

Agenda Date: 6/18/25 Agenda Item: 8F

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF DISBURSEMENT OF CLEAN ENERGY PROGRAM FUNDS FOR THE RESIDENTIAL ENERGY ASSISTANCE PAYMENT ORDER

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DOCKET NO. QO24020120

Parties of Record:

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Tamara L. Linde, Esq., Public Service Electric and Gas Company
Margaret Comes, Esq., Associate Counsel, Rockland Electric Company
Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJI Utilities, Inc.

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") provides eligible residential public utility customers of gas and electric distribution utilities (collectively, "Utilities")¹ protected by the Board's Winter Termination Program ("WTP") with one or multiple bill credits by way of the Residential Energy Assistance Payment ("REAP").

BACKGROUND & PROCEDURAL HISTORY

On June 29, 2022, the BPU approved the Fiscal Year 2023 ("FY23") programs and budget for New Jersey's Clean Energy Program and allocated \$21,831,897 in Arrearage Relief Funding ("ARF") to assist public utility residential electric and natural gas customers in paying energy bill overdue balances.² On April 17, 2023, the Board entered into a Memorandum of Understanding ("MOU") with the New Jersey Department of Community Affairs ("DCA") to administer ARF.³ The

¹ The four (4) gas distribution companies ("GDCs") are Public Service Electric & Gas Company ("PSE&G"), Elizabethtown Gas Company ("ETG"), New Jersey Natural Gas Company ("NJNG"), and South Jersey Gas Company ("SJG"). The four (4) investor-owned electric distribution companies ("EDCs") include PSE&G, Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), and Rockland Electric Company ("RECO").

² In re the Clean Energy Programs and Budget for Fiscal Year 2023, BPU Docket No. QO22020113, Order dated June 29, 2022.

³ In re a Memorandum of Understanding Between the Board of Public Utilities and the Department of

ARF was intended to assist customers with arrearages who were unable to secure adequate relief through designated funds from the federal American Rescue Plan, through BPU's Universal Service Fund ("USF") and Payment Assistance for Gas and Electric program, or DCA's Home Energy Assistance Program ("HEAP").⁴ However, by mutual consent from the DCA and BPU, ARF funds were not disbursed, and the MOU was terminated.

On April 30, 2024, the BPU approved the Fiscal Year 2024 true-up budget and committed \$21,831,897 in carryover ARF funds, as well as an additional \$30,000,000 in Clean Energy Program funds, to the REAP for a total of \$51,831,897.⁵ Subsequently, on May 22, 2024, the Board approved the disbursement of up to \$51,831,897 to REAP for the benefit of qualified New Jersey residents participating in energy assistance programs.⁶

With assistance from the Utilities, the Board developed a bill credit of \$175 per household based on total qualified residents certified through utility forms and the total REAP funding of \$48,742,925. The Utilities attempted to distribute the REAP funding amount to approximately 262,200 eligible accounts. Of the \$48,742,925, the Utilities successfully applied \$45,878,874 to accounts, and the difference of \$2,864,051 was returned to the Board due to unsuccessful application to eligible accounts. In total, \$45,878,874 was distributed by Utilities to qualifying residents through REAP in 2024.

On June 27, 2024, the Board approved the Fiscal Year 2025 Clean Energy Program Budget allocating \$51,831,897 to REAP.⁷ On April 23, 2025, the Board approved the Fiscal Year 2025 true-up budget and committed an additional \$48,742,925 to REAP while reallocating \$5,953,023 from REAP to Comfort Partners.⁸ As a result, the Fiscal Year 2025 true-up budget allocated a total of \$94,621,799 to REAP. Of this amount, \$48,742,925 remains available for a second round of REAP bill credits.⁹

DISCUSSION AND FINDINGS

As with the first iteration, the goal of the second REAP allocation is to provide energy bill assistance through bill credits to qualifying residential public utility customers in New Jersey meeting the eligibility criteria set forth below.

<u>Community Affairs Concerning Administration of Arrearage Relief Funding</u>, BPU Docket No. AO23020085, April 17, 2023.

