



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A regular Board meeting of the Board of Public Utilities was held on June 24, 2021, via Teleconference: +1 646 558 8656 Webinar ID: 934 2119 5636 or watch online @ <https://youtu.be/-19uJNk4RvM>

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.

President Fiordaliso announced that a special Board meeting would be held on June 30, 2021 at 11:00 AM at the Trenton Office of the Board located at 44 South Clinton Avenue, Trenton, New Jersey. The meeting will be the first in person meeting for the Commissioners and Staff and via teleconference for the public.

It was also announced that the next regular Board Meeting would be held on July 14, 2021 at 10:00 a.m. via teleconference with details to follow.

CONSENT AGENDA

I. AUDITS

A. Energy Agent and Energy Consultant Initial Registrations

| | | |
|----------------------------|---|--------------|
| EE20110732L | Inspire Digital Services PJM, LLC | I – EA |
| EE21050797L GE21050798L | Energy Analysis Group, LLC | I – EA/PA/EC |
| EE21050756L GE21050757L | Centrica Business Solutions Optimize, LLC | I – EA/EC |

Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations

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|----------------------------|--|-------------|
| EE21030636L | Vanguard Energy Services, LLC d/b/a VES-New Jersey, LLC | R – EA |
| EE21020520L | Gold Star Energy, LLC d/b/a GSEUSA | R – EA |
| EE21050799L | Satori Enterprises, LLC d/b/a Satori Energy | R – EA |
| EE21030645L | Consumer Sales Solutions, LLC | R – EA |
| EE21030656L GE21030657L | Sustainable Energy Services, Inc. | R – EA/PA |
| EE21050836L GE21050837L | US Grid Energy, LLC d/b/a US Grid Wholesale, LLC | R –EA/PA/EC |
| EE21020504L GE21020505L | Concord Engineering Group d/b/a Concord Energy Services | R –EA/PA/EC |
| EE21010056L GE21010057L | Woodruff Energy US, LLC | R –EA/PA/EC |
| EE21040712L GE21040713L | Make the Switch USA, LLC | R – EA/EC |

Electric Power and Natural Gas Supplier Initial License

| | | |
|----------------------------|-----------------------------|----------|
| EE21010018L GE21010019L | Polaris Power Services, LLC | I – EGSL |
|----------------------------|-----------------------------|----------|

BACKGROUND: The Board must register all energy agents, private aggregators, and consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a

license renewal fee accompanied by an annual information update on a form prescribed by the Board.

The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment. As such, any third party suppliers with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any third party supplier renewal application that was filed prior to July 9, 2019 has been, and will continue to, be processed by Board Staff for approval or denial in accordance with N.J.A.C. 14:4-5.7.

The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. An energy agent, private aggregator, or energy consultant registration shall be valid for one year from the date of issue. Annually thereafter, licensed electric power suppliers and natural gas suppliers, as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations in order to continue to do business in New Jersey.

Staff recommended that the following applicants be issued initial registration as an energy agent, private aggregator and/or energy consultant for one year:

- Inspire Digital Services PJM, LLC
- Energy Analysis Group, LLC
- Centrica Business Solutions Optimize, LLC

Staff also recommended that the following applicants be issued renewal registrations as an energy agent, private aggregator and/or energy consultant for one year:

- Vanguard Energy Services, LLC d/b/a VES-New Jersey, LLC
- Gold Star Energy, LLC d/b/a GSEUSA
- Satori Enterprises, LLC d/b/a Satori Energy
- Consumer Sales Solutions, LLC
- Sustainable Energy Services, Inc.
- US Grid Energy, LLC d/b/a US Grid Wholesale, LLC
- Concord Engineering Group d/b/a Concord Energy Services
- Woodruff Energy US, LLC
- Make the Switch USA, LLC

Finally, Staff recommended that the following applicant be issued initial licenses as an electric power and natural gas supplier for one year:

- Polaris Power Services, LLC

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

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

A. Docket No. CE19080892 – In the Matter of the Petition of Comcast of Monmouth County, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Fair Haven, County of Monmouth, State of New Jersey.

BACKGROUND: On December 14, 2018, Comcast of Monmouth County, LLC (Comcast) filed an application with the Borough of Fair Haven (Borough) for renewal of municipal consent. On May 28, 2019, the Borough adopted an ordinance granting renewal municipal consent to Comcast. On June 13, 2019, Comcast formally accepted the terms and conditions of the ordinance, and on August 7, 2019, Comcast filed with the Board for a renewal of its Certificate of Approval for the Borough. This Certificate shall expire on September 14, 2029.

Staff recommended approval of the proposed Renewal Certificate of Approval.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM21030647 – In the Matter of the Joint Petition of Wholesale Carrier Services, Inc. and BCM One Group Holdings, Inc., for Approval of a Transfer of Control and for Authorization for Wholesale Carrier Services, Inc. to Become a Co-Borrower with Respect to Certain Debt Financing Previously Approved by the Board of Public Utilities.

