



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/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC)
GREEN PROGRAMS RECOVERY CHARGE AND)
ITS GAS GREEN PROGRAMS RECOVERY)
CHARGE ("2020 PSE&G GREEN PROGRAMS)
COST RECOVERY FILING"))
DECISION AND ORDER)
APPROVING STIPULATION FOR)
FINAL RATES)
DOCKET NOS. ER20060467 and)
GR20060468)

Parties of Record:

Joseph A. Shea, Jr., Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 29, 2020, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval to modify the electric and gas components of its Green Programs Recovery Charge ("GPRC") ("2020 GPRC Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively "Parties") resolving all issues related to the Company's 2020 GPRC Petition.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law based upon the New Jersey Legislature's findings that energy efficiency ("EE"), conservation measures, and increased use of renewable energy resources must be essential elements of the State's energy future, and that greater reliance on EE, conservation, and renewable energy resources will provide significant benefits to the citizens of New Jersey. Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1, an electric or gas public utility may, among other things, provide and invest in Class I renewable energy resources, EE and conservation programs in its service territory on a regulated basis. Such investments in Class I renewable energy programs, EE and conservation programs may be eligible for rate treatment approved by the Board, including a return on equity or other incentives or rate mechanisms that decouples 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 programs cost investments in the respective utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board including, but not limited to, the Societal Benefits Charge established pursuant to Section 12 of L. 1999, c. 23. An electric or gas public utility seeking cost recovery for any renewable energy, EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

PSE&G Programs

Energy Efficiency

By Order dated December 16, 2008, the Board authorized PSE&G to invest \$45.9 million in the Carbon Abatement Program ("CA Program").¹ The CA Program had five (5) sub-programs:

- a) Residential Home Energy Tune-Up Sub-Program - \$25 million
- b) Residential Programmable Thermostat Installation Sub-Program - \$4.4 million
- c) Small Business Direct Installation Sub-Program - \$4 million
- d) Large Business Best Practices and Technology Demonstration Pilot Sub-Program - \$1 million
- e) Hospital Efficiency - Retrofit Sub-Program- \$10 million; and New Construction Sub-Program - \$1 million

By Order dated July 16, 2009, the Board authorized PSE&G to invest approximately \$190 million in the Economic Energy Efficiency Stimulus Program ("EEE Program").² Three (3) of the eight (8) sub-programs in the EEE Program were identical to those sub-programs in the CA Program:

- a) Residential Whole House Efficiency Sub-Program - \$10 million
- b) Small Business Direct Installation Sub-Program - \$20 million
- c) Hospital Efficiency Sub-Program - \$68 million

The other sub-programs approved under the EEE Program were:

- d) Residential Multi-Family Housing Sub-Program - \$19 million
- e) Municipal/Local/State Government Direct Install Sub-Program - \$25 million
- f) Data Center Efficiency Sub-Program - \$10 million
- g) Building Commissioning/O&M Sub-Program - \$2 million
- h) Technology Demonstration Sub-Program - \$12 million

The Company was also authorized to invest \$24 million in Administrative, Sales, Training and Evaluation, and information technology ("IT") costs.

¹ In re the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement 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. EO08060426, Order dated December 16, 2008.

² In re the Petition of Public Service Electric and Gas Company 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.

By Order dated July 14, 2011, the Board authorized an extension of the EEE Program (“Extended EEE Program”) and additional funding for three (3) sub-programs within the Extended EEE Program.³ The three (3) sub-programs were the following:

- a) Residential Multi-Family Housing Sub-Program - \$20 million
- b) Municipal/Local/State Government Direct Installation Sub-Program - \$25 million
- c) Hospital Efficiency Sub-Program - \$50 million

In the Extended EEE program, the Board authorized the Company to invest \$8 million in Administration, Program Management, and Quality Assurance/Quality Control Evaluation. The total expenditures approved were \$103 million.

By Order dated April 16, 2015, the Board authorized a further extension of the Extended EEE Program, with modifications, and additional funding for the Multi-Family Housing, Direct Install, and Hospital Efficiency sub-programs (“EEE Extension II Program”).⁴ The approved EEE Extension II Program investment was \$95 million. In addition, the Board authorized the Company to invest a total of \$12.4 million in Administration, Program Management, Quality Assurance/Quality Control Evaluation and IT system enhancements.

