Agenda Item: IXA



# 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/

# MINUTES OF THE REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES

A regular Board meeting of the Board of Public Utilities was held on November 17, 2021, via online @ https://youtu.be/199I3BokZo0

Public notice was given pursuant to <u>N.J.S.A.</u> 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:

Joseph L. Fiordaliso, President Mary-Anna Holden, Commissioner Dianne Solomon, Commissioner Upendra J. Chivukula, Commissioner Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was also announced that the next regular Board Meeting will be held on December 1, 2021 at 10:00 a.m. via livestream on youtube.

# I. AUDITS

A.	Energy	Agent,	Private	Aggregator	and/or	Energy	Consultant	Renewal
	Registra	tions						
	EE21060	897L	Energy S	Spectrum, Inc			R –	EA
	EE21060929L		Open En	Open Energy Services, LLC		R – EA		
	EE21020	120L	Stanwich	n Energy Advi	isors		R –	EA
	EE21020	)526L		Silver Energ Star Energy	•	•	R –	EA
	EE21050 GE21050		Energy A	Auction Excha	ange, LLO	C	R –	EA/PA
	EE20030 GE20030		Solution	Energy, LLC			R –	EA/EC

**BACKGROUND:** The New Jersey Board of Public Utilities ("Board") must register all energy agents, private aggregators, and energy consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. N.J.S.A. 48:3-78 to -79. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a license renewal fee accompanied by an annual information update on a form prescribed by the Board. The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment.

As such, any third party suppliers with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any third party supplier renewal application that was filed prior to July 9, 2019 has been, and will continue to, be processed by Board Staff for approval or denial in accordance with N.J.A.C. 14:4-5.7. The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval.

At its regular agenda meeting of August 18, 2021, the Board approved the final adoption of proposed amendments to N.J.A.C. 14:4 et seq., concerning energy competition and specifically to subchapter 5, N.J.A.C. 14:4-5 et seq., Energy Licensing and Registration.

In accordance with the rule amendments, an energy agent, private aggregator, or energy consultant registration shall not expire so long as a registration renewal fee accompanied by an annual information update form is submitted to the Board within 30 days prior to the registrant's annual anniversary date. Any registration renewal application that was filed prior to August 18, 2021 has been, and will continue to, be processed by Staff for approval or denial in accordance with N.J.A.C. 14:4-5.9. The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. Annually thereafter, licensed electric power suppliers and natural gas suppliers,

as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations in order to continue to do business in New Jersev.

Staff recommended that the following applicants be issued renewal registrations as an energy agent, private aggregator and/or energy consultant:

- Energy Spectrum, Inc.
- Open Energy Services, LLC
- Stanwich Energy Advisors
- Blue & Silver Energy Consulting, LLC d/b/a Pro-Star Energy Services
- Energy Auction Exchange, LLC
- Solution Energy, LLC

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

#### II. ENERGY

There were no items in this category.

# III. CABLE TELEVISION

A. Docket No. CE19111432 – In the Matter of the Petition of Comcast of Garden State L.P., for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Plumsted, County of Ocean, State of New Jersey.

**BACKGROUND:** On November 1, 2019, Comcast of Garden State, LP filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Township of Plumsted (Township) based on the automatic renewal provision.

The petition is based on the Township's ordinance granting renewal municipal consent, which was adopted November 7, 2007. The Township's ordinance granted a term of 15 years with an automatic renewal term of 10 years.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire September 13, 2029.

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

B. Docket No. CE20010071 – In the Matter of the Petition of Comcast of Gloucester County, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of West Deptford, County of Gloucester, State of New Jersey.

**BACKGROUND:** On January 24, 2020, Comcast of Gloucester, LLC filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Township of West Deptford's (Township) based on the automatic renewal provision.

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The petition is based on the Township's ordinance granting renewal municipal consent, which was adopted August 5, 2004. The Township's ordinance granted a term of 15 years with an automatic renewal term of 10 years.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire October 24, 2029.

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

C. Docket No. CE20010070 – In the Matter of the Petition of Comcast of Gloucester County, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Wenonah, County of Gloucester, State of New Jersey.

**BACKGROUND:** On January 24, 2020, Comcast of Gloucester County, LLC filed a petition for an Automatic Renewal Certificate of Approval for the Borough of Wenonah (Borough) based on the automatic renewal provision, for a term to expire on.

The petition is based on the Borough's ordinance granting renewal municipal consent, which was adopted September 24, 2009. The Borough's ordinance granted a term of 10 years with an automatic renewal term of 10 years.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire January 9, 2030.

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

#### IV. TELECOMMUNICATIONS

A. Docket No. TM21091151 – In the Matter of the Verified Petition of 11:11 Systems, Inc. for Grant of the Authority to Complete a Transaction Resulting in a Change of Control and to Participate in Certain Financing Arrangements.

**BACKGROUND:** On September 30, 2021, 11:11 Systems, Inc. (11:11 Systems, Petitioner) submitted a petition with the Board requesting that the Board grant authority to consummate a financial transaction whereby the ownership and control of 11:11 Systems will be transferred.

The Petitioner also requested approval of related financing. Following completion of the transfer, 11:11 Systems will continue to provide competitive services to existing customers in New Jersey at the same rates, terms, and conditions as currently provided.

The New Jersey Division of Rate Counsel submitted comments by letter dated October 27, 2021, stating it did not oppose a Board grant of approval, following the Board's determination that the contemplated transaction yields positive benefits to New Jersey customers and is in the public interest.

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Staff, having reviewed the petition and supporting documents, did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioner, 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.

Staff recommended that the Petitioner be allowed to proceed with the transaction and related financing.

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

# V. WATER

A. Docket No. WO21050857 – In the Matter of the Petition of SUEZ Water New Jersey, Inc. for the Approval to Expand its Franchise Area in the Township of Plainsboro, County of Middlesex, State of New Jersey.

**BACKGROUND:** On May 26, 2021, Suez Water New Jersey, Inc. (Suez or Company) filed a petition with the Board seeking approval of Ordinance No. 21-04 (Ordinance) adopted by the Township of Plainsboro (Township) on April 14, 2021. The Ordinance grants the Company consent to provide wastewater collection service in an expanded area to customers in the Township specifically at 68 Dey Road to 83 Dey Road within all of the Blocks and Lots East of the Amtrak Railroad (Right of Way), as more fully described in the Ordinance (Proposed Franchise Area).

On April 17, 2021, the Township's governing body adopted Ordinance No. 21-04. The Ordinance granted municipal consent to construct and maintain sewer facilities and provide wastewater service as defined in N.J.S.A. 48:2-14, N.J.S.A. 48:3-11 and N.J.S.A. 48:3-15, allows access to public streets and places for these purposes. However, the Ordinance is silent as to the term of the grant of the franchise for the provision of service and the grant of access to public streets.

