



Agenda Date: 09/30/14
Agenda Item: 2P

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN
ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY TO)
CONTINUE ITS ENERGY EFFICIENCY ECONOMIC)
EXTENSION PROGRAM ON A REGULATED BASIS)
(EEE EXTENSION II))
ORDER DESIGNATING)
COMMISSIONER)
DOCKET NO. EO14080897)

Parties of Record:

Alexander C. Stern, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

On July 16, 2009, the Board authorized Public Service Electric and Gas Company ("PSE&G" or "Company") to implement eight (8) energy efficiency programs: 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program (collectively, "E3 Sub-Programs").¹

By Order dated July 14, 2011, the Board authorized PSE&G to extend three of its E3 Sub-Programs: Residential Multi-Family Housing, Industrial and Commercial Municipal/Local/State Government Direct Install and Hospital Efficiency² ("E3 Extension").

August 2014 Filing

On August 8, 2014, PSE&G filed the instant petition with the Board. On September 4, 2014, Board Staff notified PSE&G that the filing was administratively complete.³

In the filing, the Company seeks approval to extend, with modifications and additional funding, the E3 Extension Sub-Programs so that the Company may address the needs of more customers while factoring in lessons learned. PSE&G proposes to further extend these E3 Sub-Programs under the same process, terms, and conditions as currently approved by the Board, while seeking approval of additional program expenditures of approximately \$95 million, plus approximately \$1.1 million in IT system enhancement costs and \$13.7 million in administrative expenses. The Company proposes to recover the costs of the E3 Extension Sub-Programs as modified through an EEE Extension II Program Component of the Company's electric and gas Green Program Recovery Charge ("GPRC").

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Mary-Anna Holden as the presiding officer who is authorized 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.

¹ In re: the Petition of PSE&G Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058, Order dated July 16, 2009.

² In re: the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of Its Energy Efficiency Economic Stimulus Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff For Gas Service, B.P.U.N.J. NO. 15 GAS, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, AND N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030, Order dated July 14, 2011.

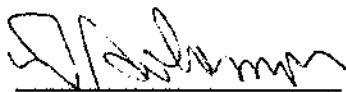
³ N.J.S.A. 48: 3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination commenced on August 8, 2014.

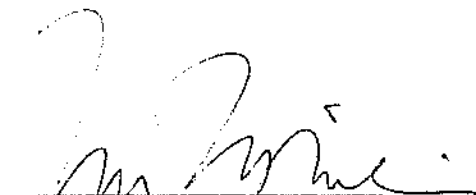
To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of complete record, the Board **HEREBY AUTHORIZES** Commissioner Mary-Anna Holden to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180 day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding. The authority so delegated is limited to a single extension of the 180 period, with any further requests for extensions to be directed to the Board.

Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

DATED: 9/30/14

BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT

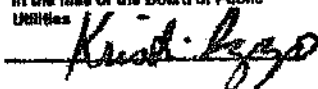

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
TO CONTINUE ITS ENERGY EFFICIENCY ECONOMIC EXTENSION PROGRAM ON A
REGULATED BASIS (EEE EXTENSION II)
DOCKET NO. EO14080897

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