By Order dated August 23, 2017, the Board authorized a further extension of the Company’s EE Program with modifications (“2017 EE Program”) with five (5) sub-programs:⁵

- a) Multifamily Housing Sub-Program - \$20 million
- b) Direct Install Sub-Program - \$15 million
- c) Hospital Efficiency Sub-Program - \$25 million
- d) Smart Thermostat Sub-Program - \$6.5 million
- e) Residential Data Analytics Pilot Sub-Program - \$2.5 million

In addition, the Board authorized the Company to invest approximately \$16.3 million in administrative and IT system enhancements. The total expenditures approved for the 2017 EE Program were \$85.1 million.

By Order dated September 11, 2019, the Board authorized a one (1) year extension of four (4) of the five (5) 2017 EE Programs through September 21, 2020, with modifications, and reaffirmed that the Company shall terminate its existing Direct Install Sub-Program by October 31, 2019.⁶ The extension provided for the following expenditures totaling \$32.995 million:

³ 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.

⁴ In re the Petition of Public Service Electric and Gas Company to Continue Its Energy Efficiency Economic Extension Program on a Regulated Basis (“EEE Extension II”), BPU Docket No. EO14080897, Order dated April 16, 2015 (“April 2015 Order”).

⁵ In re the Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs, BPU Docket No. EO17030196, Order dated August 23, 2017.

⁶ In re 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 and EO18101113, Order dated September 11, 2019 (“September 2019 CEF-EE Order”).

- a) Multifamily Housing Sub-Program - \$10 million
- b) Hospital Efficiency Sub-Program - \$12.5 million
- c) Smart Thermostat Sub-Program - \$3.25 million
- d) Residential Data Analytics Pilot Sub-Program - \$1.25 million

In addition, the Board authorized the Company to invest approximately \$5.995 million in Administration and Evaluation.

By Order dated September 23, 2020, the Board authorized PSE&G to implement a modified Clean Energy Future – Energy Efficiency (“CEF-EE”) Program.⁷ The CEF-EE Program included the implementation, administration and investment in 10 sub-programs, including four (4) residential sub-programs, five (5) commercial and industrial (“C&I”) sub-programs, and one (1) multifamily sub-program over a three (3) year period, until September 30, 2023. The CEF-EE Program provided for the following programs and expenditures totaling \$1.003 billion:

- a) Residential Efficient Products - \$140 million
- b) Residential Existing Homes - \$55 million
- c) Residential Behavior - \$25 million
- d) Residential Multifamily - \$9 million
- e) Income Eligible - \$55 million
- f) C&I Prescriptive - \$210 million
- g) C&I Customer - \$100 million
- h) C&I Small Non-Residential Efficiency (a/k/a Direct Install) - \$165 million
- i) C&I Energy Management - \$6 million
- j) C&I Engineered Solution - \$205 million
- k) Information Technology - \$33 million
- l) Program Administration - Cap at 10% or \$100.3 million

Solar Programs

By Order dated July 29, 2009, the Board authorized PSE&G to invest approximately \$514 million in a solar generation program known as the Solar 4 All (“S4A Program”).⁸ The S4A Program consisted of two (2) segments: Segment 1- Centralized Solar (40 MW); and Segment 2- Pole-Attached Solar (40 MW). The budgets for each segment were as follows:

- a) Segment 1- Capitalized Solar - \$256.1 million
- b) Segment 2- Pole Attached Solar - \$258.4 million

By Order dated August 3, 2008, the Board directed PSE&G to file a solar renewable energy certificate (“SREC”) based financing program by March 31, 2009.⁹ Pursuant to the SREC

⁷ In re 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 and EO18101113, Order dated September 23, 2020 (“September 2020 Order”).

⁸ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Generation Investment Program and an Associated Cost Recovery Mechanism, BPU Docket No. EO09020125, Order dated July 29, 2009.

⁹ In re the Matter of 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, BPU Docket No. EO08030164, Order dated August 3, 2008 (“SREC Financing Order”).