Staff recommended that the Board approves the Ordinance in this matter, subject to the terms and conditions set forth in the draft Board Order.

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

#### VI. RELIABILITY AND SECURITY

A. Docket Nos. GS21101196K, GS21101194K, GS21101195K, GS21101197K, GS21101198K and GS21101193K – In the Matter of Routine One Call Settlements Pursuant to N.J.S.A. 48:2-73 to -91.

**BACKGROUND:** This matter involved settlements of alleged violations of the Underground Facility Protection Act (Act) by both excavators and operators of underground facilities. This matter does not contain settlements involving catastrophic situations, death, or major property damage. The categories of infraction are failure to provide proper notice, failure to use reasonable care, and mismarking of facilities. The

cases were settled in accordance with a penalty strategy which escalates in relationship to 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 \$200,000.00 for each violation for each day with a \$2,000,000.00 maximum for any related series of violations.

The number of settlements are six and total penalty of \$18,000.00.

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 were received.

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

# VII. CUSTOMER ASSISTANCE

A. Docket Nos. GC20050355U and OAL PUC 09396-20 – In the Matter of Sean Bronner, Jr., Petitioner v. South Jersey Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Sean Bronner, Jr. (Petitioner) and South Jersey Gas Company (SJG or Company). The petition was filed on April 15, 2020, and on September 23, 2020, it was transmitted to the Office of Administrative Law for a hearing as a contested case. Administrative Law Judge (ALJ) Edward J. Delanoy, Jr. filed an Initial Decision in this matter with the Board on October 15, 2021.

Pursuant to the terms of an agreement between the Petitioner and SJG (Agreement), and in order to fully resolve this matter, SJG agreed that the account for the premise in question was the responsibility of the Petitioner until June 17, 2021, and thereafter a new account would be created, which would be the responsibility of the Petitioner.

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

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

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# VIII. CLEAN ENERGY

There were no items in this category.

# IX. MISCELLANEOUS

# A. Approval of the following Minutes:

- December 2, 2020 Executive Session Minutes; and
- September 14, 2021 Minutes

**BACKGROUND:** Staff presented the regular agenda meeting of December 2, 2020 executive session minutes and September 14, 2021 minutes, and recommended that they be accepted.

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

After appropriate motion, the consent agenda was approved.

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

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#### **AGENDA**

# 1. AUDITS

There were no items in this category.

# 2. ENERGY

Joseph DeLosa, Bureau Chief, Federal and Regional Policy, presented these matters.

A. Docket No. ER21010001 – In the Matter of the Board of Public Utilities – Federal Energy Regulatory Commission (FERC) Items for 2021 – FERC Docket No. ER19-2105-005 – Transmission Owner Border Rate Adjustment.

**BACKGROUND AND DISCUSSION:** On June 11, 2019, the PJM Transmission Owners filed an update to the rate charged transmission customers taking service to the border of PJM, known as the Border Rate. Over the past two years, Board Staff has been involved in settlement procedures in an attempt to reach an amicable solution with disputing parties, including many in New York. Despite good-faith negotiations of Board Staff, the Settling Parties finalized a settlement without considering Board Staff's interests or the impacts of the settlement on New Jersey ratepayers.

On October 7, 2021, the Settling Parties submitted the settlement to the Federal Energy Regulatory Commission. On October 27, 2021, Staff, on behalf of the Board, filed comments in opposition to the settlement.

Accordingly, Staff recommended that the Board ratify the comments, filed October 27, 2021.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

Commissioner Gordon Aye

B. Docket No. ER21010001 – In the Matter of the Board of Public Utilities – Federal Energy Regulatory Commission (FERC) Items for 2021 – FERC Docket No. ER21-2582-001 – Revisions to Application of Minimum Offer Price Rule.

**BACKGROUND AND DISCUSSION:** After many years of dispute, on July 30, 2021, PJM filed its "focused Minimum Offer Price Rule (MOPR) seeking to substantially decrease the scope of resources subject to offer-floor mitigation in PJM's capacity market. On September 29, 2021, the focused MOPR became effective by operation of law based on a Notice issued by the Secretary of the Federal Energy Regulatory Commission (FERC or Commission).

This Notice was issued in lieu of a typical Commission order because the Commissioners were deadlocked two against two as to the lawfulness of the focused MOPR proposal. Per the requirements of §205(g) of the Federal Power Act, newly added in 2018, the Commissioners subsequently submitted statements into the record explaining how they would have ruled if the Commission had issued an order in the docket. It is unclear how a reviewing appeals court will treat Commissioners' statements and the Notice under this new area of law when reviewing the lawfulness of PJM's focused MOPR proposal.

In an abundance of caution, and in anticipation of active appellate review by parties opposing the focused MOPR, Staff, on behalf of the Board, requested rehearing of the Notice. Due to the uncertainty of the appellate review process, Staff sought rehearing with the sole intent to preserve all possible legal rights. The rehearing request stated that FERC erred by not approving the limited MOPR outright, and expressed concern in the delay of issuance of the Commissioners' statements.

Staff recommended that the Board ratify the request for rehearing, filed on October 29, 2021.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

C. Docket No. ER21030631 – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2022.

Ryan Moran, Rate Analyst, Division of Energy, presented this matter for the agenda.

BACKGROUND AND DISCUSSION: This matter involved a recommendation from Board Staff (Staff) for securing electric power supplies for non-shopping Basic Generation Service (BGS) customers for the period beginning June 1, 2022. The recommendation is to allow the Electric Distribution Companies (EDCs) to conduct two descending clock auctions (Auctions) similar to those approved by the Board for the past 20 years. The Auctions will secure full electricity requirements for hourly-priced service for the largest electric customers, and the full electricity requirements for smaller commercial and residential customers. The Auctions would be conducted in February 2022.

The Board issued an Order on April 7, 2021 opening a proceeding to determine how to procure the remaining one third of the State's BGS-Residential and Small Commercial Pricing (BGS-RSCP) and the annual BGS- Commercial and Industrial Pricing (BGS-CIEP) requirements for the period beginning June 1, 2022. The Board directed each of the EDCs, as well as other interested parties, to file proposals for the procurement of BGS service, consistent with its April 7, 2021 Order, by July 1, 2021. BGS filings were received from the EDCs via a joint BGS filing (Proposal) on July 1, 2021. Initial Comments were filed on or about September 3, 2021. A legislative-type hearing was held on September 27, 2021. Final Comments were filed on October 12, 2021.

The EDCs jointly proposed two simultaneous, multi-round, descending clock auctions for the procurement of services to meet the full electricity requirements of retail customers that have not chosen a third party supplier.

