



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 9<sup>th</sup> Floor**  
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**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on July 29, 2020, via Teleconference: 1 (646) 558 8656 Webinar ID: 960 1318 4518 or watch online @ <https://youtu.be/Df14gNmJxQk>

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press  
Atlantic City Press  
Burlington County Times  
Courier Post (Camden)  
Home News Tribune (New Brunswick)  
North Jersey Herald and News (Passaic)  
The Record (Hackensack)  
The Star Ledger (Newark)  
The Trenton Times

The following members of the Board of Public Utilities were present:

Joseph L. Fiordaliso, President  
Mary-Anna Holden, Commissioner  
Dianne Solomon, Commissioner  
Upendra J. Chivukula, Commissioner  
Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on August 12, 2020 at 10:00 a.m. via teleconference.

## CONSENT AGENDA

### I. AUDITS

There were no items in this category

### II. ENERGY

#### **A. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. AD20-17 Impacts of COVID-19 on the Energy Industry.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, intervening in the above captioned docket at the Federal Energy Regulatory Commission (FERC) on June 25, 2020. FERC issued a Notice of Technical Conference on May 20, 2020. The Conference was held on July 8-9, 2020, and examined the impact of COVID-19 and the resulting economic downturn on the energy industry. Intervention establishes party status in a proceeding. Staff recommended the Board ratify the intervention at this time.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

#### **B. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. AD20-18 Offshore Wind Integration in RTOs/ISOs.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, intervening in the above captioned docket at the Federal Energy Regulatory Commission (FERC) on June 25, 2020. FERC issued a Notice of Technical Conference on May 20, 2020. The Conference is scheduled for October 27 and will examine whether existing Commission transmission, interconnection, and merchant transmission facility frameworks in RTOs/ISOs can accommodate anticipated growth in offshore wind generation in an efficient and cost-effective manner. Intervention establishes party status in a proceeding. Staff recommended the Board ratify the intervention at this time.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

#### **C. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. ER20-2061 Public Service Electric and Gas Co. re: Petition for Waiver of Tariff Revisions.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, intervening in the above captioned docket at the Federal Energy Regulatory Commission (FERC) on June 25, 2020. This case involved Public Service Electric and Gas (PSE&G) transmission formula rate and could result in refunds or savings for New Jersey consumers in the PSE&G zone. PSE&G received a Private Letter Ruling (PLR) from the Internal Revenue Service on April 1, 2020, reclassifying certain excess deferred income taxes from protected to unprotected. On June 15, 2020, PSE&G filed a waiver with FERC to help implement the PLR. Intervention establishes party status in a proceeding. Staff recommended the Board ratify the intervention at this time.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.

**III. CABLE TELEVISION**

There were no items in this category.

**IV. TELECOMMUNICATIONS**

There were no items in this category.

**V. WATER**

There were no items in this category.

**VI. RELIABILITY AND SECURITY**

There were no items in this category.

**VII. CUSTOMER ASSISTANCE**

There were no items in this category.

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

There were no items in this category.

**After appropriate motion, the consent agenda was approved.**

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

There were no items in this category.

### 2. ENERGY

**Stacy Peterson, Director, Division of Energy**, presented this matter.

**A. Docket No. EW20040288 – In the Matter of the Petition of Princeton University in Support of its Request for a Waiver of Board Jurisdiction Pursuant to N.J.S.A. 48:2-13 and for a Waiver of B.P.U.N.J. No.: 16, Electric, Original Sheet No. 27, Standard Terms and Conditions No. 9.2.2.**

**BACKGROUND AND DISCUSSION:** On April 9, 2020, Princeton University (Princeton or Petitioner) filed a petition with the Board seeking a waiver of Board jurisdiction pursuant to N.J.S.A. 48:2-13 for electrical sub-metering of facilities to be constructed on the Lake Campus and potentially the proposed geoexchange system for the heating and chilling of water. Princeton also sought a waiver from Public Service Electric and Gas Company's utility tariff prohibiting sub-metering.

The Petitioner stated that it is in the process of constructing a new substation that it will own and operate on its Lake Campus located south of Lake Carnegie. Princeton is considering several different scenarios to effectuate providing power, and possibly the geoexchange of heated and chilled water, from the substation to a number of facilities to be constructed on the Lake Campus, including facilities owned and operated by Princeton and potentially facilities owned and operated by third parties.