Financing Order, PSE&G's proposed SREC-based financing program could be structured as a modification of the solar loan program approved by the Board on April 16, 2008, provided that the modifications were sufficient to enable the SREC-based financing program to support the transition to a market-based approach to delivering incentives for solar electric generation. As approved by Board Order dated November 10, 2009, the Solar Loan II Program ("SLII Program") is an approximately 51 MW distributed photovoltaic ("PV") solar initiative in which customers or developers install solar PV systems on customers' premises "behind the meter" using PSE&G as a source of capital.¹⁰ The initial investment estimate for the SLII program was \$144 million and included three (3) segments:

- a) Greater than 150 kW up to 500 KW (non-residential) – 25 MW
- b) Up to 150 kW (non-residential) – 17MW
- c) Residential – 9MW

By Order dated May 29, 2013, the Board issued an Order approving a Solar 4 All Extension Program ("S4A Extension Program").¹¹ The approved S4A Extension Program consisted of four (4) segments (Landfills/Brownfields, Underutilized Government Facilities, Grid Security/Storm Preparedness Pilot and Parking Lot Solar) for a total of 45 MWs. The estimated capital investment was approximately \$247.2 million (excluding Allowance for Funds Used During Construction ("AFUDC")).

By Order dated May 29, 2013, the Board authorized PSE&G to offer a Solar Loan III Program ("SLIII Program") with a program size of 97.5 MW.¹² The SLIII Program included five (5) segments:

- a) Residential Individual Customer
- b) Residential-Aggregated by a Third Party
- c) Non-residential less than or equal to 150 kW
- d) Non-residential greater than 150 kW (up to 2 MW per project)
- e) Landfills/Brownfields (up to 5MW per project)

By Order dated November 30, 2016, the Board issued an Order approving Solar Generation Investment Extension II Program ("S4A Extension II Program").¹³ The approved S4A Extension II Program consisted of one (1) segment of Landfills and Brownfields for a total of 33 MW with an annual cap of 15 MW per Energy Year of connected solar-projects interconnected to a utility's

¹⁰ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan II Program and an Associated Cost Recovery Mechanism, BPU Docket No. EO09030249, Order dated November 10, 2009.

¹¹ 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 29, 2013.

¹² In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan III Program and an 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 and N.J.S.A. 48:2-21.1, BPU Docket No. EO12080726, Order dated May 29, 2013.

¹³ In re 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, 48:2-21.1 and N.J.S.A. 48:3-98.1, BPU Docket No. EO16050412, Order dated November 30, 2016.

electrical distribution system. The estimated capital investment was approximately \$79.2 million (excluding AFUDC).

By Order dated August 12, 2020, the Board issued an Order approving recovery of costs associated with the Transitional Renewable Energy Certificate Program (“TREC” or “TREC Program”).¹⁴ The approved TREC Program was incorporated as a new component of the Company’s electric GPRC tariff to recover costs of the Company’s share of:

- a) Payments for the procurement of TRECs;
- b) TREC administrator’s Fees; and
- c) Any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC Obligations.

Under the terms of the Orders approving the 12 programs described above (collectively, “PSE&G Green Programs”), PSE&G currently recovers the revenue requirements for the programs through its GPRCs. There is a separate component for each of the programs. PSE&G is required to make annual filings to set forth a calculation of the electric and gas recovery charges for estimated revenue requirements for the subsequent year plus the over/under deferred balance for the current year for the programs.

2020 GPRC Petition

In the 2020 GPRC Petition, the Company sought approval to modify its electric and gas GPRCs as well as recover its share of costs associated with the voltage optimization study and demographic study.¹⁵

The combined component rates proposed in the 2020 GPRC Petition for the period October 1, 2020 through September 30, 2021 were designed to recover approximately \$67.1 million (electric) and \$19.7 million (gas) in revenue on an annual basis. As filed, the resultant net annual revenue impact is an increase of \$16.6 million for electric, and an increase of \$8.1 million for gas. The cumulative proposed rate impacts for the 12 components of the electric GPRC would be an increase from \$0.001334 per kWh to \$0.001773 per kWh.¹⁶ The cumulative proposed changes for the six (6) gas components of GPRC, would be an increase from \$0.004361 per therm, to \$0.007382 per therm.

Additionally, in compliance with the Clean Energy Act of 2018, L. 2018 c.17 (“CEA”), the Company proposed to create a new Clean Energy Act Studies component of the GPRC, and recover the costs associated with the demographic study and voltage optimization study as prescribed by the CEA.

¹⁴ In re the Petition of Public Service Electric and Gas Company for Approval of the Recovery of Associated Costs Related to the Transition Renewable Energy Certificate Program, BPU Docket No. ER20040324, Order dated August 12, 2020 (“TREC Cost Recovery Order”).

