. President Mroz also commended the exciting project, noting it is technology used for public benefit in other countries.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**G. Docket No. QO17010075 – In the Matter of a Memorandum of Understanding between the New Jersey Division of Property Management and Construction and the New Jersey Board of Public Utilities.**

**James Boyd, Jr., Legal Specialist, Office of Chief Counsel,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter is a Memorandum of Understanding (MOU) between the Board of Public Utilities and the Division of Property Management and Construction (DPMC) involving a number of energy efficiency projects being implemented in state facilities in Trenton. In June of 2016, the Board appropriated \$7.5 million to the state facilities initiative run out of the Office of Clean Energy, which funds Energy Efficiency projects at local and state facilities.

While this was a general appropriation, Office of Clean Energy and Division of Property Management Staff identified two projects for building control upgrades, one at the Hughes Justice Complex (HJC) and the other at the NJ Department of Environmental Protection (DEP). These projects would be completed over a number of years to save \$500,000.00 annually at the HJC and \$180,000.00 at the DEP buildings.

This MOU will give DPMC the authority to proceed with these projects and enter into contracts with the state.

Staff recommended the Board approve the MOU and authorize President Mroz to sign the document on behalf of the Board.

President Mroz noted that this is the public sector leading by example and shows a continuing commitment with the Treasury Department to move forward with energy efficiency projects.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**Marisa Slaten, Director, Division of Economic Development and Energy Policy,** presented these matters.

**H. Docket No. QO16060487 – In the Matter of the Verified Joint Petition of Solops, LLC and College Road Associates, LLC for a Declaratory Judgment Pursuant to N.J.S.A. 52:14B-1 et seq. or a Waiver Pursuant to N.J.A.C. 14:1-1.2(b).**

**BACKGROUND AND DISCUSSION:** SOLOPS, LLC (SOLOPS) and College Road Associates, LLC (College Road) filed a joint petition in June 2016 for a declaratory ruling that their proposed solar installation will meet net metering rules at N.J.A.C. 14:8-4.1; or, in the alternative, a waiver of N.J.A.C. 14:8-4.2.

SOLOPS proposed a 14 megawatt (MW) solar facility to be located in South Brunswick, on the opposite side of one thoroughfare, separating it from the office park in Plainsboro. College Road is currently the sole customer of record with Public Service Electric and Gas (PSE&G). On January 27, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) filed comments opposing the petition. Counsel for the Petitioners submitted a final response on February 16, 2017.

Rate Counsel argued that the proposed facility would serve multiple customers because “affiliated entities” of College Road owned some of the buildings which would be the end users of the energy; and the facility would constitute an un-regulated mini-utility because it would serve more than one customer. Staff recommended the Board reference and incorporate Rate Counsel’s arguments on the application of the Board’s rule and decline to reach the issue of whether the project would constitute a mini-utility.

Staff recommended that the Board deny the Petition.

President Mroz clarified that consolidating separately metered multiple-ownership buildings as two meters on the same parcel as the solar facility (with the buildings on a separate parcel, separated by a thoroughfare), and the point of consumption being considered the two meters, not the buildings, potentially creates a new public utility if the buildings are sold to another owner at a later date. Commissioner Chivukula raised the issue that no property is contiguous and therefore this cannot be issued a waiver. Commissioner Solomon also voiced concerns of possibly preempting micro-grid issues.

By statute, the solar electric power generation facility to be connected to a distribution system must be connected to a net metering customer's side of the meter. The Board's rule limits meter metering to generation facilities, as set forth within official tax map contiguous to the property on which energy is consumed. Since the proposed solar generation facility is located in one municipality and the site of the proposed end use is located in another; since both the site of the proposed facility and that where end use is proposed are sub-divided into multiple blocks and lots; and since there will be more than one end user, the proposed installation does not qualify as "on-site" under Board rules.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**I. Docket No. QO16040353 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017 (FY17) – Large Energy Users Program Changes; New Customer-Tailored Pilot Program; Investor Confidence Project Extension; and In the Matter of the Clean Energy Programs and Budget for FY17 – Budget Modifications.**

**BACKGROUND AND DISCUSSION:** In this matter, Staff proposed revisions to the Fiscal Year (FY17) programs and budgets for the New Jersey Clean Energy Program (NJCEP). The proposed revisions were released for public comment and discussed at Energy Efficiency, Renewable Energy and Combined Heat and Power / Fuel Cell (CHP/FC) Working Groups. Staff proposed, in part, the following:

- Local Government Energy Audit Rebates increased by \$1,230,438.00.
- Pay for Performance New Construction Rebates increased by \$6,000,000.00.
- Pay for Performance Existing Buildings reduced by \$4,849,256.00.
- Solar Renewable Energy Certificate Registration Program (SRP) - Increased by \$983,436.00; SRP Rebates reduced to \$0, as Program no longer provides rebates.
- Large Energy Users Program (LEUP) - Reduced by \$1,098,510.00.
- Commercial and Industrial Existing Buildings - Reduced by \$1,731,447.00.
- Customer Tailored Energy Efficiency Pilot (CTEEP) - Implementation of CTEEP to launch in March or April 2017. Being open for only 2-3 months, reduced by \$200,000.00.
- Comfort Partners - Minor reallocations, less than \$150,000.00.
- BPU Program Administration: Program Transition - Additional \$672,847.00.



- Outreach and Education: Sustainable Jersey, New Jersey Institute of Technology Learning Center, Rutgers Laboratory for Energy Smart Systems, and New Jersey Clean Energy Resource Network - Additional \$506,348.00 to pay contractual outstanding expenses.
- New Marketing Contract & Program Evaluation/Analysis - Reduced by \$5,270,527.00.
- Temporary Relief for Utility Expenses Grant Program - Increased \$3,291,331.00.

**PROPOSED PROGRAM CHANGES:**

- **LEUP**–Revisions such as lowering minimum contribution threshold into NJCEP fund from \$300,000.00 to \$200,000.00 and reducing minimum incentive to \$100,000.00.
- **New CTEEP**–Details of the CTEEP are attached as Exhibit A to the Order.
- **Investor Confidence Program (ICP)** - During the pilot phase, the ICP showed some promise towards achieving this goal and its maintenance involves only minimal cost. Accordingly, Staff proposed extension as a non-pilot.

Staff recommended that the Board approve the proposed program actions, revised FY17 Program Administrator Compliance filing and proposed budget revisions.

Commissioner Fiordaliso commended that budget monitoring and reallocating is extremely important, so that the money goes where it can be best spent to the benefit of society.

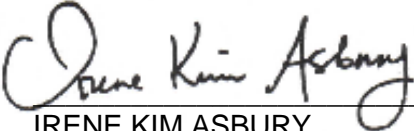
**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**9. MISCELLANEOUS**

There were no items in this category.

There being no further business before the Board, the meeting was adjourned.

  
\_\_\_\_\_  
IRENE KIM ASBURY  
BOARD SECRETARY

DATE: March 24, 2017