⁴ ARP: H.R. 1319 – 117th Congress (2021-2022): American Rescue Plan Act of 2021, H.R. 1319, 117th Cong. (2021), <u>https://www.congress.gov/bill/117th-congress/house-bill/1319</u>; Information on USF is available *at* <u>https://www.nj.gov/dca/dhcr/offices/usf.shtml</u>; Information on PAGE is available *at* <u>https://njshares.org/nj-bpu/program-guidelines/</u>; Information on LIHEAP is available *at* <u>https://www.nj.gov/dca/dhcr/offices/hea.shtml</u>;

⁵ In re the Clean Energy Programs and Budget for Fiscal Year 2024 – True-up, Revised Budgets, and Program Changes, BPU Docket No. QO23040236, Order dated April 30, 2024.

⁶ In re Disbursement of Clean Energy Program Funds for the Residential Energy Assistance Payment, BPU Docket No. QO24020120, Order dated May 22, 2024.

⁷ In re the Clean Energy Programs and Budget for Fiscal Year 2025, BPU Docket No. QO24040224, Order dated June 27, 2024.

⁸ In re the Clean Energy Programs and Budget for Fiscal Year 2025 – True-Up, Revised Budgets and Program Changes, BPU Docket No. QO2404022, Order dated April 23, 2025.

⁹ \$48,742,925 in REAP funds were distributed to Utilities, based on the amount of eligible accounts in each territory, on the following dates: PSE&G: 9/10/24; ETG, SJG, ACE: 9/11/24; NJNG, JCP&L: 9/12/24; RECO: 9/17/24. This amount was deducted from the FY 2025 true up budget of \$94,621,799, leaving a balance of \$48,742,925.

In the first iteration, qualifying residents were identified using categorical eligibility, as opposed to an application or enrollment process. Categorical eligibility is a process utilized in public assistance programs whereby a household's eligibility for benefits is determined based on their participation in other public assistance programs or services. This option was selected to eliminate barriers to participation, as a more in-depth application or enrollment process could have discouraged or excluded otherwise eligible residents. The first iteration of REAP aligned with the Board's Winter Termination Program (WTP) eligibility criteria and successfully reached approximately 262,200 unique residential customer accounts.

The WTP protects eligible customers from having their electric, gas, water, and wastewater services shut off during winter months, between the dates of November 15 and March 15.¹⁰

Eligibility for the WTP program is established categorically by determining whether a customer satisfies the following eligibility criteria¹¹:

- 1. Recipients of benefits under the Lifeline Credit Program
- Recipients of benefits under the Federal Home Energy Assistance Program ("HEAP") or certified as eligible therefore under standards set by the New Jersey Department of Human Services ("NJDHS")
- 3. Recipients of Temporary Assistance to Needy Families ("TANF")
- 4. Recipients of Federal Supplementary Security Income ("SSI")
- 5. Recipients of Pharmaceutical Assistance to the Aged and Disabled ("PAAD")
- 6. Recipients of General Assistance ("GA") benefits
- 7. Recipients of Universal Service Fund ("USF")
- 8. Recipients of the Low-Income Household Water Assistance Program
- 9. Residential customers who are unable to pay their utility bills because of circumstances beyond their control. Such circumstances shall include, but shall not be limited to, unemployment, illness, medically related expenses, recent death of an immediate family member, and any other circumstances, which might cause financial hardship.
- 10. A participant in any other State or local program that provides assistance, specifically, to help eligible customers pay electric, sewer, or water bills.

Each Utility in New Jersey automatically flags residential utility customer accounts for WTP protection if a customer is receiving credits on their account from New Jersey's utility assistance programs (USF, HEAP, or Lifeline).¹² For the other WTP categorical eligibility criteria, residential customers must contact their Utility for enrollment. Using existing WTP enrollment data—where household information is already linked to utility accounts—Utilities can efficiently enroll WTP customers into REAP. This streamlined approach minimizes administrative costs and simplifies implementation.