Following a review of the Proposal, as well as comments submitted by several parties, Staff recommended that the Board approve the same basic descending clock auction process, the Auction Rules, Board approval process, and SMAs that, with certain modifications, have been previously employed over the past few years. Staff also recommended that the Board require each of the EDCs to file an amended BGS Compliance Filing by December 3, 2021. Staff further recommended that the Board authorize Staff to review the EDCs' compliance filings, and requested that the Board Secretary issue a compliance letter if Staff, after completing its review, found them in compliance with the Board Order.

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

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

Paul Lupo, Acting Director, Division of Energy, presented these matters.

D. Docket No. GR21060881 – In the Matter of the Petition of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service (BGSS) Charge and Conservation Incentive Program (CIP) Charge for the Year Ending September 30, 2022.

**BACKGROUND AND DISCUSSION:** On June 1, 2021, South Jersey Gas Company (South Jersey or Company) filed a petition with the Board seeking authority to: 1) increase its Periodic Basic Gas Supply Service (BGSS) rates; 2) change the charges related to its Balancing Service Clause (BSC); and 3) revise its Conservation Incentive Program (CIP) rates.

The Company requested authority to increase its current per therm Periodic BGSS rate from \$0.275910 to \$0.505572 effective October 1, 2021. As a result of the proposed rate, the Company would recover its projected under-recovered BGSS balance of \$47.3 million projected through September 30, 2021. In determining the proposed rate, South Jersey included a credit to BGSS gas costs of \$26.2 million that was derived from the Board's approved margin sharing formula applicable to off-system sales, interruptible sales and transportation, and capacity releases.

Pursuant to Board Order dated May 5, 2021, South Jersey included recovery of \$12,123,066.00 related to the resolution of a contract dispute with Antero Resources Corporation (Antero).

South Jersey also requested the following changes to the Company's per therm CIP rates, which would decrease its annual CIP recoveries to \$16.3 million:

i) A change from a credit rate of \$0.116750 to a credit rate of \$0.006676 for residential (RSG) non-heating customers.

- ii) A change from a charge of \$0.068327 to a charge of \$0.009715 for RSG heating customers.
- iii) A change from a charge of \$0.028824 to a charge of 0.025336 for GSG customers.
- iv) A change from a charge of \$0.017343 to a charge of \$0.015953 for GSG-LV customers.

Additionally, South Jersey proposed to decrease its current per therm Rider "I" opt-out balancing charge rate from \$0.002775 to \$0.002279, and decrease its current Rider "J" non-opt-out per therm balancing charge rate from \$0.088685 to \$0.074807.

South Jersey, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (Staff) (collectively, the Parties) have determined that, while additional time is needed to complete a review of the 2021 BGSS/CIP Petition, it is reasonable and in the public interest for the proposed rates to be implemented on a provisional basis. Accordingly, the Parties executed a stipulation for provisional BGSS, BSC, and CIP rates (Stipulation).

Staff recommended that the Board issue an Order adopting the Stipulation of the Parties, which seeks to implement provisional BGSS, BSC, and CIP rates, subject to refund to be effective as of December 1, 2021. Staff also recommended that the Board direct South Jersey to file tariffs consistent with its Order by December 1, 2021. Staff recommended that this matter be transmitted to the OAL for hearing.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

E. Docket No. GR21050860 – In the Matter of the Petition of New Jersey Natural Gas Company's Annual Review and Revision of its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates for Fiscal Year 2022.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering New Jersey Natural Gas Company's (NJNG or Company) 2021 Basic Gas Supply Service, Balancing Charge and Conservation Incentive Program rates. The parties have executed a stipulation, which if approved, will result in an increase in the monthly bill of a typical residential heating customer of \$1.61 on a provisional basis.

On May 28, 2021, the Company filed a petition with the Board seeking approval to modify its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) rates (2021 BGSS/CIP Petition). The 2021 BGSS/CIP Petition also sought approval to modify NJNG's Balancing Charge rate. NJNG requested that the changes become effective on October 1, 2021.

The Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) determined that while additional time is needed to complete a review of the 2021 BGSS/CIP Petition, it is reasonable and in the public interest for NJNG to implement provisional BGSS, CIP and Balancing Charges rates. Accordingly, the Parties executed a stipulation of settlement (Stipulation) which would allow NJNG to modify its BGSS, CIP and Balancing Charge rates, on a provisional basis, subject to refund.

Staff recommended that the Board issue an Order adopting the Stipulation of the Parties, which sought to implement provisional changes in the Company's BGSS, CIP and Balancing Charge rates, subject to refund, to be effective as of December 1, 2021. Staff also recommended that the Board direct NJNG to file tariffs consistent with the Order by December 1, 2021. Staff further recommended that the Board direct that this matter be transmitted to the OAL for hearing.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

F. Docket No. GR21060876 – In the Matter of the Petition of Elizabethtown Gas Company to Review its Basic Gas Supply Service Rate.

**BACKGROUND AND DISCUSSION:** On June 1, 2021, Elizabethtown Gas Company (ETG or Company) filed a petition with the Board seeking approval to modify its periodic Basic Gas Supply Service-Periodic (BGSS-P) rate (2021 BGSS Petition). ETG sought authority to increase its current BGSS-P rate of \$0.3783 per therm to \$0.4367 per therm effective October 1, 2021. Based upon the request in the 2021 BGSS Petition, the Company projected that its recoverable gas costs at the proposed rate would be approximately \$14.0 million higher than the level recovered through current BGSS-P rates.

The Company stated the calculated increase in the BGSS-P rate is due primarily to higher commodity gas costs related to market pricing, combined with the impact of the Columbia Gas rate case which increased demand and commodity costs as well as new capacity contracts which increased demand charges. The Company will be contracting for renewable natural gas (RNG) delivered by RevLNG, starting March 1, 2022.

Additionally, ETG implemented its Conservation Incentive Program (CIP) pursuant to Board Order dated April 7, 2021, in combined Docket Nos. QO19010040 and GO20090619. As a result, the CIP rate is being set at \$0.000 for the period October 1, 2021 through September 30, 2022.

On June 22, 2021 NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC, d/b/a NRG Home/NRG Business; Energy Plus Natural Gas LP; Xoom Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively, NRG), filed a Motion to Intervene in this proceeding, which was opposed by ETG.

On August 10, 2021, ETG filed an amended 2021 BGSS Petition (2021 Amended BGSS Petition) in which the Company removed its request to contract for RNG supply. ETG noted that the RNG supply is now anticipated to commence in a subsequent BGSS period. This change did not change the Company's originally proposed per therm BGSS-P rate of \$0.4367. Subsequently, the Company updated its proposed per therm BGSS-P rate to \$0.4254.

The Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) determined that, while additional time is needed to complete a review of the Company's 2021 BGSS Petition, it is reasonable and in the public interest for ETG to implement a provisional BGSS-P rate. Accordingly, the Parties executed a stipulation of settlement (Stipulation) which would allow ETG to modify its BGSS-P rate, on a provisional basis, subject to refund.