Staff recommended that the petition be retained by the Board for hearing and designated Commissioner Mary-Anna Holden as the presiding officer with authority to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

Staff also recommended that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by August 19, 2020. Commissioner Holden will render a decision on any motions filed, and any parties wishing to file a motion for admission counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**Abe Silverman, General Counsel, Counsel's Office**, presented this matter.

**B. Docket No. EO20030203 – In the Matter of NJBPU Investigation of Resource Adequacy Alternatives – Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in Executive Session, pursuant to the attorney/client privilege and contract negotiation exceptions to the Open Public Meetings Act, and it involved a Request for Quotation (RFQ) to retain an economic consultant to assist Board Staff in determining how to best meet New Jersey's resource adequacy needs in a manner consistent with the State's clean energy and environmental objectives, while considering costs to utility customers.

In response, the Board initiated a new docket at the end of March to examine potential Resource Adequacy Alternatives, or changes to the Board's existing resource adequacy programs. After receiving extensive comment from stakeholders, Staff announced a technical conference to discuss these matters on September 18, 2020.

The RFQ requested represents Staff's next step in developing a series of recommendations to bring back to the Board by the end of 2020 about the Board's future vision for New Jersey's resource adequacy paradigm:

- (1) Analyze the costs and benefits of various proposals advanced by Stakeholders;
- (2) Facilitating development of potential alternatives to the existing PJM capacity market that may accelerate achievement of New Jersey's energy objective;
- (3) To meet and have robust discussion with various stakeholders on this resource adequacy issues; and
- (4) Make a formal recommendation to the Board about possible frameworks by the end of 2020.

The RFQ will be published on the Board's website in conformance with applicable rules.

Staff recommended that the Board approve the RFQ.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

There were no items in this category.

**5. WATER**

There were no items in this category.

**6. RELIABILITY AND SECURITY**

There were no items in this category.

**7. CUSTOMER ASSISTANCE**

There were no items in this category.

**8. CLEAN ENERGY**

**Sherri Jones, Assistant Director, Division of Clean Energy**, presented this matter.

**A. Docket No. QO19050645 – In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2020 – 5<sup>th</sup> Quarter Budget.**

**BACKGROUND AND DISCUSSION:** On February 9, 1999, the Electric Discount and Energy Competition Act (Act), N.J.S.A. 48:3-49 et seq., was signed into law, creating the societal benefits charge to fund programs for the advancement of energy efficiency (EE) and renewable energy (RE) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (CRA) of EE and RE programs in New Jersey every four years. The CRA would then be used to determine the appropriate level of funding over the next four years for EE and Class I RE programs, which are part of what is now known as NJCEP. Accordingly, in 1999, the Board initiated its first CRA proceeding, and in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for those programs, all for the years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2020 (FY20).

The Board originally established FY20 programs and program budgets through a Board Order dated June 21, 2019, trued up and revised them through a Board Order dated January 8, 2020, revised them for a second time through an April 6, 2020 Board Order, extended them through a July 2, 2020 Board Order, and extended them for a second time through a July 15, 2020 Board Order.

Additionally, due to the COVID-19 pandemic, on April 14, 2020, Governor Phil Murphy signed into law a bill that extended the State's current FY20 to September 30, 2020.

The current FY20 funding levels approved on June 21, 2019 will be extended for an additional three months. The extension of the current fiscal year and budget will also allow staff to defer spending and will provide opportunities for contractors and customers to apply for program incentives that would have expired on June 30, 2020. Additionally, by allowing more time, eligibility requirements will also be extended.

The reductions in some budget lines have been identified through analysis of program spending and participation, as funding requirements that can be deferred or not used in fiscal year 2020.

On July 20, 2020, Staff held a public stakeholder meeting to discuss the proposed changes and facilitated a question-and-answer session. On July 21<sup>st</sup> Staff issued a revised request for comments to correct a mathematical error displaying in the budget table - although the total budget numbers were correct. Staff accepted comments through July 24, 2020.

### **Proposed FY20 Third Budget Reallocations**

State Energy Initiatives Staff has identified funds of \$15,239,074.42 from State Energy Initiatives that are available to provide financial assistance to the State due to the current health crisis.