BACKGROUND: On March 4, 2021, Wholesale Carrier Services, Inc. (WCS or Transferor), and BCM One Group Holdings, Inc. (BCM One Group Holdings) (collectively, the Petitioners), filed a Petition with the Board for the transfer of control of WCS to BCM One Group Holdings, and for authorization for WCS to become a co-borrower with respect to certain debt financing previously approved by the Board. Following completion of the transfer, WCS will continue to provide competitive services to existing customers in New Jersey at the same rates, terms, and conditions and in the same geographic areas as currently provided.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board on April 19, 2021, stating that it did not oppose the Board approval of the Petitioners' transfer of control request; however, Rate Council recommended the Petitioners' request to participate as a co-borrower in previously Board approved BCM One Group Holdings financial arrangements be handled under a separate filing and Board review post transfer.

After review, staff did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe, adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioners' competitive posture in the telecommunications market.

Staff recommended that the Petitioners be allowed to proceed with the Transaction. Staff also recommended approval for WCS to become a co-borrower with respect to the debt

financing obtained by BCM One Group Holdings and by BCM One in that it will provide additional security for that financing.

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

V. WATER

A. Docket No. WR21050813 – In the Matter of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and other Tariff Changes.

BACKGROUND: On May 20, 2021, Middlesex Water Company (Middlesex or Company) filed a petition with the Board seeking to increase its base rates approximately \$31.30 million or about 37.79%.

Middlesex is a corporation in the State of New Jersey with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey, 08830, which serves approximately 62,000 retail water customers primarily in the eastern portion of Middlesex County, New Jersey.

On May 20, 2021, the Board transmitted this matter to the Office of Administrative Law for hearings as a contested case.

On May 24, 2021, the Company submitted a letter with the Board stating that it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's June 24, 2021 agenda meeting.

In view of the fact that this proceeding will not be completed by June 21, 2021, Staff recommended that the Board issue an Order suspending the rates until October 21, 2021.

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

VI. RELIABILITY AND SECURITY

There were no items in this category.

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC19040459U and OAL PUC 12072-19 – In the Matter of Thomas Watkins, Petitioner v. Public Service Electric and Gas Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on May 26, 2021. Therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on July 12, 2021. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until August 26, 2021.

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the following Minutes:

- January 22, 2020 Executive Session Minutes;
- August 12, 2020 Executive Session Minutes; and
- May 19, 2021 Board Agenda Minutes.

BACKGROUND: Staff presented the executive session minutes of January 22, 2020 and August 12, 2020 meetings, and the regular agenda minutes of May 19, 2021, and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

AGENDA

1. AUDITS

A. Docket No. EO19080907 – In the Matter of the Department of Community Affairs’ State Fiscal Year 2020 Universal Service Fund Administrative Cost Budget.

Alice Bator, Director, Division of Audits, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board considering the administrative costs submitted by the Department of Community Affairs for State Fiscal Year 2020 (FY20) for the Universal Service Fund program (USF).

On September 11, 2019, the Board approved the State Fiscal Year 2020 (FY20) New Jersey Department of Community Affairs (DCA) USF administrative cost budget in the amount of \$6,618,443.00.

On March 26, 2021, DCA submitted a detailed USF administrative report for FY20, which listed expenditures of \$6,212,756.00.

The FY20 expenses are broken down as follows:

| | |
|-------------------------------|------------------------|
| DCA | \$ 1,310,065.00 |
| Subgrantees- | |
| County Welfare Organizations | \$ 227,200.00 |
| Community Based Organizations | <u>\$ 4,675,491.00</u> |
| Total | <u>\$ 6,212,756.00</u> |

Staff reviewed the New Jersey Department of Community Affairs' FY20 expenses and found that the costs listed therein appear appropriate and necessary for the administration of the USF program by DCA.

Therefore, Staff recommended that the Board find that Department of Community Affairs has adequately justified the USF administrative expenditures for fiscal year 2020 and authorized the Department of Treasury to reimburse the Department of Community Affairs in the amount of \$6,212,756.00.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

2. ENERGY

Stacy Peterson, Director, Division of Energy, presented these matters.

A. Docket No. ER20030190 – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2021.

BACKGROUND AND DISCUSSION: In accordance with the contract between Bates White, LLC (Bates White) and the Board, Bates White submitted a final and redacted report regarding its review and oversight of the New Jersey electric distribution companies' Basic Generation Service (BGS) auction process for the supply period beginning June 1, 2021 (2021 BGS Auction). The Energy Division reviewed the report and found it to be complete.

Staff recommended that Bates White's "Annual Final Report on the 2021 BGS Residential Small Commercial Pricing and Commercial Industrial Price Auctions" be accepted for filing by the Board, and that the redacted version be made available to the public via the Board's website. Staff also recommended that the Board direct the New Jersey Division of Treasury to provide final payment to Bates White for its work on the 2021 BGS Auction.

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

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|------------------------|-------------------------------|------------|
| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. EO21040730 – In the Matter of the Provision of Basic Generation Service, the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – April 2021 Joint Filing.

BACKGROUND AND DISCUSSION: On April 28, 2021, Atlantic City Electric Company, Jersey Central Power and Light Company (JCP&L), Public Service Electric and Gas Company (PSE&G) and Rockland Electric Company (collectively, EDCs) filed a joint petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges (April 2021 Petition).