¹⁵ The Clean Energy Act of 2018, L. 2018, c.13 (“CEA”), mandated that PSE&G and the other NJ electric and gas distribution companies undertake two studies: the voltage optimization study and a demographic study.

¹⁶ All rates quoted herein include Sales and Use Tax.

After notice in newspapers of general circulation within the Company's service territory, telephonic public hearings were held on August 27, 2020 at 4:30 pm and 5:30 pm.¹⁷ No member of the public provided comments at either of the hearings or filed written comments with the Board.

On December 2, 2020, the Company provided a discovery response updating the 2020 GPRC Petition to include actual results through September 30, 2020 and incorporate the CEF-EE rate component in the Company's GPRCs ("Update").¹⁸

By Order dated January 27, 2021, the Board authorized PSE&G to implement revised electric and gas GPRCs consistent with the Update.¹⁹ As approved by the January 2021 Provisional Order, PSE&G implemented a total electric GPRC rate of \$0.002340 per kWh and a total gas GRPC rate of \$0.007382 per therm.

STIPULATION

The Parties engaged in discovery and reviewed the issues in this matter. As a result, the Parties executed a final Stipulation, which provides for the following:²⁰

8. The Parties agree that the actual electric and gas GPRC costs charged to the PSE&G Green Programs prior to October 1, 2020 were reviewed and deemed prudent and reasonable by the Parties. Actual costs charged to the PSE&G Green Programs on and after that date are subject to review for reasonableness and prudence in future PSE&G Green Program adjustment proceedings. PSE&G agrees to make its next GPRC filing no later than July 1, 2021 and will use (a) actual data from October 1, 2020 to March 31, 2021, and (b) forecasted data through September 30, 2022. In accordance with the Stipulation approved by the Board in the Company's CEF-EE case (I/M/O PSE&G CEF- EE, GO18101112 & EO18101113, Order dated 9/23/20), all EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE Evaluation, Measurement and Verification ("EM&V") plan, and PSE&G will perform EM&V for the CEF-EE Program and these EE 2017 projects in accordance with the Board's CEA Framework Order (I/M/O CEA Implementation, QO19010040, QO19060748 and QO17091004, Order dated 6/10/20).
9. As part of its July 2021 GPRC filing, the Parties agree that PSE&G will provide a visual presentation to the EM&V Utility Working Group of the costs, level of incentives, number of participants and energy savings achieved for each subprogram in the EE 2017 Program. The presentation, which will take place in January 2022 after PSE&G submits its annual EE 2017 Program Report in BPU Docket No: EO17030196, will

¹⁷ Due to the COVID-19 pandemic, hearings were held virtually.

¹⁸ The 2020 GPRC Petition did not initially include the CEF-EE rate component as the filing was made before the conclusion of the CEF-EE matter in BPU Docket Nos. GO18101112 and EO18101113.

¹⁹ In re the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric Green Programs Recovery Charge and Its Gas Green Programs Recovery Charge ("2020 PSE&G Green Programs Cost Recovery Filing"), Order dated January 27, 2021 ("January 2021 Provisional Order").

²⁰ Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in the Order. Paragraphs are numbered to coincide with the Stipulation.

include “lessons learned” to inform the development and optimize cost effectiveness in future utility EE programs developed pursuant to the CEA.

10. The GPRC rates approved by the Board on a provisional basis in the January 2021 Provisional Order are now deemed final.
11. As a result of the final rates set forth in Attachment A of the Stipulation, PSE&G's typical residential electric customers using 740 kWh in a summer month and 6,920 kWh annually would experience no change in their annual bill of \$1,280.36 [based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (“BGS-RSCP”) charges in effect March 1, 2021, and assuming the customer receives BGS-RSCP service from PSE&G].
12. As a result of the final rates set forth in Attachment A of the Stipulation, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms annually would experience no change in their annual bill of \$883.68 [based on current Delivery Rates and Basic Gas Supply Service (“BGSS- RSG”) charges in effect March 1, 2021 and assuming the customer receives BGSS-RSG service from PSE&G].
13. The Parties agree that PSE&G should be authorized to finalize the rates set forth in Attachment A of the Stipulation. The revised tariff sheets relating to the GPRC rate shall become effective upon approval by the Board. The Company will provide updated electric and gas tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved final rates.