The proposed budget also includes reallocations for the following BPU budget items that Staff recommended as follow:

1. **Reallocations and Rationale for Programs Administered by The Division of Clean Energy**
  - **Offshore Wind** - Increasing the budget by \$1,089,352.44 in order to continue program delivery for an additional three months.
  - **BPU Program Administration** - An increase in funding of \$888,750.00 is needed for staffing and resources for an additional three months.
  - **Program Evaluation** - An increase in funding of \$2,926,514.71 is needed to continue evaluation activities and studies.
  - **Sustainable Jersey** - An increase in funding of \$125,000.00 is needed to continue the program for an additional three months.
  - **Community Solar** - Low-Income Program This program is currently in the planning phases, and \$3,000,000.00 will not be utilized in FY20.
  - **Research and Analysis** - Due to lower expenditures for FY20 than anticipated, Staff recommended reducing the budget by \$85,920.00.

- **Sponsorships** - Due to lower expenditures for FY20 than anticipated, Staff recommended reducing the budget by \$28,000.00.
- **Community Energy Grant** - Due to lower expenditures for FY20 than anticipated, Staff recommended reducing the budget by \$900,000.00.
- **Electric Vehicles** - Current forecasts show that the budget can be reduced by \$16,000,000.00.
- **R&D Energy Tech Hub** - Current forecasts show that the budget can be reduced by \$3,000,000.00.
- **Curriculum** - The program has not launched this fiscal year; therefore, Staff recommended reducing the budget by \$4,500,000.00.

## 2. Reallocations and Rationale for Programs Administered by TRC

- **Residential Existing Homes** - Staff recommended increasing the budget by \$461,189.43 in order to continue program delivery for an additional three months.
- **Commercial and Industrial Buildings** - Staff recommended increasing the budget by \$14,196,465.71 in order to continue program delivery for an additional three months.
- **Direct Install** - An increase in funding of \$621,299.26 is needed to continue the programs for an additional three months.
- **SREC Registration** - An increase in funding of \$364,034.98 is needed to continue the programs for an additional three months.
- **Outreach, Website, Other** - An increase in funding of \$956,100.60 is needed to continue the programs for an additional three months.
- **Residential New Construction** - Lower participation than originally forecasted due to the health situation will result in a reduced funding level of \$764,215.86.
- **Energy Efficient Products** - Lower participation than originally forecasted due to the health situation will result in a reduced funding level of \$1,175,466.49.
- **Local Government Energy Audit** - Lower participation than originally forecasted due to the health situation will result in a reduced funding level of \$528,466.48.
- **Multifamily** - The program was not launched due to the energy efficiency transition. Funding of \$3,590,137.36 will not be spent during the remainder of the fiscal year.



- **Combined Heat and Power/Fuel Cells** - Funding of \$3,317,804.18 will be deducted from FY20 due to lower than anticipated participation.

**3. Reallocations And Rationale for Programs Administered by the Economic Development Authority**

- **EDA Program** - An increase in funding of \$22,228.82 is needed to continue the programs for an additional three months.

In order to align with the State's fiscal year, Staff recommended extending the New Jersey Clean Energy Program (NJCEP) FY20 through September 30, 2020, which will provide the Board and its Clean Energy Program with additional time to assess the NJCEP budget under the current health crisis. The extension will allow Staff to defer spending and will provide opportunities for contractors and customers to apply for program incentives that would have expired on June 30, 2020.

Therefore, Staff recommended that the Board adopt and approve the proposed FY20 extension, third budget revisions, and program changes.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

**9. MISCELLANEOUS**

**A. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate (ZEC) Program for Eligible Nuclear Power Plants – Executive Session.**

This matter was deferred.

## LATE STARTER A

### CLEAN ENERGY

Hannah Thonet, Senior Policy Advisor, presented this matter.

**Docket No. QO19010068 – In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, C. 17; and**

**Docket No. QO20070484 – In the Matter of the Order Providing Extensions to Solar Transition Projects.**

**BACKGROUND AND DISCUSSION:** On May 23, 2018, the Clean Energy Act, L. 2018, c.17 (Act), was signed into law, and directed the Board to adopt rules and regulations to close the SREC Registration Program (SRP) to new registrations once 5.1% of the kilowatt-hours sold in the State are generated by solar electric power connected to the distribution system (known as the 5.1% Milestone), and develop a new solar incentive program.

By Order dated December 6, 2019, the Board ordered the creation of a Transition Incentive program, comprised of fixed-price, factorized Transition Renewable Energy Certificates (TREC)s). The Transition Incentive (TI) Order requires TI projects to comply with all rules and regulations of the SRP. N.J.A.C. 14:82.4(h)4 sets time limits for registered projects to achieve certain milestones.

