IN THE MATTER OF THE PETITION OF 
PUBLIC SERVICE ELECTRIC & GAS 
COMPANY FOR APPROVAL OF ITS CLEAN 
ENERGY FUTURE-ENERGY EFFICIENCY 
("CEF-EE") PROGRAM ON A REGULATED 
BASIS 

ENERGY AND 
CLEAN ENERGY 

ORDER EXTENDING 180 DAY 
REVIEW PERIOD 

DOCKET NOS. G018101112 & 
EO18101113

(SERVICE LIST AND STIPULATION ATTACHED)

BY COMMISSIONER SOLOMON:

BACKGROUND AND PROCEDURAL HISTORY

On October 11, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program. By way of a letter dated November 14, 2018 ("Deficiency Letter"), Board Staff ("Staff") informed the Company that it found the CEF-EE petition to be administratively deficient with respect to the minimum filing requirements for energy efficiency ("EE"), renewable energy, and conservation programs, as set forth in the Board's May 12, 2008 Order and amended through an Order issued on October 20, 2017.¹ In response to Staff's Deficiency Letter, the Company filed supplemental information on January 7, 2019. On January 9, 2019, Staff advised PSE&G that the CEF-EE petition was administratively complete as of January 7, 2019. The Parties agreed to request an extension of the 180-day review period from July 6, 2019 to August 19, 2019 to allow time for continuing settlement discussions. Upon the submission of a stipulation, on June 27, 2019, I issued an Order adopting the stipulation and extending the review period to August 19, 2019. To allow the Parties time for further settlement discussions, the Parties agree that an additional extension of the review period is appropriate.

In the CEF-EE filing, the Company seeks approval to implement 22 sub-programs, including seven (7) residential sub-programs, seven (7) commercial and industrial ("C&I") sub-programs, and eight (8) pilot sub-programs (collectively, "2018 EE Programs"). The Company claims that the CEF-EE residential sub-programs would, among other initiatives, promote the purchase and installation of high-efficiency appliances through rebates and on-bill incentives; provide customers with energy audits and installation of EE measures; educate residential builders and developers on energy efficient home design and construction; and educate kindergarten through 12th grade students on EE. The Company also claims that the CEF-EE C&I sub-programs would, among other activities, promote the installation of energy efficient equipment; advance efficient design and equipment installation for new buildings; optimize energy consumption in existing buildings; and upgrade all of PSE&G’s existing high-pressure sodium cobra head streetlights to more efficient light emitting diode ("LED") streetlights. Lastly, the CEF-EE pilot sub-programs would consist of PSE&G implementing and managing select approaches to EE that, after the conclusion of the pilot phase, might support future EE programs in New Jersey. The total proposed investment for the 2018 EE Programs is approximately $2.8 billion, including $2.5 billion for investment and approximately $283 million in administrative costs over the proposed six (6) year term of the program, with a proposed fifteen (15) year amortization period for residential and C&I program investments. The proposed 2018 EE Programs would include $86.2 million for information technology ("IT") build investments and $28.9 million for IT run costs. PSE&G proposes to recover costs associated with the 2018 EE Programs via a new CEF-EE Program component ("CEF-EEC") of the Company's electric and gas Green Programs Recovery Charge ("GPRC"), which would be filed annually after the proposed initial period, which the Company proposes to begin upon Board approval of the CEF-EE Program. PSE&G proposes to earn a return on its net investment based on its most recent weighted average cost of capital ("WACC"). In addition, the Company requests Board approval of a decoupling mechanism for recovering lost revenues, the Green Enabling Mechanism ("GEM"). The GEM would provide for the recovery or refund of the difference between actual revenue and the level of "allowed" revenue per customer established in the most recently completed base rate case. Under the CEF-EE program proposal, following a one (1)-year transition period, PSE&G would become the exclusive provider of Board-regulated EE programs in its service territory, with the New Jersey Office of Clean Energy ("OCE") providing oversight, standard setting, and policymaking after the transition.