DISCUSSION AND FINDING

The Board reviewed the record in this matter, including the 2020 GPRC Petition and the Stipulation. The Board **HEREBY FINDS** that the Parties voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation, attached hereto, as its own, as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** on a final basis, a total electric GPRC rate of \$0.002340 per kWh and a total gas GPRC rate of \$0.007382 per therm. As a result of the Stipulation, customers will see no further bill impact from this matter.

The Board **HEREBY ORDERS** PSE&G to file tariff sheets conforming to the terms of the Stipulation by July 1, 2021.

The Company's costs, including those related to the PSE&G Green Programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any such actions determined to be appropriate as a result of any such audit.

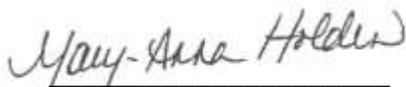
The effective date of this Order is June 16, 2021.

DATED: June 9, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



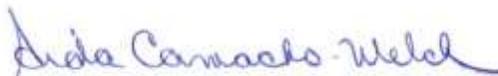
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COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF CHANGES IN ITS ELECTRIC GREEN PROGRAMS RECOVERY
CHARGE AND ITS GAS GREEN PROGRAMS RECOVERY CHARGE (“2020 PSE&G GREEN
PROGRAMS COST RECOVERY FILING”) - DOCKET NOS. ER20060467 and GR20060468**

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May 10, 2021

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its
Electric Green Programs Recovery Charge
and its Gas Green Programs Recovery Charge
“2020 PSE&G Green Programs Cost Recovery Filing”

BPU Docket Nos.: ER20060467 & GR20060468

VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
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Dear Secretary Camacho-Welch:

Attached is the fully executed Stipulation in the above-reference matter. If you have any questions regarding this filing, do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Joseph A. Shea, Jr.", written in a cursive style.

Joseph A. Shea, Jr.

Attachment
C Attached Service List (Email only)

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC) STIPULATION FOR FINAL
SERVICE ELECTRIC AND GAS COMPANY FOR) RATES
APPROVAL OF CHANGES IN ITS ELECTRIC)
GREEN PROGRAMS RECOVERY CHARGE AND) BPU DOCKET NOS. ER20060467
ITS GAS GREEN PROGRAMS RECOVERY) & GR20060468
CHARGE “2020 PSE&G GREEN PROGRAMS)
COST RECOVERY FILING”)

APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel - State Regulatory, PSEG Services Corp., and **Joseph A. Shea, Jr.**, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas

Brian O. Lipman, Esq., Litigation Manager, **Felicia Thomas-Friel**, Esq., Managing Attorney – Gas, **Kurt Lewandowski**, Esq., Assistant Deputy Rate Counsel and **Maura Caroselli**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director).

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey).

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On June 29, 2020, Public Service Electric and Gas Company (“PSE&G” or “Company”) made a filing with the New Jersey Board of Public Utilities (“BPU” or “Board”) seeking approval of cost recovery and to modify the electric and gas components of its Green Programs Recovery Charge (“GPRC”) related to certain energy efficiency, demand response, and solar energy programs (collectively, “Green Programs”) (“June 2020 Petition”).

2. The Board previously approved each of the PSE&G Green Programs and their associated cost recovery mechanisms pursuant to N.J.S.A. 48:3-98.1. PSE&G recovers the revenue requirements for these programs through its electric and gas GPRC for each program.

3. In accordance with the Board's August 12, 2020 Order, the Company filed its revised tariff sheets, effective September 1, 2020, to its Tariff for Electric Service, B.P.U.N.J. No. 16 Electric: Third Revised Sheet No. 65 – Green Programs Recovery Charge to recover, as a component of GPRC, its costs of implementing the Transitional Renewable Energy Certificate (“TREC”) program.¹ The TREC costs include the Company's share of: (a) payments for the procurement of TRECs, (b) the TREC Administrator's Fee, and (c) any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations. While the TREC Order approving the TREC cost recovery component of GPRC was issued after the Company's filing in this proceeding, the Company included the TREC component in the current and proposed rates in this stipulation to show the total GPRC rate inclusive of all components.

4. By Order dated September 23, 2020, subsequent to the Company's filing in this proceeding, the Board approved a new Clean Energy Future – Energy Efficiency (“CEF-EE”) component of the GPRC.² Paragraph 28 of the CEF-EE Stipulation approved by the Board states: “The Parties agree that, in light of the impacts of the current COVID-19 pandemic, the initial

¹ In re the Matter of the Petition of Public Service Electric and Gas Company for Approval of Recovery of Associated Costs Related to the Transitional Renewable Certification Program (“TREC Program”), BPU Docket No. ER20040324, Order dated August 12, 2020 (“TREC Order”).