Accordingly, since the WTP program already reaches those customers in need of forbearance and/or utility assistance that the Board aims to support with the second iteration of the REAP, and because the Utilities already track WTP program enrollment, each of the Utilities are <u>HEREBY</u> <u>DIRECTED</u> to use the WTP eligibility criteria ("Eligibility Criteria") described above and codified

¹⁰ N.J.A.C. 14:3-3A.5.

¹¹ Winter Termination Program, New Jersey Department of Community Affairs, <u>https://www.nj.gov/dca/dhcr/offices/wintertermination.shtml</u>

¹² Participants in the Supplemental Nutritional Assistance Program and the Lifeline Utility Assistance Program are automatically screened for USF and HEAP program benefits.

at N.J.A.C. 14:3-3A.5(a) to determine eligibility for the second iteration of REAP bill credits.

There are customers in New Jersey who receive service from separate gas and electric public utilities, which will require coordination from the Utilities to ensure that the REAP bill credits are applied to either the electric or gas account of all eligible customers, but not both.

Accordingly, to ensure to the most extent practicable that the REAP bill credit is only applied once per eligible New Jersey household, per installment of the REAP, each public utility is <u>HEREBY</u> <u>DIRECTED</u> to employ the following eligibility procedures when identifying accounts eligible for the second iteration of the REAP:

- 1. Gas and electric public utilities will identify all active residential accounts that were flagged for WTP protection during the 2024-2025 winter season.
- 2. Gas and electric public utilities will then remove any WTP protected accounts that were flagged as such for any protected category outside of those in the WTP regulations listed above, under the Eligibility Criteria, and maintain a list of remaining WTP accounts.
- 3. Gas public utilities shall provide WTP accounts meeting the Eligibility Criteria to the electric public utilities to attempt to match each WTP flagged gas account with the household's WTP electric account using name and address. Any gas public utility WTP account that is successfully matched to an associated WTP electric account will remain with the electric public utility to flag as REAP electric-eligible. This will help eliminate the possibility of one household receiving two REAP credits.
- 4. Any gas WTP accounts that cannot be matched with an associated WTP electric account must be identified by the electric public utility and shall be returned to the gas public utility to flag as REAP gas eligible.
- 5. Any standalone WTP electric account with no associated WTP gas account will be flagged by the electric public utility as REAP electric-eligible.

The Board <u>HEREBY APPROVES</u> a second round of credits through the REAP, in the form of \$25 bill monthly credits over a period of seven (7) months, and authorizes Board Staff ("Staff") to take all necessary steps to implement the REAP pursuant to the recommendations made herein. The seven (7) months of credits will span August 2025 through February 2026. The total amount of money received by customers in the form of bill credits will be \$175.

The Board <u>HEREBY ORDERS</u> that, within fifteen (15) days of the date hereof, each electric and gas public utility must file with the Board a Utility Certification Form ("Certification"), a copy of which is attached hereto as Exhibit 1. The Utility Certification forms direct the Utilities to provide the number of accounts deemed eligible for the REAP and to certify that it determined eligibility using the processes set forth in this Order. Additionally, the Utility Certification forms contain a timeline for rollout of bill credits under the REAP, a requirement that any unused funds be returned to the Board, and a requirement for Utilities to comply with reporting requirements contained therein. Upon review and approval of the Certifications provided by each Utility, Staff shall execute each Certification.

Following submission and approval of the Certification from each Utility, Staff shall determine the total number of households eligible for credits under the second iteration of the REAP. Based on the total number of eligible accounts and the \$48,742,925 in available funding, Staff is <u>HEREBY</u> <u>DIRECTED</u> to transmit funds to the Utilities based on the product of each Utility's number of eligible accounts identified through the eligibility procedures as detailed herein, and the flat credit of \$25 per month for seven (7) months. The credit or credits would then be applied by the Utilities

to all eligible accounts in accordance with any additional instructions provided by Staff.