By Order dated October 29, 2018, the Board determined that this matter should be retained by the Board for review and hearing and designated me as the presiding officer, with the authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. The Board directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018. Moreover, to enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board authorized me to render decisions on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180-day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated was limited to extensions that do not collectively exceed 180 days, with any further request for extensions to be directed to the Board.
By November 16, 2018, nine (9) entities had filed to intervene, and six (6) entities had filed to participate. Specifically, New Jersey Natural Gas Company; the New Jersey Large Energy Users Coalition ("NJLEUC"); Tendril Networks, Inc. ("Tendril"); Direct Energy, representing five (5) affiliated third party energy supplier companies, including Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, NJR Retail Services Company, Centrica Business Solutions, NRG Energy, Inc. and Just Energy Group, Inc. ("Direct Energy"); the Eastern Environmental Law Center ("EELC"); on behalf of Environment New Jersey, Sierra Club, Environmental Defense Fund, New Jersey League of Conservation Voters, and Natural Resources Defense Council; Enel X North America, Inc. ("Enel X"); the Keystone Energy Efficiency Alliance ("KEEA"); MaGrann Associates; and Sunrun, Inc. ("Sunrun") moved to intervene. Atlantic City Electric Company ("ACE"); Jersey Central Power & Light Company; Rockland Electric Company; Google, LLC ("Google"); Lime Energy Co. ("Lime Energy"); and Signify (formerly Philips Lighting North America Corporation) moved to participate.

On January 22, 2019, I issued a Prehearing Order in this matter which, among other things, established the issues to be determined by the Board, set forth a procedural schedule, and granted intervener status to the NJLEUC and the EELC, and granted participant status to the remaining movants, with the exception of KEEA.

On January 29, 2019, Sunrun moved for reconsideration of the Prehearing Order insofar as it denied Sunrun intervener status. On the same date, Direct Energy moved for interlocutory review of the Prehearing Order insofar as it denied Direct Energy intervener status. Both entities argued that their interests as competitors in the EE field could only be adequately represented by themselves. On February 1 and February 8, 2019, PSE&G filed opposition to Direct Energy's motion and to Sunrun's motion, respectively.

On February 5, 2019, Sunrun requested that the Board consider its motion for reconsideration as a motion for interlocutory review.

On February 27, 2019, the Board issued an Order denying the motions of Direct Energy and Sunrun and granting KEEA's motion to intervene.

Following adequate public notice, six (6) public hearings on the Company's petition were held on the following dates in PSE&G's service territory: two (2) hearings on March 13, 2019 in New Brunswick, two (2) hearings on March 18, 2019 in Mount Holly, and two (2) hearings on March 21, 2019 in Hackensack.

The Company, the New Jersey Division of Rate Counsel ("Rate Counsel"), NJLEUC, EELC, KEEA, and Staff (collectively, "Parties") have engaged in extensive discovery and participated in a number of discovery and settlement conferences. Evidentiary hearings were held on May 1 and 2, 2019 at the Office of Administrative Law in Mercerville, New Jersey.

By May 17, 2019, post-hearing initial briefs were submitted by the following parties and participants: PSE&G, Rate Counsel, NJLEUC, EELC, Enel X, ACE, Direct Energy, Google, Lime Energy, Signify, Sunrun, Tendril, and Staff. On May 29, 2019, post-hearing reply briefs were submitted by the following parties and participants: PSE&G, Rate Counsel, EELC, Google, and Sunrun.

3

BPU DOCKET NOS. GO18101112
& EO18101113
The Parties engaged in settlement discussions on March 25, April 9, June 18, and July 15, 2019 and are continuing to discuss settlement.

On June 27, 2019, I issued an Order approving a stipulation signed by all of the Parties extending the deadline for Board action on the CEF-EE filing from July 6, 2019 until August 19, 2019. The purpose of that initial extension was to provide additional time for the Parties to engage in settlement discussions.

STIPULATION

Based on the current status of settlement discussions, the Parties have agreed that a further extension of the 180-day review period is appropriate. Accordingly, on August 6, 2019, the Parties entered into a stipulation to extend the review period ("Stipulation") from August 19, 2019 until September 18, 2019 to allow time for further settlement discussions.

DISCUSSION AND FINDING

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 have agreed to an extension until September 18, 2019. No party has opposed the Stipulation or the extension of the review period. I HEREBY FIND that the Stipulation extending the review period to September 18, 2019 is fair, reasonable, and in the public interest by providing additional time for review of the CEF-EE program. Accordingly, I HEREBY ADOPT the attached Stipulation, incorporating by reference its terms and conditions as if fully set forth herein, and HEREBY EXTEND the review period to September 18, 2019.

