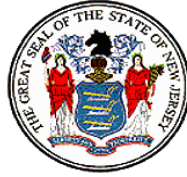


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President

Dr. Zenon Christodoulou
Commissioner

Marian Abdou
Commissioner

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Commissioner

NOTICE¹

IN THE MATTER OF ADDRESSING NEW JERSEY ENERGY AFFORDABILITY FOR LOW- AND MODERATE-INCOME HOUSEHOLDS Docket No. [QO24110853](#)

The New Jersey Board of Public Utilities (“BPU” or “Board”) hereby gives notice of a virtual stakeholder meeting to discuss the BPU’s “Addressing New Jersey Energy Affordability for Low- and Moderate-Income Households” Straw Proposal (“Straw”), attached hereto.

New Jersey is a leader in addressing climate change and has some of the most ambitious goals in the country to reduce carbon emissions, including a shift to 100 percent of electricity sold in New Jersey being from clean sources by 2035, reduction of greenhouse gas emissions to fifty percent (50%) below 2006 levels by 2030, and 11,000 megawatts of offshore wind capacity by 2040. As New Jersey continues to make investments in energy systems, it is imperative that special attention be paid to potential impacts on energy users, especially low- and moderate-income (“LMI”) customers.

By the Straw, Board Staff (“Staff”) proposes to address energy affordability for LMI customers by: 1) increasing minimum and maximum benefits provided to residential gas and electric customers through the Board’s Universal Service Fund (“USF”) energy assistance program; 2) increasing utility engagement with their low- and moderate-income customers through targeted outreach and enrollment efforts; and 3) requiring the Utilities to promote the USF program to households receiving Comfort Partners assistance and require the Utilities to promote the Comfort Partners program to USF-participating households that meet specific Comfort Partners priority targets.

The stakeholder meeting will be held on the following date and time, and in the following manner:

Meeting Date	Purpose and Registration Link
Tuesday April 1, 2025 (10 AM-12 PM EDT)	This meeting will provide an overview of this Straw and provide a summary of policy actions the Board will implement for the next USF program year beginning October 1, 2025. https://us06web.zoom.us/webinar/register/WN_q8u8tUjtRKab_BW1oNMdsw

¹ Not a paid legal advertisement.

Held Via Webinar

Please note that this meeting will be conducted virtually. Attendees must register for the meeting using the above link, at least 48 hours prior to the scheduled date. To reserve a speaking opportunity, those who wish to speak must indicate that they are requesting a speaking opportunity during the online registration process. After registering, you will receive a confirmation email containing instructions on joining the meeting and on how to check your system requirements and compatibility in advance of the meeting. Stakeholders should check the devices they will use to attend in advance of the meeting to ensure proper connection.

Questions on this stakeholder process may be directed to Nicholas Gorglione at nicholas.gorglione@bpu.nj.gov.

The deadline for comments on this matter is 5 p.m. EDT on Thursday, April 10, 2025.

Please submit comments directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act. Only documents that are intended for the public should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage, <https://www.nj.gov/bpu/agenda/efiling>.

Emailed and/or written comments may also be submitted to:

Sherri L. Lewis
Secretary of the Board
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Sherri L. Lewis

Sherri L. Lewis
Secretary of the Board

Dated: March 20, 2025

**IN THE MATTER OF ADDRESSING NEW JERSEY ENERGY AFFORDABILITY FOR LOW-
AND MODERATE-INCOME HOUSEHOLDS**

Docket No. QO24110853

Introduction

New Jersey is a leader in addressing climate change and has some of the most ambitious goals in the country to reduce carbon emissions, including a shift to 100 percent of electricity sold in New Jersey being from clean sources by 2035, reduction of greenhouse gas emissions to fifty percent (50%) below 2006 levels by 2030, and 11,000 megawatts of offshore wind capacity by 2040.

As New Jersey continues to invest in energy systems, it is imperative that special attention be paid to potential impacts on energy users, especially low- and moderate-income (“LMI”) customers.