The Utilities shall report to the Board the total number of accounts credited and the total amount of funds disbursed within forty-five (45) days of the final disbursement. The Utilities are <u>HEREBY</u> <u>DIRECTED</u> to return any unused funds to the Board within ninety (90) days of final disbursement. Upon returning any unused funds to the Board, the Utilities are <u>FURTHER DIRECTED</u> to certify to the Board the total amount of funds being returned and a corresponding number of eligible accounts that were not successfully credited.

The Board <u>HEREBY</u> FINDS that the second iteration of the REAP will, in the most efficient and streamlined manner possible, benefit primarily low-income New Jersey residents, including those who have demonstrated a need for assistance or forbearance, having been identified by utility companies for WTP protection.

The Board **<u>FURTHER</u>** FINDS that utilizing categorical eligibility to determine qualified customers will eliminate the need for an enrollment and application process, simplifying the relief disbursement process for customers most in need of assistance and minimizing administrative costs.

This Order shall be effective on June 25, 2025.

DATED: June 18, 2025

DR. ZENON CHRISTODOULOU

COMMISSIONER

ATTEST:

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BOARD OF PUBLIC UTILITIES BY:

CÀ RISTINE GUHL-SADOV

PRESIDENT

MARIAN ABDO

COMMISSIONER

MICHAEL BANGE COMMISSIONER

SHERRI L. LEWIS BOARD SECRETARY

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

BPU DOCKET NO. QO24020120

IN THE MATTER OF DISBURSEMENT OF CLEAN ENERGY PROGRAM FUNDS FOR THE RESIDENTIAL ENERGY ASSISTANCE PAYMENT

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EXHIBIT 1 DOCKET NO. QO24020120 Page 1 of 2

Residential Energy Assistance Payment Utility Company Certification

- 1. I, NAME, am TITLE, of UTILITY COMPANY. I am making this Certification in furtherance of the Board's June 18, 2025 Order establishing the second iteration of the Residential Energy Assistance Payment (also known as "REAP"), with which I am familiar. I am authorized to make this statement on UTILITY COMPANY's behalf.
- 2. I hereby certify that UTILITY COMPANY utilized the processes set forth in the Board's June 18, 2025 Order to calculate the number of customer accounts eligible for the REAP.
- 3. I further certify that the total number of UTILITY COMPANY customer accounts that are eligible for the REAP is (NUMBER).
- 4. I further certify UTILITY COMPANY's understanding and agreement that (i) UTILITY COMPANY will only provide bill credits using Clean Energy Program funding provided by the New Jersey Board of Public Utilities ("BPU"), specifically committed to the REAP, and (ii) will apply these credits exclusively to the residential customer utility accounts flagged for WTP protection and in accordance with the instructions set forth in the Board's June 18, 2025 Order.
- I further certify UTILITY COMPANY's understanding and agreement that all funds received by UTILITY COMPANY from BPU on behalf of each UTILITY COMPANY customer will be applied by UTILITY COMPANY solely for the purpose of reducing an eligible customer's energy burden through one or multiple fixed bill credits.
- I further certify UTILITY COMPANY's understanding and agreement that all funds received by UTILITY COMPANY from BPU will be applied by UTILITY COMPANY to all identified eligible accounts starting in August 2025 and ending in February 2026.
- 7. I further certify UTILITY COMPANY's understanding and agreement that UTILITY COMPANY shall report to BPU the total number of accounts credited and the total amount of funds successfully applied to eligible accounts as described above within forty-five (45) days of final fund disbursement.

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- 8. I further certify UTILITY COMPANY's understanding and agreement that UTILITY COMPANY shall refund to BPU any excess amount of Clean Energy Program monies received that are not successfully applied to eligible accounts as described above within ninety (90) days of final disbursement.
- 9. I further and finally certify that the foregoing statements made by me herein are true and correct to the best of my knowledge, information, and belief. I am aware that, if any of the foregoing statements made by me herein are willfully false, I am subject to punishment.

UTILITY CERTIFICATION:

Name:	 	 	
Title:			
Signature:			

BOARD OF PUBLIC UTILITIES APPROVAL:

Name:	 		
Title:			

Signature:_____