Staff recommended the Board issue an Order adopting the Stipulation of the Parties, which sought to implement provisional changes in the Company's BGSS-P rates, subject to refund, to be effective as of December 1, 2021. Staff further recommended the Board direct ETG to file tariffs consistent with the Order by December 1, 2021. Staff also recommended this matter be transmitted to the Office of Administrative Law for hearing. Staff recommended the Board deny NRG's motion.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye

Commissioner Gordon Aye

G. Docket No. GR21060878 – In the Matter of Public Service Electric and Gas Company's 2021/2022 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge.

**BACKGROUND AND DISCUSSION:** On June 1, 2021, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting authority to maintain its Basic Gas Supply Service (BGSS) Residential Gas Service (BGSS-RSG) rate of \$0.319937 per therm effective October 1, 2021. According to PSE&G, an increase in BGSS revenue of approximately \$49 million, excluding losses and SUT, would be required for the period October 1, 2021 through September 30, 2022. However, due to the significant volatility in natural gas prices, the Company proposed to maintain its rate. The RSG customer class is expected to be over-recovered by approximately \$30.4 million by September 30, 2021.

The Company also sought authority to increase it's per therm Balancing Charge from \$0.085723 to \$0.093477. The requested increase reflects a projected increase in the costs of interstate pipeline transportation services that make up PSE&G's gas supply portfolio. This projected increase is the result of two factors: 1) the absence of sizable pipeline refunds included in last year's filing following the settlement of the Transco and

Texas Eastern rate cases; and 2) a projected Texas Eastern rate case filing expected to be made before the end of this year.

Additionally, PSE&G proposed a change in its Storage Inventory Carrying Charge, which is recovered through the Balancing and Commodity Charges. The requested charge is \$0.002778 per balancing therm (excluding losses and SUT) for the balancing portion, and \$0.004610 per therm (excluding losses and SUT) for the commodity portion.

The Company also requested the following: 1) approval to potentially procure up to 4,000 dekatherms per day of renewable natural gas and include the supply and costs in the BGSS-RSG portfolio; and 2) approval to execute an amendment to the Requirements Contract with PSEG Energy Resources & Trade LLC providing for a five year extension continuing on a year-to-year basis thereafter, subject to a two year termination notice requirement.

On June 22, 2021, NRG Energy, Inc. and its affiliates Reliant Energy Northeast, LLC, d/b/a NRG Home/NRG Business; Energy Plus Natural Gas LP; Xoom Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively, NRG), filed a Motion to Intervene in this proceeding, which was opposed by PSE&G.

The Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties) determined that while additional time is needed to complete a review of the Company's 2021 BGSS Petition, it is reasonable and in the public interest to approve PSE&G's requests on a provisional basis. Accordingly, the Parties executed a stipulation of settlement (Stipulation) which would allow PSE&G to maintain its proposed BGSS-RSG rate and implement a new Balancing Charge rate, on a provisional basis, subject to refund.

#### Staff recommended that:

- The Board issue an Order adopting the Stipulation of the Parties, which sought to maintain the Company's BGSS-RSG rate and to implement provisional changes in the Balancing Charge rate, subject to refund, to be effective as of December1, 2021;
- 2. The Board direct PSE&G to file tariffs consistent with the Order by December 1, 2021;
- 3. This matter be transmitted to the Office of Administrative Law for hearing; and
- 4. With respect to NRG's motion to intervene, Staff believes the issue of the BGSS pricing mechanism raised by NRG should be addressed in a generic proceeding as it impacts all New Jersey natural gas companies.

Staff recommended that the Board deny NRG's motion to intervene.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

H. Docket No. GX01050304 – In the Matter of the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering the waiver requests of the Gas Distribution Companies (GDCs) filed in the Emergent Motion to self-implement a 5% rate increase allocated to the BGSS rate based on the average customer bill.

In accordance with the Board's January 6, 2003 Order in this docket, Elizabethtown Gas Company (ETG), New Jersey Natural Gas Company (NJNG), Public Service Electric and Gas Company (PSE&G), and South Jersey Gas Company (SJG) (collectively, GDCs) each filed their annual petitions in June of this year to reset their Basic Gas Supply Service (BGSS) charges, along with supporting testimony.

On November 1, 2021, the New Jersey GDCs filed an Emergent Motion for Waivers Necessary to Permit Self-Implementing BGSS Increases effective December 1, 2021 (Motion). In the Motion, ETG also requested a waiver of the language in its tariff, BGSS Rider A, which incorporates the BGSS Pricing Structure language from the Board's January 6, 2003 Order in this docket. The GDCs requested that the Motion be considered on an emergent basis at the next Board agenda meeting, November 17, 2021.

On November 9. 2021, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments indicating that it did not object to the GDCs' request, and the relief should only apply to the December 1, 2021 self-implemented rate increases.

Board Staff (Staff) recommended the Board issue an Order granting the GDCs requested for a one-time waiver for this BGSS year only, of the requirement that notice of a December 1st self-implementing rate increase be filed no later than November 1st as may be indicated in each GDCs' relevant tariff and as provided in the January 6, 2003 BGSS Order. Staff also recommended that the Board order the GDCs that such notification be filed with Staff and Rate Counsel no later than November 19, 2021.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden
Commissioner Solomon
Commissioner Chivukula
Commissioner Gordon
Aye

I. Docket No. GR21060949 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism (GSMP II) (June 2021 GSMP II Rate Filing).

**BACKGROUND AND DISCUSSION:** On June 30, 2021, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval for gas base rate changes to provide for cost recovery associated with certain capitalized investment costs within the extension of the Company's Gas System Modernization Program (GSMP II) (June 2021 Petition).

The Company sought approval to recover a revenue requirement of approximately \$33.765 million associated with the capitalized investment costs of GSMP II through August 30, 2021 not yet recovered in rates. According to the June 2021 Petition, through May 31, 2021, PSE&G replaced approximately 638.4 miles of main and 44,054 services. The Company indicated that it anticipated having a total of 728.5 miles of main installed and in-service, and 52,433 services replaced and in-service, by August 31, 2021.

On September 15, 2021, the Company provided an update reflecting actual data through August 31, 2021 (Update). PSE&G replaced approximately 708 miles of main and 51,715 services through August 31, 2021. The Update supported a proposed revenue requirement of approximately \$27.981 million.

Following the review of the June 2021 Petition and Update, PSE&G, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) executed a stipulation of settlement (Stipulation) resolving all issues related to the June 2021 Petition. The Stipulation would allow the Company to recover a gas revenue requirement of approximately \$27.981 million based upon the Update.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct PSE&G to file tariffs consistent with its Order prior to December 1, 2021.