New Jersey currently has a diverse portfolio of energy assistance programs which are offered to LMI customers in need, the largest being the Board of Public Utilities’ (“Board” or “BPU”) Universal Service Fund (“USF”) program, which provided electric and natural gas benefits to approximately 225,000 households during the last program year.¹

In an effort to balance the clean energy needs of the State with the needs of low-and-moderate income customers, the Board commissioned the Brattle Group (“Brattle”) to conduct a study of its energy assistance programs that included a jurisdictional scan of residential energy assistance programs across the United States to provide context for New Jersey’s programs in light of the State’s clean energy goals. By the report, [*An Assessment of Energy Affordability in New Jersey and Alternative Policy and Rate Options*](#) (“Report”), Brattle concluded that, while New Jersey is positioned ahead of many of its peers by offering a wide variety of programs addressing needs through different mechanisms, there exist more opportunities for New Jersey to improve its assistance programs.²

In response to the Report, Board Staff (“Staff”) developed this straw proposal (“Straw”) to seek public input on Staff’s proposed modifications to the Board’s USF program and other recommendations. The proposals contained in the Straw seek to: 1) increase minimum and maximum benefits provided to residential gas and electric customers through the USF energy assistance program; 2) increase utility engagement with LMI customers through targeted utility outreach and enrollment efforts; and 3) require the Utilities to promote the USF program to households receiving Comfort Partners assistance and require the Utilities to promote the Comfort Partners program to USF-participating households that meet specific Comfort Partners priority targets.

Background

On February 9, 1999, Governor Whitman signed the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 *et seq.* (“EDECA” or “Act”), into law. Among other things, the Act provides:

¹ October 1, 2023-September 30, 2024.

² [*An Assessment of Energy Affordability in New Jersey and Alternative Policy and Rate Options*](#)

There is established in the Board of Public Utilities a non-lapsing fund to be known as the “Universal Service Fund.” The Board shall determine: the level of funding and the appropriate administration of the fund; the purposes and programs to be funded with monies from the fund; which social programs shall be provided by an electric public utility as part of the provision of its regulated services which provide a public benefit; whether the funds appropriated to fund the “Lifeline Credit Program” established pursuant to L. 1979, c. 197 (C.48:2-29.15 *et seq.*), the “Tenants’ Lifeline Assistant Program” established pursuant to L. 1981, c. 210 (C.48:2-29.30 *et seq.*), the funds received pursuant to the Low Income Home Energy Assistance Program established pursuant to 42 U.S.C. § 8621 *et seq.*, and funds collected by electric and gas utilities, as authorized by the [B]oard, to offset uncollectible electricity and natural gas bills should be deposited in the fund; and whether new charges should be imposed to fund new or expanded social programs.

[N.J.S.A. 48:3-60(b)]

By Order dated April 30, 2003, the Board established the USF program to ensure low-income electric and natural gas customers have access to more affordable energy.³ By the April 2003 Order, the Board explained that the USF would be “an ongoing, evolving program, subject to review and amended as necessary.”⁴ The Board ordered that the program be operated on a state-wide basis and funded through uniform charges on customers' electric and natural gas bills through the Societal Benefits Charge (“SBC”), pursuant to N.J.S.A. 48:3-60(a). The Board has continued to update the USF since its inception to adjust to ratepayers’ economic needs and to account for changes to other social assistance programs linked to the USF program.

USF benefits are awarded to any household at or below the income limits of sixty percent (60%) State Median Income (“SMI”), which is determined by household size:⁵

Household Size	USF Annual Income Limit
1	\$47,896
2	\$62,633
3	\$77,370
4	\$92,108
5	\$106,845
6	\$121,582
7	\$124,345
8	\$127,109

³ In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999 Order, BPU Docket No. EX00020091, Order dated April 30, 2003 (“April 2003 Order”).

⁴ Ibid.

⁵ In effect from October 1, 2024-September 30, 2025.

The USF benefit amounts are individually calculated for gas and electricity based on an energy burden calculation. Specifically, USF covers any amount spent on energy that is over a certain percentage of income (“Energy Burden Threshold”) up to a cap of \$180.00 per month for gas and electric combined.⁶ For gas and non-heating electric customers, the Energy Burden Threshold is two percent (2%) of annual household income; for electric heating customers, the Energy Burden Threshold is four percent (4%) of annual household income. The current monthly USF benefit amount is between a minimum \$5.00 benefit up to a cap of \$180.00.⁷

By Order dated December 6, 2023, the Board directed Staff to issue a Request for Quotation (“RFQ”) to retain a consultant to conduct a rate design and policy study (“Study”) regarding driving equity in the clean energy transition. The Board subsequently engaged Brattle to conduct the Study. On December 9, 2024, Brattle submitted the Report to Staff for review.

