



Agenda Date: 06/29/16
Agenda Item: 8D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
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 FOR)
APPROVAL OF A SECOND EXTENSION OF A SOLAR)
GENERATION INVESTMENT PROGRAM AND)
ASSOCIATED COST RECOVERY MECHANISM AND)
FOR CHANGES IN THE TARIFF FOR ELECTRIC)
SERVICE, B.P.U.N.J. NO 15 ELECTRIC PURSUANT)
TO N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, AND N.J.S.A.)
48:3-98.1) DOCKET NO. EO16050412

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Matthew M. Weissman, Esq., on behalf of Public Service Electric and Gas Company

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law 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.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1(a)(2), an electric or gas public utility may, among other things, provide and invest in renewable energy programs in its service territory on a regulated basis. Such investment in renewable energy 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 renewable energy

programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

By Order dated August 3, 2009,¹ the Board authorized Public Service Electric and Gas Company ("PSE&G" or "the Company") to implement a solar generation program. ("Solar 4 All Program"). The Solar 4 All Program incorporated one 40 megawatt ("MW") segment of large-scale solar installations² and one 40 MW segment of small solar units mounted upon utility and streetlight poles; the program was anticipated to have completed installation by the end of 2013. The Board authorized PSE&G to recover program costs through a new solar generation investment component ("SGIP") of the Company's Regional Greenhouse Gas Initiative Recovery Charge ("RRC").³

By Order dated May 31, 2013, the Board authorized PSE&G to extend the Solar 4 All Program and authorized the Company's installation of 40 MWdc on properly closed sanitary landfills and on brownfields, as well as three pilot programs of one MWdc each on underutilized government facilities, grid security/storm preparedness, and innovative parking lot applications.⁴ ("Solar 4 All Extension Program") In addition, the May 2013 Order authorized the Company to reallocate capacity within the four segments, provided no capacity could be reallocated from the landfill/brownfield segment, and to recover program costs through a new Solar Generation Investment Extension Program ("SGIEP") component of its electric GPRC.

May 2016 Filing

On May 11, 2016 PSE&G filed the instant petition with the Board. In the filing, the Company seeks approval of a second extension of one of the segments of Solar 4 All Program Extension Programs, which would consist of installing 100 MWdc upon landfills and brownfields over a five year period with a total proposed capital investment of approximately \$276 million (\$240 million for investment and \$36 million for contingency and unforeseen site conditions). PSE&G proposes to recover costs associated with the program through a new Solar Generation Investment Extension II Program component of the electric GPRC set forth in the Company's tariff.

DISCUSSION

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 Joseph L. Fiordaliso 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. Additionally, the Board **HEREBY DIRECTS** PSE&G to serve copies of the petition on any interveners in this matter within five

¹ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Generation Investment Program and Associated Cost Recovery Mechanism, BPU Docket No. EO09020125, Order dated August 3, 2009. ("August 2009 Order")

² The large scale segment approved in the August 2009 Order included three sub-segments: 1) systems installed on PSE&G-owned sites; ii) systems installed on third-party owned signed; and iii) systems installed on sites in Urban Enterprise Zones, including publicly-owned sites.

³ By Order dated February 19, 2014, in Docket Nos. ER13070603 and GR13070604, the RRC was renamed the Green Programs Recovery Charge ("GPRC").

⁴ In re the Petition of Public Service Electric and Gas Company for Approval of an Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and For Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric 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. EO12080721, Order dated May 31, 2013. ("May 2013 Order")

days of service of the Order(s) granting a petition for intervener status. Further, the Board **HEREBY DIRECTS** that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by July 25, 2016.

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 a complete record, the Board **HEREBY AUTHORIZES** Commissioner Joseph L. Fiordaliso 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.

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 two 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.

The effective date of this Order is July 1, 2016.

DATED: 6/29/16

BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
COMMISSIONER



RICHARD S. MROZ
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

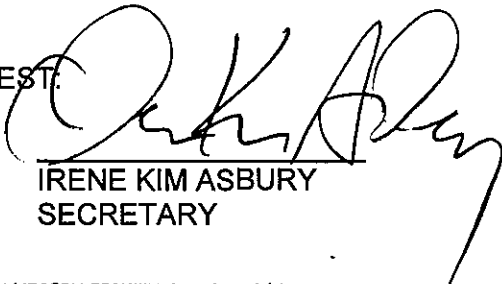


DIANNE SOLOMON
COMMISSIONER



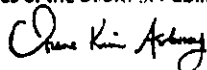
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



IRENE KIM ASBURY
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 FOR APPROVAL OF A SECOND EXTENSION OF A SOLAR GENERATION INVESTMENT PROGRAM AND ASSOCIATED COST RECOVERY MECHANISM AND FOR CHANGES IN THE TARIFF FOR ELECTRIC SERVICE, B.P.U.N.J. NO 15 ELECTRIC PURSUANT TO N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, AND N.J.S.A. 48:3-98.1
DOCKET NO. EO16050412

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