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

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

J. Docket No. GR21060882 – In the Matter of the Petition of Public Service Electric and Gas Company's 2021 Annual Margin Adjustment Charge (MAC).

**BACKGROUND AND DISCUSSION:** On June 1, 2021, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting approval to adjust its Margin Adjustment Charge (MAC) rate (2021 MAC Petition).

In the 2021 MAC Petition, PSE&G proposed to increase its current MAC rate from (\$0.006951) per therm to (\$0.006207) per therm. The proposed decrease of the MAC credit rate would result in a decrease in the credit of approximately \$1.80 million per year, excluding sales and use tax, representing an increase to customers. For the period ending April 30, 2021, the actual MAC balance is over-collected by approximately \$10.92 million, including interest. At the end of the period ending September 2021, PSE&G forecasted the MAC balance to be over-collected by approximately \$15.05 million, including interest. Through discovery the Company updated its MAC balance to be over-collected by approximately \$14.32 million, including interest, through September 30, 2021 (Update).

Following a review of the 2021 MAC Petition and discovery, PSE&G, the New Jersey Division of Rate Counsel, and Board Staff (collectively, Parties) executed a stipulation of settlement (Stipulation) resolving all of the issues related to the 2021 MAC Petition.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct PSE&G to file tariffs consistent with its Order prior to December 1, 2021.

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

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

K. Docket Nos. BPU GR21030679 and OAL PUC 04111-21 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in its Tariff for Gas Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1; and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18; and

Docket Nos. BPU GR21030680 and OAL PUC 04113-21 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Base Rate Adjustment Pursuant to the NJ Rise and Safe II Programs.

**BACKGROUND AND DISCUSSION:** On March 30, 2021, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board seeking approval to: (i) increase its gas operating revenues by approximately \$165.67 million [excluding Sales and Use Tax (SUT)], (ii) implement certain rate and tariff revisions; and (iii) revise its exisiting depreciation rates, among other requests, effective April 29, 2021, but no later than December 30, 2021 (Petition).

On March 31, 2021, NJNG filed a petition with the Board concerning its NJ Reinvestment in System Enhancement (RISE) and Safety Acceleration and Facility Enhancement (SAFE) II Programs (2021 NJ RISE/SAFE II Petition). In the 2021 NJ RISE/SAFE II Petition, the revenue requirement recovery associated with NJ RISE investments is approximately \$256,037.00, and the revenue requirement recovery associated with the SAFE II investments is approximately \$54,615.00, which included actual expenditures through February 28, 2021 and projected expenditures through June 30, 2021.

The Company also requested a return on equity of 10.50%. According to the Petition, the Company's current base rates and charges for natural gas service are not sufficient at their current level and, if left unchanged, the current base rates will impair NJNG's ability to meet operating and maintenance expenses, taxes, and fixed charges, and its ability to earn a reasonable rate of return on the fair value of the Company's property.

NJNG also sought authority from the Board to do the following: Increase rates and charges for natural gas service that would result from the proposed amendments to the Company's tariff; Update the underlying inventory related costs of its Balancing Charge rate; Incorporate the results of its cost of service study supporting the implementation of new base rates; update its tariff for certain modifications and revisions; and Recover regulatory assets recorded on the Company's balance sheet, including amortization of these assets.

By Order dated April 27, 2021, the Board suspended the proposed rate increase until August 29, 2021. The matter was subsequently transmitted to the Office of Administrative Law as a contested case, and was assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman for consideration and hearing. The 2021 NJ RISE/SAFE II Petition was also transmitted to the Office of Administrative Law (OAL) as a contested case and assigned to ALJ Gertsman. NJNG requested that that the 2021 Rate Case Petition and 2021 NJ RISE/SAFE II Petition be consolidated.

On June 22, 2021, ALJ Gerstman issued an order consolidating this matter with NJNG's Petition with the 2021 NJ RISE/SAFE II Petition.

By Order dated August 18, 2021, the Board issued a further suspension to the proposed rate increase until December 29, 2021, pending resolution of this matter at the OAL.

Through the course of the proceeding, NJNG further updated the petition to include 12 months of actual data. As a result, the requested rate increase was modified to approximately \$162.462 million, excluding SUT.

Throughout the course of the proceeding, the Company, Board Staff, the New Jersey Division of Rate Counsel (Rate Counsel), as well as other parties held numerous discovery and settlement conferences. Following discussions among the parties, the Company, Board Staff, Rate Counsel, and the United States Department of Defense and all other Federal Executive Agencies and NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC, D/B/A NRG Home/NRG Business; Energy Plus Natural Gas LP; Xoom Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; And Gateway Energy Services Corporation (NRG) (collectively, the Parties) executed a stipulation of settlement (Stipulation) resolving this matter. Subsequently, ALJ Gertsman issued his Initial Decision in this matter approving the Stipulation pursuant to N.J.A.C. 1:1-19.1, finding that the Stipulation is 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 of the Parties for services rendered on or after December 1, 2021. Staff also recommended that the Board direct NJNG to file revised tariffs consistent with its order prior to December 1, 2021.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

L. Docket No. GR21071018 – In the Matter of the Petition of Elizabethtown Gas Company to Revise the Remediation Adjustment Clause Component of its Societal Benefits Charge Rate.

**BACKGROUND AND DISCUSSION:** On July 30, 2021, Elizabethtown Gas Company (Elizabethtown or Company) filed a petition with the Board seeking review and approval of the Company's Manufactured Gas Plant Remediation Adjustment Clause (RAC) activities and net Manufactured Gas Plant (MGP) costs incurred between July 1, 2020 and June 30, 2021 (2021 RAC Period).

The Company sought recovery of RAC related costs for former MGP sites incurred during the period July 1, 2014 through June 30, 2021, which is based on a seven year cost amortization, in addition to specific adjustments and prior period true-up amounts. The total 2021 RAC Period costs totaled \$11,137,686.00, from which \$6,807,500.00 was deducted for third party recoveries, and a net of \$21,125.00 for the deferral of 50% of litigation costs were deducted. The proposed net remediation cost of (\$4,309,061.00) would be recovered over the seven-year amortization period.

The Company proposed to decrease the per therm Societal Benefits Charge (SBC)-RAC credit rate from \$0.0082 to a credit rate of \$0.0083 effective October 1, 2021. The proposed rate was designed to refund \$3,939,321.00 in RAC related costs over a 12-month period.

Following an initial review and discussion, the Company, the New Jersey Division of Rate Counsel and Board Staff (Staff) (collectively, Parties) determined that additional time is needed to complete a review of the 2021 RAC Petition. Accordingly, the Parties executed a stipulation of settlement (Stipulation), that would allow Elizabethtown to implement a per therm credit rate of \$0.0083 for the RAC component of the SBC on a provisional basis, subject to refund with interest.