At its regular agenda meeting on March 19, 2025, the Board accepted the Report for filing and made the Report publicly available via the Board’s website.

After reviewing the Report, Staff prepared three (3) proposed recommendations for public comment.

Staff’s Recommendation 1: Increase the USF minimum benefit from its current \$5.00 per month (\$60 per year) to \$20 per month (\$240 per year); and increase the USF maximum benefit from \$180 per month (\$2,160 per year) to \$200 per month (\$2,400 per year).

By the Report, Brattle found that, for ninety percent (90%) of participating households, the USF successfully reduces recipients’ median energy burden to below four percent (4%) of household income—below two percent (2%) for electricity and below two percent (2%) for natural gas. However, Staff explored other energy assistance program methodologies highlighted in the Report and determined potential impacts of changing the structure of the USF program to see if the public could be better served through program modifications. Staff ultimately determined that the energy burden model, or Percentage of Income Payment Program (“PIPP”) currently in use is the best way to keep energy costs to an affordable amount because credits are based on individual household incomes and energy needs. However, Staff acknowledges that energy costs have increased significantly in the past year due to market conditions. Therefore, Staff recommends the following changes to the USF program for implementation in the next program year, October 1, 2025-September 30, 2026:

Increasing the maximum benefit will assist those ten percent (10%) of customers experiencing energy costs beyond the energy affordability threshold. It is estimated that approximately 8,345 customers would see this increase. Customers who receive the minimum benefit either: 1) have moderate incomes that make it difficult for them to meet the energy burden threshold but nevertheless experience hardship from sudden increases in electric and gas prices; 2) reached the maximum USF benefit on one utility account and would therefore only qualify for the minimum benefit on the second account; or 3) have low energy burdens made possible only through unsafe energy usage practices, such as keeping thermostats at critically low levels in cold months, to keep energy affordable. Staff estimated that 136,991 customers would see this increase in

⁶ If a customer receives the maximum \$180 monthly benefit on one account and has a second utility account, they will receive the minimum \$5.00 monthly benefit on the second account.

⁷ More information about USF can be found at: <https://nj.gov/dca/dhcr/faq/index.shtml>

minimum benefit levels. Increasing the minimum and maximum benefit levels would also help customers comply with the USF “Fresh Start” program, which requires the customer to pay their current monthly bills in full to receive forgiveness for overdue balances.

Below are Staff’s estimated increases in USF program costs if the recommendation above is implemented:

Straw Proposal to Address Energy Affordability				
	Current USF Annual Benefit	Proposed USF Annual Benefit	Number of Households	Annual Budget Impact
Minimum Electric	\$60	\$240	79,780	\$12,068,238
Minimum Gas	\$60	\$240	89,424	\$14,441,563
*Minimum Electric and Gas	\$120	\$480	136,991	\$26,509,801
Maximum	\$2,160	\$2,400	8,345	\$2,004,240
TOTAL BUDGET IMPACT			145,336	\$28,514,041
			64.5%	
USF Budget ('24/'25) \$236,500,000				12.06%
				Monthly Residential Ratepayer Impact \$0.37

*Roughly 2/3 of households currently receiving USF benefits would receive higher benefits.
Proposal would increase the current USF budget by approximately 12%.
Ratepayer USF contribution within the SBC would increase about \$4.40 annually.
Annual Budget Impact for minimum proposed benefit includes every individual who received benefit at or below proposed benefit amount based on 2024 season data.
Annual Budget Impact for maximum proposed benefit is an estimate based on customers who received maximum benefit based on 2024 season data.
Minimum Electric and Gas contain the amount of households that are receiving at least one minimum USF benefit account to prevent double counting of households.

Staff’s Recommendation 2: Increase Utility engagement with LMI customers through targeted outreach and enrollment efforts.

To increase utility engagement with LMI customers, Staff proposes requiring the State’s gas and electric public utilities (“Utilities”) to:

- A. Increase participation in USF within their service territories by a targeted percentage of:
 - five percent (5%) increase in program year one (1) compared to the prior program year of October 1, 2024-September 30, 2025 (“Base Year”);
 - three percent (3%) increase in year two (2) compared to the prior program year of October 1, 2025-September 30, 2026; and
 - two percent (2%) increase in year three (3) compared to the prior program year of October 1, 2026-September 30, 2027.