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

DATED: 8/12/19

DIANNE SOLOMON
PRESIDING COMMISSIONER
In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis

BPU Docket Nos. GO18101112 & EO18101113

SERVICE LIST

Public Service Electric and Gas Company

PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102

Matthew M. Weissman, Esq.
General State Regulatory Counsel
matthew.weissman@pseg.com

Joseph F. Accardo, Jr., Esq.
Deputy General Counsel and Chief Regulatory Officer
joseph.accardo@pseg.com

Justin B. Incardone, Esq.
Associate General Regulatory Counsel
justin.incardone@pseg.com

Michele Falcao
Regulatory Filings Supervisor
michele.falcao@pseg.com

Caitlyn White
Regulatory Case Coordinator
caitlyn.white@pseg.com

Kenneth Maloney, Esq.
Cullen and Dykman LLP on behalf of Public Service Electric and Gas Company
One Riverfront Plaza
Newark, New Jersey 07102
kmaloney@cullenanddykman.com

New Jersey Board of Public Utilities

Board of Public Utilities
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch
Secretary of the Board
board.secretary@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
paul.flanagan@bpu.nj.gov

Ben Witherell, Chief Economist
ben.witherell@bpu.nj.gov

Division of Clean Energy

Sara Bluhm Gibson, Director
sara.bluhm@bpu.nj.gov

Kelly Mooij, Deputy Director
kelly.mooij@bpu.nj.gov

Sherri Jones, Assistant Director
sherri.jones@bpu.nj.gov

Benjamin S. Hunter, Manager
Bureau of Clean and Renewable Energy
benjamin.hunter@bpu.nj.gov

Mahogany A. Hall, Program Specialist 2
mahogany.hall@bpu.nj.gov

Benjamin Goldstein
Program Specialist
benjamin.goldstein@bpu.nj.gov
New Jersey Board of Public Utilities, cont'd

Division of Energy

Stacy Peterson, Director
stacy.peterson@bpu.nj.gov

Paul Lupo, Bureau Chief, Rates & Tariffs
paul.lupo@bpu.nj.gov

Bart Kilar
bart.kilar@bpu.nj.gov

Counsel's Office

Carol Artale, Esq.
Deputy Chief Counsel
carol.artale@bpu.nj.gov

Rachel Boylan, Esq.
rachel.boylan@bpu.nj.gov

Stacy Ho Richardson, Esq.
stacy.richardson@bpu.nj.gov

Charles Gurkas, Paralegal
charles.gurkas@bpu.nj.gov

New Jersey Division of Law

Department of Law & Public Safety
Division of Law
Public Utilities Section
Post Office Box 45029
Newark, NJ 07101-45029

Caroline Vachier, Esq., Section Chief, DAG
caroline.vachier@law.njoag.gov

Geoffrey Gersten, DAG
geoffrey.gersten@law.njoag.gov

Emma Yao Xiao, DAG
emma.xiao@law.njoag.gov

New Jersey Division of Rate Counsel

Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Brian O. Lipman, Esq., Litigation Manager
blipman@rpa.nj.gov

Felicia Thomas-Friel, Esq.
Managing Attorney – Gas
ftomas@rpa.nj.gov

Kurt Lewandowski, Esq.
Assistant Deputy Rate Counsel
klewando@rpa.nj.gov

Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel
sststeinde@rpa.nj.gov

Maura Caroselli, Esq.
Assistant Deputy Rate Counsel
mcaroselli@rpa.nj.gov

Shelly Massey
smassey@rpa.nj.gov

Rate Counsel Consultants

David E. Dismukes, Ph.D.
Consulting Economist
Acadian Consulting Group
5800 One Perkins Place Drive, Suite 5-F
Baton Rouge, LA 70808
daviddismukes@acadianconsulting.com

Dante Mugrace, Senior Consultant
c/o Karl Richard Pavlovic
PCMG and Associates, LLC
22 Brookes Avenue
Gaithersburg, MD 20877
dmugrace@pcmgregcon.com

Ezra Hausman, Ph.D., President
Ezra Hausman Consulting
77 Kaposia St.
Auburndale, MA 02466
ezra@ezrahausman.com
Atlantic City Electric Company
Philip J. Passanante, Esq.
Assistant General Counsel
Mailstop 92DC42
500 N. Wakefield Drive
Newark DE 19702
philip.passanante@pepcoholdings.com