Staff recommended that the Board approve the provisional rate Stipulation of the Parties. Staff also recommended that the Board direct Elizabethtown to file revised tariff sheets prior to December 1, 2021.

Agenda Item: IXA

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye Commissioner Solomon Aye Commissioner Chivukula Aye Commissioner Gordon Aye

M. Docket No. EO21060893 – In the Matter of the Petition of Atlantic City Electric Company for a Declaratory Ruling.

**BACKGROUND AND DISCUSSION:** On June 7, 2021, Atlantic City Electric Company (ACE or Company) filed a petition with the Board requesting a declaratory ruling to confirm that Board approval is not required for the consummation of the spinoff of the generation business from Exelon Corporation (Exelon) (Petition).

On February 24, 2021, Exelon announced its intention to transfer 100% ownership of Exelon Generation Company, LLC (ExGen), an Exelon subsidiary, to a newly created subsidiary that will then be "spun-off" to become ExGen's new, ultimate parent company (Transaction). As a result of the Transaction, ExGen and its subsidiaries will no longer be owned by Exelon. Subsequent to the spin-off, Exelon will no longer own merchant generation businesses.

On March 30, 2021, ACE filed a letter providing the Board with notice and information about the Transaction (March 2021 Letter). In the March 2021 Letter, ACE explained that the Transaction will have no impact on the ownership or control of Exelon or the ownership or control of ACE. ACE asserted that Exelon will continue to be the sole owner of ACE and all other existing Exelon transmission and distribution utilities.

On September 17, 2021, the New Jersey Division of Rate Counsel submitted comments on the Petition arguing that the issuance of any declaratory ruling that Board approval is not necessary for the Transaction should be conditioned on the satisfaction of a positive benefits test as well as Exelon's continued adherence to the commitments required by the Board's Order approving the Exelon PHI Merger, particularly those commitments regarding ring-fencing.

On September 28, 2021, ACE filed reply comments. In its Reply Comments, ACE reaffirmed all commitments undertaken in connection with the Merger Approval Order and the Board's Order issued October 31, 2016 will remain unchanged. Additionally, ACE indicated that the Company is willing to provide an updated ring-fencing report if required by the Board. ACE further indicated that should the Board wish to apply a positive benefits test notwithstanding the Company's objection, the Board should find that the Transaction is not likely to create any adverse impacts, is in the public interest, and has the likelihood of creating positive benefits.

While ACE sought an Order finding that the Transaction is not subject to Board approval, Board Staff recommended that the Board conduct a review of the Transaction based upon the framework set forth in N.J.A.C. 14:1-5.14(c). Staff also recommended that, based upon a review of the Petition and comments submitted, the Board find that the Transaction

is in compliance with relevant law and regulations. Staff recommended that the Board approve the Transaction.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

#### 3. CABLE TELEVISION

There were no items in this category.

# 4. TELECOMMUNICATIONS

There were no items in this category.

#### 5. WATER

A. Docket No. WO21060896 – In the Matter of Town of Clinton, Petitioner v. Borough of Lebanon, Respondent.

Michael Kammer, Director, Division of Water, presented this matter.

**BACKGROUND AND DISCUSSION:** On June 9, 2021, the Town of Clinton (Town or Petitioner) filed a petition with the Board seeking a determination of a dispute between Petitioner and the Borough of Lebanon (Borough), regarding the application of municipal ordinance 2020-05 (Ordinance) passed by the Borough on July 5, 2020, which requires that certain road restoration standards be employed on Main Street following excavation. The Town claimed that the Ordinance is unreasonable and amounts to a refusal of the municipal consent conferred by the Borough to the Town for the purpose of furnishing the Borough's residents with water. Among other things, the Borough asserted that the Board did not have jurisdiction in this matter.

The Town provides water and sewer service to approximately 12,500 customers in Clinton Town, portions of Clinton Township, Franklin Township (Hunterdon County), Union Township (Hunterdon County), the Borough, and has a sewerage contract with the Borough of High Bridge and State Institutions. The Town rates are not subject to the Board's jurisdiction because the rates for customers located within the Town and the rates for customers located outside the Town are equal.

The matter was transmitted to the Office of Administrative Law as a contested case on June 29, 2021, and was assigned to Administrative Law Judge (ALJ) Gertsman.

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The Petitioner, the New Jersey Division of Rate Counsel and Staff filed briefs in favor of establishing jurisdiction on September 17, 2021 and the Respondent's reply brief was filed on September 29, 2021.

After reviewing the briefs, ALJ Gertsman concluded that the Board had jurisdiction. ALJ Gertsman memorialized his decision via letter Order on October 19, 2021.

On October 22, 2021, the Borough filed a Motion for Interlocutory Review of ALJ's letter Order, arguing that the Board has no jurisdiction because the Town is seeking to invalidate the Borough's road restoration ordinance. The Town filed its opposition to the Borough's Motion for Interlocutory Review on October 25, 2021.

Staff recommended that the Board deny the Borough's Motion for Interlocutory Review.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

# 6. RELIABILITY AND SECURITY

There were no items in this category.

#### 7. CUSTOMER ASSISTANCE

A. Docket No. WO21050790 – In the Matter of the Petition of SUEZ Water New Jersey, Inc. for Approval to Close its Customer Payment Window at 69 Devoe Place, Hackensack, NJ.

Julie Ford-Williams, Director, Division of Customer Assistance, presented this matter.

**BACKGROUND AND DISCUSSION:** On May 11, 2021, Suez Water New Jersey (SWNJ or Company) filed a petition with the Board to close its customer payment window (CPW) at 69 Devoe Place in Hackensack (Petition). This office has been closed for in-person customer payments since the start of the pandemic in March, 2020.

SWNJ has complied with N.J.A.C. 14:3-5.1(c) and (e), 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).

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SWNJ stated that due to the changes in customer interaction as a result of the COVID-19 Pandemic, it had closed the CPW at 69 Devoe Place for in-person customer payments since the start of the pandemic. SWNJ also stated that foot traffic over the past few years has been declining at CPW.

SWNJ stated that the closure of the CPW is reasonable and in the public interest for the following reasons:

- The office is not a secure facility, and it would require several capital improvements
  to make it safer. The necessary improvements include the installation of bullet
  proof material in the customer service area, and making security improvements to
  the gate, fence, and entry doors.
- 2. The location presents a higher risk of Covid-19 transmission due to its inadequate social distancing capability.
- 3. Entry into and exit from the office is limited due to a narrow driveway.
- 4. Closing the payment center will enable the Company to have its customer service representatives at the office focus on other customer service issues, such as answering customer calls and emails.
- 5. There are several alternative ways that customers can make payments, including two other payment centers in Hackensack that are located at 77 Anderson Street and 179 Main Street.

The New Jersey Division of Rate Counsel stated that it did not object to the Board approving the Company's Petition.