² In re 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 and EO18101113, Order dated September 23, 2020.

electric and gas CEF-EECs [CEF-EE Program Component] will be set at zero as of the date of the BPU Order in this proceeding. The Parties further agree that the CEF-EECs will be included in an update to the Company’s pending 2020 GPRC Cost Recovery filing in [BPU] Docket Nos. ER20060467 & GR20060468, and an initial rate can be set for each component in the settlement of that proceeding. [T]he initial CEF-EECs will not be increased before January 1, 2021.” As a result, the Company included a rate for the CEF-EE component in this proceeding.

5. By Order dated January 27, 2021 in this docket, the Board approved on a provisional basis, subject to refund with interest on any net over/under recovered balance(s), (a) an increase in the total electric GPRC rate from \$0.001901 per kWh to \$0.002340 per kWh, and (b) an increase in the total gas GPRC rate from \$0.004361 per therm to \$0.007382 per therm (“January 2021 Order”).³ See below chart.

	Electric Charges		Gas Charges	
	Current \$/kWhr (Including SUT)	Proposed \$/kWhr (Including SUT)	Current \$/Therm (Including SUT)	Proposed \$/Therm (Including SUT)
Carbon Abatement Program	\$0.000023	\$0.000017	\$0.000889	\$0.000726
Energy Efficiency Economic Stimulus Program	(0.000064)	(0.000003)	(0.000592)	(0.000128)
Solar Generation Investment Program (Solar 4 All)	0.000818	0.000836	-	-
Solar Loan II Program	0.000301	0.000080	-	-
Energy Efficiency Economic Extension Program	(0.000084)	(0.000042)	(0.000393)	(0.000501)
Solar Generation Investment Extension Program	(0.000037)	0.000103	-	-
Solar Loan III Program	(0.000064)	(0.000095)	-	-

³ Rates include Sales and Use Tax (“SUT”).

Energy Efficiency Economic Extension Program II	0.000292	0.000276	0.002495	0.002456
Solar Generation Investment Extension II Program	(0.000037)	(0.000002)	-	-
Energy Efficiency 2017 Program	0.000187	0.000484	0.001962	0.004782
Clean Energy Act Studies	0.000000	0.000010	0.000000	0.000036
Transition Renewable Energy Certificate Program ⁴	0.000567	0.000567	-	-
Clean Energy Future – Energy Efficiency ⁵	<u>0.000000</u>	<u>0.000109</u>	<u>0.000000</u>	0.000011
Green Programs Recovery Charge(a)	\$0.001901	\$0.002340	\$0.004361	\$0.007382

6. Notice of the Company’s June 2020 Petition, including the date and time of public hearings, was placed in newspapers having a circulation within the Company’s electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company’s electric service territory. As a result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor, based on guidance from the Board’s Staff the public hearings were conducted telephonically in lieu of in-person hearings. In accordance with that notice, telephonic public hearings on the Company’s request were held at 4:30 pm and 5:30 pm on August 27, 2020. No members of the public provided comments at any of the hearings or filed written comments with the Board.

⁴ Previously approved in the TREC Program Order, see footnote 1 above.

⁵ See In re 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 and EO18101113, Order dated September 23, 2020.

7. After the issuance of the January 2021 Order, Staff of the New Jersey Board of Public Utilities (“Staff”) and the New Jersey Division of Rate Counsel (“Rate Counsel”) propounded additional discovery questions, to which the Company responded. Following a review of discovery, Staff, Rate Counsel, and PSE&G (collectively, “Parties”) reviewed the issues and reached a final settlement in this matter. Specifically, the Parties hereby **STIPULATE and AGREE** to the following.

STIPULATED MATTERS

8. The Parties agree that the actual electric and gas GPRC costs charged to the Green Programs prior to October 1, 2020 were reviewed and deemed prudent and reasonable by the Parties. Actual costs charged to the Green Programs on and after that date are subject to review for reasonableness and prudence in future Green Program adjustment proceedings. PSE&G agrees to make its next GPRC filing no later than July 1, 2021 and will use (a) actual data from October 1, 2020 to March 31, 2021, and (b) forecasted data through September 30, 2022. In accordance with the Stipulation approved by the Board in the Company’s CEF-EE case (I/M/O PSE&G CEF- EE, GO18101112 & EO18101113, Order dated 9/23/20), all EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE Evaluation, Measurement & Verification (“EM&V”) plan, and PSE&G will perform EM&V for the CEF-EE Program and these EE 2017 projects in accordance with the Board’s CEA Framework Order (I/M/O CEA Implementation, QO19010040, QO19060748 & QO17091004, Order dated 6/10/20).