By Order dated January 8, 2020, the Board ordered that the Transition Incentive program will remain open to new registrations until the establishment of a registration program for the Successor Program currently under development.

On April 6, 2020, the Board determined that the 5.1% Milestone would be attained on or before May 1, 2020. Therefore, the Board directed Staff to close the SRP to new registrations on April 30, 2020. A rule proposal for the Transition Incentive program was published on May 18, 2020. The TI Rule Proposal provides specific completion deadlines for both behind the meter and grid supply projects, including those that transfer from the legacy SRP and those that are accepted in the Transition Incentive program directly via a new registration.

Specifically, the TI Rule proposal provides that a net metered project transferring into the Transition Incentive program must achieve commercial operations within one year of the date that the Board determines that the 5.1% Milestone has been attained, April 30, 2020. A project granted conditional certification pursuant to N.J.S.A. 48:3-887(r) and transferring into the TI program retains the registration expiration date set by the Board Order granting the project conditional certification.

Given the anticipated surge of Transition Incentive program participants seeking relief from the TI Rule Proposal requirements and/or the existing applicable SRP rules, Staff believed that a blanket extension of the deadlines imposed for commencing commercial operations is warranted to provide additional certainty to the market.

Staff noticed that many solar developers and installers are encountering significant delays in completing their projects, including those caused by the COVID-19 pandemic. Staff anticipated that the timely completion of a number of projects in the Transition Incentive are likely to be affected by these delays. However, the Transition Incentive program was originally designed to be a short-term, interim program, and neither the Board orders establishing the Transition Incentive program, nor the TI Proposal, explicitly provide for extensions, absent a petition to the Board seeking relief.

As a point of distinction, the SRP program did enable Staff, when warranted, to grant first extension requests.

Given the anticipated surge of an extension will be more equitably levied and will be less administratively burdensome than consideration of extension requests on a case-by-case basis. Further, such an extension will provide the market with necessary certainty to lower financing costs while Staff continues developing the Successor program.

Staff recommended the Board granting all registrations that have transferred into the Transition Incentive program from the SRP an automatic and immediate extension to October 30, 2021. Subsection (r) projects will retain the expiration date granted in the Order designating them as connected to the distribution system. Subsection (t) projects should receive the later of October 30, 2021, or the date set by the Board Order granting the project's conditional certification, plus any extensions.

Staff also recommended the Board granting an automatic and immediate extension to all new registrations that have been submitted directly to the Transition Incentive program and received a notice of conditional registration. This group of registrations would receive an expiration date that is either October 30, 2021, or 12 months from the date of conditional registration, whichever is later.

If a new registration is accepted after October 30, 2020, its expiration date will be the one-year anniversary of the registrant's notice of conditional registration. No extension would apply to new Subsection (t) registrations, since those projects have 24 months to achieve commercial operations and will thus still have valid registrations beyond October 30, 2021.

Not all registrations in the Transition Incentive program will necessarily require this additional time. Therefore, Staff recommending that the Board granting this extension to all registrations will benefit the solar industry by eliminating the requirement that developers go through the time-consuming process of filing extension request petitions for case-by-case determinations and provide necessary financial certainty.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above.

<b>Roll Call Vote:</b>	<b>President Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>
	<b>Commissioner Gordon</b>	<b>Aye</b>

## EXECUTIVE SESSION

After appropriate motion, the following matters, which involved pending litigation attorney/client privilege and/or contract negotiation pursuant to the Open Public Meetings Act at N.J.S.A. 10:4-12(b)7 were discussed in Executive Session.

### 2. ENERGY

#### **B. Docket No. EO20030203 – In the Matter of NJBPU Investigation of Resource Adequacy Alternatives.**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

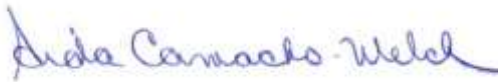
### 9. MISCELLANEOUS

#### **A. Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate (ZEC) Program for Eligible Nuclear Power Plants.**

This matter was deferred.

After appropriate motion, the Board reconvened to Open Session.

There being no further business before the Board, the meeting was adjourned.



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AIDA CAMACHO-WELCH  
SECRETARY OF THE BOARD

Date: September 23, 2020