Staff recommended that the Board grant SWNJ's request and authorize the closure of its CPW at 69 Devoe Place in Hackensack.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

#### 8. CLEAN ENERGY

**Dustin Wang, Program Specialist Trainee, Division of Clean Energy, presented these** matters.

A. Docket No. QO21081105 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Barclay's Capital Inc.

**BACKGROUND AND DISCUSSION:** The Board through its New Jersey Clean Energy Program (NJCEP) provides several individual Commercial & Industrial (C&I) Energy Efficiency (EE) Programs targeting the C&I market segments. Eligible applicants may

receive rebates for a portion of the cost for installing energy efficient technologies such as lighting, heating, ventilation and air conditioning, and other energy conservation measures. The NJCEP can incentivize large energy users to upgrade or install energy conservation measures in existing buildings and to help offset these capital costs. Incentives are also available for projects involving distributed energy resources (DER). All proposed C&I EE financial incentives and rebates exceeding \$500,000.00 require explicit Board approval.

On June 19, 2020, Barclays Capital Inc. (Barclays Capital) in Whippany, New Jersey submitted an application under the Fiscal Year 2020 (FY20) The Large Energy Users Program (LEUP) pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY20 dated January 8, 2020. The project is located at 27 Commerce Drive, Cranford, New Jersey 07016.

The applicant requested a total financial incentive of \$523,648.20 for a project that will cost \$4,178,090.00. At its data center in Cranford, Barclays Capital will replace existing chillers and associated pump packages with new, energy efficient units. The application covers the replacement of five existing Mammoth electric chillers and associated pump packages in the rooftop chiller plant serving the data center. The replacements will be high-efficiency, air-cooled, 300-ton variable speed screw type Trane ACRB3005EU model chillers. The project is anticipated to save 5,047,860 kWh of electricity annually. The project will also reduce peak demand by an anticipated 1,340 kW per year. The payback period without incentives is 9.63 years; when factoring in the incentives, and the payback period is reduced to 8.42 years. The proposed project will have an estimated annual energy cost savings of \$419,070.00, as well as operational and maintenance savings of \$15,000.00.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$523,648.20 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

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

B. Docket No. QO21101157 – In the Matter of Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – PF Colonnade Apartments, LLC.

**BACKGROUND AND DISCUSSION:** The Board through its New Jersey Clean Energy Program (NJCEP) provides several individual Commercial & Industrial (C&I) Energy Efficiency (EE) Programs targeting the C&I market segments. Eligible applicants may receive rebates for a portion of the cost for installing energy efficient technologies such as lighting, HVAC, and other energy conservation measures. Incentives are also available for projects involving Distributed Energy Resources (DER). The Pay for Performance

Program (P4P) has been designed to incentivize building owners, developers, or other applicants to take a comprehensive long-term approach to incorporate EE in their buildings. All proposed C&I EE financial incentives and rebates exceeding \$500,000.00 require explicit Board approval.

On August 20, 2020, PF Colonnade Apartments LLC in Newark, New Jersey, submitted an application under the Fiscal Year 2020 (FY20) Pay for Performance – Existing Buildings (P4P-EB) Program pursuant to the Energy Efficiency (EE) and Renewable Energy (RE) Program Plan Filing for FY20 dated June 21, 2019. The project is located at 25-51 Clifton Ave., Newark, New Jersey 07104.

The applicant requested a total financial incentive of \$911,367.88 for a project that will cost \$2,148,896.00. The full list of EE measures to be installed in the 22-story residential apartment building with 560 units includes LED lighting in apartments, LED lighting in common areas, occupancy-based lighting controls in common areas, window sealing and packaged terminal AC sleeve sealing in apartments, new high efficiency hot water boilers, variable frequency drives on hot water and domestic hot water pumps, boiler outside air reset controls, daylight-based lighting controls for façade and parking fixtures, LED lighting for exterior fixtures, high efficiency domestic hot water heaters, and low-flow faucets and shower heads. This project is an enhanced incentive project, as the building is located within an Urban Enterprise Zone.

The estimated first incentive, for submitting a complete energy reduction plan prepared by an approved program partner, is \$50,000.00. The estimated second incentive, for the installation of recommended measures per the energy reduction plan, is \$430,683.94. The estimated third incentive, for completing the Post-Construction Benchmarking Report demonstrating achieved energy savings, is \$430,683.94. The second and third incentives include enhanced incentives, and all incentive amounts are within entity cap guidelines. The project is anticipated to annually save 603,734 kWh of electricity and 135,392 therms in waste heat. The project will also reduce peak demand by an anticipated 128 kW per year. The proposed project will have an estimated annual energy cost savings of \$136,149.00. The payback period without incentives is 15.8 years; when factoring in the incentives, the payback period is reduced to 9 years.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$911,367.88 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

Roll Call Vote: President Fiordaliso Aye
Commissioner Holden Aye
Commissioner Solomon Aye

Commissioner Chivukula Aye
Commissioner Gordon Aye

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Scott Hunter, Manager, Division of Clean Energy, presented this matter.

C. Docket No. EO12090832V- In the Implementation of L. 2012, c. 24, the Solar Act of 2012;

Docket No. QO19010068 – In the Matter of the Solar Transition Pursuant to P.L. 2018, c. 17 – Order to Provide Conditional Certification for TRECS to a Properly Closed Sanitary Landfill; and

Docket No. QO20110699 – Smart Citizens, LLC – Deerfield Township Sanitary Landfill.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Smart Citizens, LLC's petition requesting TREC eligibility for its Deerfield Township Sanitary Landfill Subsection (t) application. Smart Citizens sought certification for eligibility to generate Transition Renewable Energy Certificates (TRECs) for the proposed solar electric generation facility to be located on the Deerfield Township Sanitary Landfill, which is located in Deerfield Township in Cumberland County, New Jersey (site). Applicant claims that a portion of the proposed site is a "properly closed sanitary landfill facility" and a portion is a "brownfield," as those terms are defined in the Solar Act.

On the basis of New Jersey Department of Environmental Protection's (NJDEP) determination, information contained in the application, and other relevant factors, Staff recommended that the Board conditionally certify the portion of the applicant's project identified by NJDEP as being located on a "properly closed sanitary landfill", 10.9 acres of the 16.48 acres requested. Staff also recommended that the entire portion of the project (10.845 acres) sought for eligibility as a "brownfield" be denied.

Staff recommended that the Board authorize Staff to require that the conditions for certification provided by NJDEP be fully documented, as satisfied by the applicant prior to Staff's issuance of full certification of the project's eligibility for TRECs. Staff also recommended that the Board clarify that these conditions include installation the entire array within the 10.9 acres identified by NJDEP as being 'located on a properly closed sanitary landfill.

In addition, Staff recommended that the Board direct the applicant to file its TREC registration within 14 days of the date of the Order and explicitly grant conditional certification.