9. As part of its July 2021 GPRC filing, the parties agree that PSE&G will provide a visual presentation to the EM&V Utility Working Group of the costs, level of incentives, number of participants and energy savings achieved for each subprogram in the EE 2017 Program. The presentation, which will take place in January 2022 after PSE&G submits its annual EE 2017 Program Report in BPU Docket No: EO17030196, will include “lessons learned” to inform the development and optimize cost effectiveness in future utility energy efficiency programs developed pursuant to the 2018 New Jersey Clean Energy Act.

10. The GPRC rates approved by the Board on a provisional basis in the January 2021 Order are now deemed final.

11. As a result of the final rates set forth in Attachment A, PSE&G's typical residential electric customers using 740 kWh in a summer month and 6,920 kWh annually would experience no change in their annual bill of \$1,280.36 (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect March 1, 2021, and assuming the customer receives BGS-RSCP service from PSE&G).

12. As a result of the final rates set forth in Attachment A, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms annually would experience no change in their annual bill of \$883.68 (based on current Delivery Rates and Basic Gas Supply Service [BGSS- RSG] charges in effect March 1, 2021 and assuming the customer receives BGSS-RSG service from PSE&G).

13. The Parties agree that PSE&G should be authorized to finalize the rates set forth in Attachment A of the Stipulation. The revised tariff sheets relating to the GPRC rate shall become effective upon approval by the Board. The Company will provide updated electric and gas tariff

sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved final rates.

14. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

15. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

16. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

17. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order or upon such date after the service thereof as the Board may specify in accordance with N.J.S.A. 48:2-40.

[Signature Block on Following Page]

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

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Attorney for the Staff of the New Jersey
Board of Public Utilities

BY: 
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Associate Counsel – Regulatory

BY: 
Matko Ilic
Deputy Attorney General

DATED: May 10, 2021

DATED: May 10, 2021

NEW JERSEY DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

BY: 
Maura Caroselli
Assistant Deputy Rate Counsel

DATED: May 10, 2021

ER20060467 & GR20060468

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 65

B.P.U.N.J. No. 16 ELECTRIC

**Superseding
XXX Revised Sheet No. 65**

GREEN PROGRAMS RECOVERY CHARGE

**Charge
(per kilowatthour)**

Component:

Carbon Abatement Program.....	\$0.000016
Energy Efficiency Economic Stimulus Program	(0.000003)
Solar Generation Investment Program.....	0.000784
Solar Loan II Program	0.000075
Energy Efficiency Economic Extension Program.....	(0.000039)
Solar Generation Investment Extension Program.....	0.000097
Solar Loan III Program	(0.000089)
Energy Efficiency Economic Extension Program II	0.000259
Solar Generation Investment Extension II Program.....	(0.000002)
Energy Efficiency 2017 Program.....	0.000454
Clean Energy Act Studies	0.000009
Transition Renewable Energy Certificate Program.....	0.000532
Clean Energy Future - Energy Efficiency Program	<u>0.000102</u>
Sub-total per kilowatthour	\$0.002195
Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$0.002340</u>

GREEN PROGRAMS RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket Nos.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 44

B.P.U.N.J. No. 16 GAS

Superseding

XXX Revised Sheet No. 44

GREEN PROGRAMS RECOVERY CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Component:

Carbon Abatement Program.....	\$ 0.000681
Energy Efficiency Economic Stimulus Program.....	(0.000120)
Energy Efficiency Economic Extension Program.....	(0.000470)
Energy Efficiency Economic Extension Program II.....	0.002303
Energy Efficiency 2017 Program.....	0.004485
Clean Energy Act Studies	0.000034
Clean Energy Future – Energy Efficiency Program.....	<u>0.000010</u>
Green Programs Recovery Charge.....	0.006923
Green Programs Recovery Charge including New Jersey Sales and Use Tax SUT.....	<u>\$ 0.007382</u>

Green Programs Recovery Charge

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

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80 Park Plaza, Newark, New Jersey 07102
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