Jersey Central Power & Light Company
Lauren M. Lepkoski, Esq.
FirstEnergy Service Company
Legal Department
2800 Pottsville Pike
Reading, PA 19712-6001
ilepkoski@firstenergycorp.com

New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel
adembia@njqc.com

Rockland Electric Company
4 Irving Place, Suite 1815-S
New York, NY 10003

Margaret Comes, Esq.
Associate Counsel
comesm@coned.com

Jack Carley, Esq.
Assistant General Counsel
Consolidated Edison Company of New York, Inc.
carleyj@coned.com

James C. Meyer
Riker Danzig Scherer Hyland & Perretti LLP
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962-1981
jmeyer@riker.com

Direct Energy
Christopher Torkelson, Esq.
Eckert Seamans Cherin & Mellott, LLC
P.O. Box 5404
Princeton, NJ 08543
c.torkelson@eckertseamans.com

Karen O. Mouri, Esq.
Kristine Marsilio, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
kmouri@eckertseamans.com
kmarsilio@eckertseamans.com

Eastern Environmental Law Center
Daniel Greenhouse, Esq.
Eastern Environmental Law Center
50 Park Place, Suite 1025
Newark, NJ 07102
d.greenhouse@easternenvironmental.org

Enel X North America, Inc.
Katie Guerry, Vice President
Brian Kauffman, Manager
Regulatory Affairs – North America
One Marina Park Drive
Boston, MA 02210
katie.guerry@enel.com
brian.kauffman@enel.com

William Harla, Esq.
Alice M. Bergen, Esq.
Ryan J. Scerbo, Esq.
Decotiis, Fitzpatrick, Cole & Giblin, LLP
Glencoe Centre West
500 Frank W. Burr Boulevard
Teanock, NJ 07666
wharla@decotiislaw.com
abergerg@decotiislaw.com
rscherbo@decotiislaw.com
Google, LLC

Murray E. Bevan, Esq.
William K. Mosca, Jr., Esq.
Bevan, Mosca & Giuditta P.C.
222 Mount Airy Road, Suite 200
Basking Ridge, NJ 07920
mbevan@bmglaw
wmosca@bmglaw

Keystone Energy Efficiency Alliance

Matt Elliott, Executive Director
14 S. 3rd Street, Second Floor
Philadelphia, PA 19106
melliott@keeanalliance.org

Laura Solomon, Esq.
Laura Solomon and Associates
121 Sibley Avenue
Ardmore, PA 19003
laura@laurasolomonesq.com

Lime Energy Company

Lloyd Kass
Senior Vice President, Utility Strategy
4 Gateway Center, 4th Floor
100 Mulberry Street
Newark, NJ 07102
lkass@lime-energy.com

Nathan Howe, Esq.
McCarter & English, LLP
100 Mulberry Street
Four Gateway Center
Newark, NJ 07102
nhowe@mccarter.com

MaGrann Associates

Ben Adams
701 East Gate Drive, Suite 100
Mount Laurel, NJ 08054
policy@magrann.com

New Jersey Large Energy Users Coalition

Steven S. Goldenberg, Esq.
Giordano, Halleran & Ciesla, P.C.
125 Half Mile Road, Suite 300
Red Bank, NJ 07701-6777
sgoldenberg@aghclaw.com

Paul F. Forshay, Esq.
Eversheds Sutherland (US) LLP
700 Sixth Street, N.W., Suite 700
Washington, D.C. 20001-3980
paulforshay@eversheds-sutherland.com

Signify

Ben Brinkert, Esq.
3 Burlington Woods Drive
Burlington, MA 01803
ben.brinkert@signify.com

Barbara Koonz, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095
bkoonz@wilentz.com

Sunrun Inc.

Lauri A. Mazzucchetti, Esq.
Glenn T. Graham, Esq.
Kelley Drye & Warren LLP
One Jefferson Road, 2nd Floor
Parsippany, NJ 07054
lmazzucchetti@kelleydrye.com
ggraham@kelleydrye.com

Beren Argetsinger, Esq.
Keyes & Fox LLP
P.O. Box 166
Burdett, NY 14818
bargetsing@keyesfox.com

Tendril Networks, Inc.

Kerry Cahill, Esq.
Florio Perrucci Steinhardt & Cappelli, LLC
235 Broubalow Way
Phillipsburg, NJ 08865
kcahill@floriolaw.com

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