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

Roll Call Vote: President Fiordaliso Aye Commissioner Holden Aye

Commissioner Solomon Aye Commissioner Chivukula Aye Commissioner Gordon Aye

Ronald Jackson, Research Scientist, Division of Clean Energy, presented this matter.

D. Docket No. QO21081080 – In the Matter of the Petition for Eligibility of Solar Photovoltaic Project (NJSTRE1547234718) in the Transition Incentive Program (Vishal Patel).

**BACKGROUND AND DISCUSSION:** On August 19, 2021, Vishal Patel (Petitioner) filed a petition requesting that the Board deem his solar electric generation facility eligible for the Transition Incentive (TI) Program because the failure to submit project paperwork timely was due to the negligence of his installer, Morgan Associates.

The Petitioner's system received its permission to operate (PTO) in April 2020, in time to qualify for the Legacy Solar Renewable Energy Certification Registration Program (SRP), but as no paperwork was submitted by the deadline, his project was transferred to the TI portal. A subsequent Board Order established a deadline for paperwork to be submitted to be eligible for the TI Program, but prior to the issuance of that Order, the installer identified on the registration instead submitted a request to cancel multiple projects, including the Petitioner's, in mid-November 2020.

The Petitioner stated that he made several attempts to contact his installer and that when it finally responded December 2020, he was told that the installer had completed and submitted the paperwork and that no further action was required. The Petitioner stated that he decided to follow-up with New Jersey's Clean Energy Program himself and only then found out that the final paperwork was never submitted and that his registration had expired. On July 12, 2021, the Petitioner submitted a new TI registration, but it was later rejected by TRC when TRC discovered that the PTO was dated April 8, 2020.

The Petitioner's installer failed to submit the final paperwork in time and missed the deadlines for first the SRP and then the TI Program. The Petitioner stressed that he made several attempts to contact his installer and confirm his project's registration. However, TRC stated that the Petitioner was copied on all correspondence that was sent to the contractor. Board Staff recommended that the Board affirm TRC's rejection of the July 12, 2021 TI registration and deny this petition.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye Commissioner Solomon Aye Commissioner Chivukula Aye Commissioner Gordon Aye

E. Docket Nos. QO19010040 – In the Matter of the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs;

Docket No. QO21060938 – In the Matter of the Joint Petition of New Jersey Natural Gas Company and Public Service Electric and Gas Company for Authorization and Approval of a Waiver of Certain Accounting Treatment Pursuant to the Clean Energy Order;

Docket No. GO20090622 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency 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.; and

Docket Nos. GO18101112 and EO18101113 – 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.

Stacy Ho Richardson, Esq., Deputy Director, Division of Clean Energy, presented this matter.

**BACKGROUND AND DISCUSSION:** On May 23, 2018, Governor Murphy signed into law the Clean Energy Act of 2018 (CEA). The CEA plays a key role in achieving the State's goal of 100% clean energy by 2050 by establishing aggressive energy reduction requirements, among other clean energy strategies. The CEA emphasizes the importance of EE and peak demand reduction (PDR) and requires the Board to adopt an efficiency program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities . . . . ." The CEA also calls upon New Jersey's electric and gas public utilities to play an increased role in delivering EE and PDR programs to customers by requiring the utilities to reduce the use of electricity and natural gas in their service territories.

On May 25, 2021, New Jersey Natural Gas Company (NJNG) and Public Service Electric and Gas Company (PSE&G) (collectively, Joint Petitioners) filed a joint petition with the Board requesting expedited approval of a waiver of specific accounting treatment of the on-bill repayment programs (OBRPs) offered by NJNG through its Energy Efficiency (EE) Program (SAVEGREEN 2020 Program) and by PSE&G through its Clean Energy Future – Energy Efficiency (CEF-EE) Program (Joint Petition). As proposed, the waiver would authorize the lead utility in an overlapping service territory – that is, the utility company that engages and contracts with a customer participating in an OBRP to install certain EE equipment and measures – to retain all financial responsibility for, as well as the revenue requirement associated with, the OBRP investment, rather than share the financing investment with the partner utility. By this Order, the Board considers the Joint Petition, which would apply if any of the fewer than 100 customers in the overlapping service territories between NJNG and PSE&G participate in an OBRP offered by either company.

In the Joint Petition, NJNG and PSE&G explained that the fewer than 100 potential customers who may participate in OBRPs within the companies' overlapping customer base comprise less than 0.01% of NJNG's customer base and less than 0.005% of PSE&G's customer base. Joint Petitioners requested that the Board authorize the lead

utility that engages and contracts with a customer to offer an OBRP in Joint Petitioners' overlapping service territories to retain all financial responsibility for the OBRP investment, including the associated revenue requirement, rather than share the financing investment with the partner utility as previously approved by the Board. Joint Petitioners asserted that denial of the waiver request would adversely affect Joint Petitioners' ability to properly track costs and create undue financial hardship, such as requiring investment by NJNG in new information technology. As the Joint Petition did not request any increase in charges to customers, public hearings on the Joint Petition were not required or held.

Based upon further discussions, NJNG, PSE&G, the New Jersey Division of Rate Counsel (Rate Counsel), and Board Staff (collectively, the Parties) reached an agreement to enter into a stipulation of settlement (Stipulation) resolving all issues raised in or related to the Joint Petition. On November 5, 2021, Staff requested that all Parties to the PSE&G CEF-EE Program petition (Eastern Environmental Law Center (EELC), Market Participants, New Jersey Large Energy Users Coalition (NJLEUC)) and NJNG September 2020 Petition (Energy Efficiency Alliance of New Jersey (EEANJ), Natural Resources Defense Council (NRDC)) advise whether or not they objected to the Stipulation. Market Participants, NJLEUC, NRDC, and EEANJ did not object to the Stipulation. EELC has not responded to Staff's request to date.

The Stipulation is limited to the accounting treatment of OBRPs offered by the Joint Petitioners to the fewer than 100 potential customers in their overlapping service territories. If approved, the Stipulation would not adversely affect Joint Petitioners' potential customers in overlapping service territories, who would continue to have access to OBRP offers. Staff reviewed the Stipulation and found that the request for a waiver is reasonable, in the public interest, and in accordance with the law. Staff therefore recommended that the Board approve the Stipulation of the Parties.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Aye

F. Docket No. QO21040708 – In the Matter of a Memorandum of Understanding Between the New Jersey Board of Public Utilities and the New Jersey Department of Environmental Protection to Establish the Procedures and Protocols for Collection and Administration of the Research and Monitoring Fee Charged to Offshore Wind Developers Who Receive an Award in Offshore Wind Solicitation 2 – Executive Session.

This matter was deferred.

#### 9. **MISCELLANEOUS**

There were no items in this category.

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

SECRETARY OF THE BOARD

Date: December 15, 2021