

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

ENERGY AND CLEAN ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ. SECOND TRIENNIUM ORDER FURTHER EXTENDING REVIEW PERIOD

DOCKET NO. QO23120868

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Andrew K. Dembia, Esq., Regulatory Affairs Counsel, New Jersey Natural Gas Company John Kolesnik, Esq., Counsel for the Energy Efficiency Alliance of New Jersey Steven S. Goldenberg, Esq., Counsel for the New Jersey Large Energy Users Coalition Kaitlin Morrison, Esq. and Maggie Broughton, Esq., Counsel for the New Jersey Progressive Equitable Energy Coalition, the Natural Resources Defense Council, and the Sierra Club

BY COMMISSIONER MARIAN ABDOU:

BACKGROUND AND PROCEDURAL HISTORY

By Order dated May 24, 2023, the New Jersey Board of Public Utilities ("Board") directed each electric and gas public utility to propose, for Board approval, energy efficiency ("EE") programs for the second three (3)-year EE program period ("Triennium 2") pursuant to the Clean Energy Act of 2018, <u>L.</u> 2018, <u>c.</u> 17, on or before October 2, 2023, and the Board addressed certain aspects of the Triennium 2 framework.¹

By Order dated July 26, 2023, the Board approved the remaining aspects of the Triennium 2

¹ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated May 24, 2023.

framework.²

By Order dated September 27, 2023, the Board extended the filing deadline for Triennium 2 petitions from October 2, 2023 to December 1, 2023 and directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by December 8, 2023 and that entities file with the Board any responses to those motions by December 14, 2023.³ By the September 2023 Order, the Board retained this matter for hearing and, pursuant to N.J.S.A. 48:2-32, designated President Guhl-Sadovy as Presiding Commissioner in this matter authorized to rule on all motions that arise during the pendency of this proceeding, and modify schedules that may be set as necessary to secure a just and expeditious determination of all issues. By Order dated October 25, 2023, the Board delayed the start of Triennium 2 by six (6) months from July 1, 2024, until January 1, 2025.⁴

² In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated July 26, 2023.

³ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs; In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs; In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis, Pursuant to N.J.S.A. 48:3-98.1 and N.J.S.A. 48:3-87.9 - Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO23030150, and QO17091004, Order dated September 27, 2023 ("September 2023 Order"). The September 2023 Order also directed that any entity wishing to file a motion for admission of counsel, *pro hac vice*, should do so concurrently with any motion to intervene or participate. No entity filed a motion for admission *pro hac vice* in this matter.

⁴ <u>In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the Second Triennium of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO23030150, Order dated October 25, 2023 ("October 2023 Order"). The October 2023 Order also extended Triennium 1 through December 31, 2024.</u>

By Order dated January 10, 2024, the Board redesignated President Guhl-Sadovy as the Presiding Commissioner for the Public Service Electric and Gas Company ("PSE&G") filing and designated myself, Commissioner Abdou, as the Presiding Commissioner in this matter, authorized to rule on all motions that arise during the pendency of this proceeding and modify schedules that may be set as necessary to secure a just and expeditious determination of all issues.⁵

On December 1, 2023, New Jersey Natural Gas Company ("NJNG" or "Petitioner") filed the requisite petition with the Board ("Petition"), and on December 26, 2023, Board Staff ("Staff") issued NJNG a letter of administrative deficiency ("Letter") identifying administratively incomplete portions of the Petition and requesting that the Company cure any deficiencies. On January 2, 2024, NJNG filed an update to the Petition to cure the deficiencies identified in the Letter ("Update"). N.J.S.A. 48:3-98.1(b) provides the Board with 180 days to approve, modify, or deny the Company's requested recovery of costs for the Program. The 180-day review period commenced on January 2, 2024 for the Petition.

In the January 2024 Order, the Board directed that any entity wishing to file a motion for leave to intervene or participate, or to update a previously-filed motion for leave to intervene or participate, in this proceeding shall have until seven (7) days following Staff's issuance of a letter of administrative completeness to the Company.⁶ On January 12, 2024, Staff issued a letter of administrative completeness, noting that the Update adequately cured the deficiencies identified in the Letter and that Staff therefore determined the Petition to be administratively complete. The Board subsequently received no additional or updated motions seeking leave to intervene or participate.