- B. Participate in direct application intake at payment centers, outreach events, mobile units, etc. While the ability to approve grants would rest with the New Jersey Department of Community Affairs (“DCA”), the USF program administrator, the Utilities can provide portable scanners and tablets to customers that do not have access to online resources at home. The Utilities should also provide personal assistance to customers applying on their smart phones should they have any questions about the application process or required documentation. The Utilities would be required to assist customers in completing their application and confirm an application is complete and pre-screened for approval and submit these applications to the DCA for final review.

Utility efforts would not only increase USF enrollment but would reduce shut offs and arrearages as well as potentially increase enrollment and compliance with the USF Fresh Start program, which the Utilities administer with Board oversight. Utility enrollment efforts aims to improve the relationship between company and customer to encourage greater customer engagement in assistance programs. Staff proposes:

- To collaborate with the DCA for the DCA to provide the Utilities access to trainings on application intake and submissions to the online USF application portal;
- To collaborate with the DCA for the DCA to provide real time reporting so that the Utilities can track their efforts statewide; and
- The Board authorizes the Utilities to recover any administrative costs incurred through the USF rate or base rates.

Questions for utility companies:

- What challenges and benefits may result from the above?
 - How many full- and/or part-time staff, if any, would your company need to hire to support this effort?
 - Please provide an estimate of the number of employees who would need access to the USF online application portal.
 - Please provide an estimate of the number of portable tablets, scanners, and other hardware your company would need to purchase to assist customers in completing their online USF applications.
 - Please provide any estimated administrative costs your company anticipates incurring, if any, for this effort.
 - What processes and/or agreements would be required for utility personnel to have access to the USF application portal and uploading of personal required documents from customers (e.g. technology requirements)?
 - Please provide a summary of any impacts on current processes, contracts, etc. that would be required to provide this service to customers.
 - Please provide any other concerns or questions that Staff should consider.
- C. Require the Utilities to file with the Board: 1) an annual outreach plan (“Outreach Plan”) to the Board’s Division of Customer Assistance on or before September 30 of each year detailing how each utility plans to meet their enrollment targets; and 2) an annual outreach

report (“Outreach Report”) on or before November 30 of each year detailing the company’s success in meeting its enrollment targets in the prior year, how the aspects of the Outreach Plan were carried out in the prior year, any lessons learned or recommendations for the Board to update the USF program.

Staff proposes the Outreach Plan should include the following:

1. The results of internal analysis to understand more about customers who potentially qualify for assistance by studying demographic characteristics, types of programs enrolled, arrears and shutoff status, online account participation, outreach channels, and bills. They should also include a list of high arrearage and/or low-income communities to be targeted in the coming year.
2. A plan and calendar to promote USF and Fresh Start, LIHEAP, Lifeline, Winter Termination Program, the Board’s Payment Assistance for Gas and Electric program and relevant programs available through the Statewide non-profit organization New Jersey SHARES or other energy assistance programs available within the utility’s service territory. Efforts to reach customers through various means and in other languages should be noted as well as all types of media to be used and partnerships leveraged to reach the underserved populations of New Jersey such as seniors, the disabled, veterans and immigrant communities.
3. A minimum of ten (10) outreach events each year in targeted communities should be attended by utility assistance or customer assistance staff and three outreach events hosted by the utility.
4. Acknowledgement that Utilities will have access to customer accounts at outreach events, mobile units, etc. to restore power, protect from shut off or enroll in the Winter Termination Program.
5. Requirements listed in recommendation three below.

Staff’s Recommendation 3: *Better align energy assistance with energy efficiency efforts by requiring the Utilities to promote the USF program to households receiving Comfort Partners assistance and requiring the Utilities to promote the Comfort Partners program to USF-participating households that meet specific Comfort Partners priority targets.*

- Staff recommends requiring the Utilities to promote the Comfort Partners program to USF-participating households that meet such Comfort Partners priority targets as: high energy usage; income eligible; rental units of fourteen (“14”) units or less; and residing in targeted communities. Staff further recommends requiring the Utilities to report annually the methods they will use to achieve the outreach efforts contained in this recommendation in their Outreach Plans described above in Recommendation 2.C. Also, in 2.C in the “Annual Outreach Report” Staff recommends the Utilities report the following: The number and percentage of Comfort Partners households served in the past year that were also USF households;
- The number of USF households serviced for Comfort Partners in the prior year; and
- Energy savings achieved.