By Order dated February 26, 2024, after considering all Motions to Intervene or Participate in this matter and responses to the Motions, I granted intervenor status to the New Jersey Large Energy Users' Coalition ("NJLEUC"), the Energy Efficiency Alliance of New Jersey ("EEA-NJ"), the Natural Resources Defense Council ("NRDC"), the New Jersey Progressive Equitable Energy Coalition ("NJPEEC"), and the Sierra Club (collectively, "Intervenors"), and participant status to Uplight, Inc. and the joint utilities: Atlantic City Electric Company, ETG, Jersey Central Power & Light Company, PSE&G, Rockland Electric Company, and SJG.⁷

On March 19, 2024, the parties to this matter submitted for approval a stipulation of settlement, proposing to extend the 180-day review period to October 15, 2024 ("Stipulation"). By Order

⁵ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the <u>Second Triennium of Energy Efficiency and Peak Demand Reduction Programs</u> *et al.*, BPU Docket Nos. QO23030150, QO23120868, QO23120869, QO23120870, QO23120871, QO23120872, QO23120874, and QO23120875, Order dated January 10, 2024 ("January 2024 Order"). By the January 2024 Order, the Board additionally redesignated Commissioner Abdou as the Presiding Commissioner for the Elizabethtown Gas Company ("ETG") and South Jersey Gas Company ("SJG") filings, BPU Docket Nos. QO23120869 and QO23120870.

⁶ In re the Implementation of P.L. 2018, c. 17, the New Jersey Clean Energy Act of 2018, Regarding the <u>Second Triennium of Energy Efficiency and Peak Demand Reduction Programs</u> *et al.*, BPU Docket Nos. QO23030150, QO23120868, QO23120869, QO23120870, QO23120871, QO23120872, QO23120874, and QO23120875, Order dated January 10, 2024.

⁷ In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated February 26, 2024.

dated April 23, 2024, I approved the Stipulation, extending the 180-day review period to October 15, 2024, and established the procedural schedule for this matter, which was annexed to the Order ("April 23 Procedural Schedule").⁸

On April 25, 2024, I received correspondence from NJNG seeking to amend the April 23 Procedural Schedule, specifically, by extending the deadline for the New Jersey Division of Rate Counsel ("Rate Counsel") and Intervenors to file testimony by two (2) weeks from April 29, 2024, to May 13, 2024, to allow for further settlement negotiations. NJNG did not request further modification to the April 23 Procedural Schedule in its April 25, 2024 correspondence. According to the correspondence, Rate Counsel, Staff, and the Intervenors supported the request. Subsequently, on May 8, 2024, NJNG filed correspondence requesting the filing for Rate Counsel and Intervenor testimony be extended to May 28, 2024. The correspondence indicated that the request was supported by Rate Counsel, Staff, and the Intervenors. By Order dated May 15, 2024, I extended the deadline for the filing of Respondent/Intervenor testimony to May 28, 2024, and, with the consent of the parties, suspended the April 23 Procedural Schedule until May 28, 2024.⁹

On May 20, 2024, NJNG filed correspondence seeking to suspend the procedural schedule indefinitely so that the parties may continue settlement negotiations. Rate Counsel and the Intervenors indicated their consent to NJNG's request in writing on May 21 and May 22, 2024. Staff indicated its consent to the request on May 24, 2024. By Order dated June 4, 2024, I granted the Company's request to fully suspend the remainder of the April 23 Procedural Schedule.¹⁰

On October 9, 2024, the parties to this proceeding submitted a stipulation of settlement, for my approval, agreeing that a further extension of the 180-day review period is appropriate and agreeing to extend the 180-day period for the Board to review this matter to October 31, 2024 ("October 2024 Stipulation").

DISCUSSION AND FINDINGS

N.J.S.A. 48:2-21.3 allows any public utility to file with the Board a written stipulation waiving the effective date of any tariff or rate, subject to the Board's approval. In this case, the parties to this proceeding have agreed to an extension until October 31, 2024. No party has opposed the October 2024 Stipulation or the extension of the review period. As such, having reviewed the October 2024 Stipulation, I <u>HEREBY FIND</u> the October 2024 Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, I <u>HEREBY APPROVE</u> the October

⁸ In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated April 23, 2024.

⁹ In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated May 15, 2024.

¹⁰ In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq. Second Triennium, BPU Docket No. QO23120868, Order dated June 4, 2024.

2024 Stipulation in its entirety, <u>HEREBY</u> <u>INCORPORATE</u> its terms and conditions as though fully set forth herein, and <u>HEREBY</u> <u>EXTEND</u> the review period until October 31, 2024.

I HEREBY DIRECT that this Order be posted on the Board's website.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: 10/15/2024

BY:

COMMISSIONER

IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF NEW ENERGY EFFICIENCY, BUILDING DECARBONIZATION START-UP, AND DEMAND RESPONSE PROGRAMS AND THE ASSOCIATED COST RECOVERY MECHANISM PURSUANT TO THE CLEAN ENERGY ACT, N.J.S.A. 48:3-87.8 ET SEQ. AND 48:3-98.1 ET SEQ. SECOND TRIENNIUM

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