The EDCs' proposed tariff changes reflect changes to the Basic Generation Service (BGS) Residential and Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM Interconnection, LLC (PJM) Open Access Transmission Tariff (OATT) made in response to:

- (i) JCP&L's Motion to Implement Interim Settlement Rates pursuant to a FERC Order issued February 9, 2021 in FERC Docket No. ER20-227-00;
- (ii) PJM's Response dated March 22, 2021 to FERC's February 18, 2021 Deficiency Letter in FERC Docket No. ER21-726-00; and
- (iii) The formula rate filing made by the South FirstEnergy Companies (SFC) pursuant to FERC Docket No. ER21-253-000.

The EDCs requested approval to implement these revised tariff rates effective upon the Board's approval date. The EDCs also requested that the BGS suppliers be compensated effective January 1, 2021 for the changes to the OATT resulting from the implementation of the PSE&G and SFC formula rate updates, and effective March 1, 2021 for the changes associated with JCP&L settlement rate implementation. The EDCs represent that BGS suppliers will be compensated subject to the terms and conditions of the applicable Supplier Master Agreements (SMAs) and Transmission Amendments to the applicable SMAs. Any differences between payments to BGS-RSCP and BGS-CIEP suppliers and charges to customers, including transmission related costs, will flow through BGS Reconciliation Charges. As BGS suppliers began paying some of these increased transmission charges in January 2021, and others in March 2021, the EDCs requested a waiver of the 30-day filing requirement.

No comments were received from the New Jersey Division of Rate Counsel or any other party.

Staff recommended that the Board approve the changes to the transmission rates requested by each EDC effective July 1st. Staff also recommended approval of the EDCs' request to pay the suppliers at this time subject to the terms and conditions of the SMAs and transmission amendments. Staff recommended the Board direct the EDCs to file revised tariffs by July 1, 2021.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

C. Docket No. ER20100688 – In the Matter of the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge (Rider RGGI) for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program.

BACKGROUND AND DISCUSSION: On October 29, 2020, Atlantic City Electric Company (ACE or Company) filed a petition with the Board seeking authority to maintain its Administrative Fee and Rider Regional Greenhouse Gas Initiative Recovery Charge (Rider RGGI) associated with the Company's Solar Renewable Energy Certificate (SREC) II Program (SREC II Program) for calendar year 2021 (October 2020 Petition).

The Company's SREC II Program was approved by Board Order dated December 18, 2013 in BPU Docket No. EO12090799. In the December 2013 Order, the Administrative Fee for the SREC II Program participants was set at \$17.07 per SREC. According to ACE, using the cost recovery provisions from the December 2013 Order, the Company would have to increase the Administrative Fee from \$17.07 to \$69.67 per SREC, which may cause participants to withdraw from the SREC II Program. Accordingly, in the October 2020 Petition, ACE proposed a modification to the cost recovery mechanism. ACE requested authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods, maintain the fee at \$17.07. ACE further proposed to maintain the Rider RGGI rate for the recovery of SREC II Program direct costs at \$0.000000 per kWh.

By Order dated December 16, 2020, the Board approved the continuation of the Administrative Fee at the previously approved rate of \$17.07 per SREC for calendar year 2021, and noted that the Parties would continue to review all other issues related to the October 2020 Petition.

ACE made updates to its exhibits to reflect actual data through February 28, 2021. Based upon these updates, and using the cost recovery provisions from the December 2013 Order, the Administrative Fee calculated by the Company decreased from \$69.67 to \$63.78.

Following a review of the October 2020 Petition and conducting discovery, ACE, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a stipulation of settlement (Stipulation) that recommended that the Board's previously approved SREC II Administrative Fee of \$17.07 per SREC be maintained for the remainder of calendar year 2021, and that the Rider RGGI charge applicable to the SREC II Program's direct costs be maintained at its current rate of \$0.000000 per kWh.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct ACE to file tariffs consistent with the Board's Order by July 1, 2021.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

A. Docket No. TC19050576 – In the Matter of Tenny Journal Communications, Inc., Petitioner v. Verizon New Jersey, Inc., Respondent.

Lawanda Gilbert, Director, Office of Cable Television and Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board reviewing an Initial Decision issued by Administrative Law Judge (ALJ) Caliguire recommending dismissal of a complaint filed by Tenny Journal Communications, Inc. (Petitioner) against Verizon New Jersey (Verizon) due to failure of the Petitioner to amend the petition as directed by the ALJ.

On May 10, 2019, Tenny Journal Communications, Inc. filed a petition with the Board requesting an order directing Verizon, to restore service to certain discontinued telephones, and prevent removal of copper lines to pay telephones in geographic areas where Verizon has yet to install fiber replacement lines.

Verizon filed its answer to the petition on July 12, 2019. The parties met with Board staff on October 28, 2019, but resolution of the dispute was not achieved. This matter was transmitted to the Office of Administrative Law (OAL), where it was filed on August 19, 2020, as a contested case and assigned to Administrative Law Judge (ALJ) Tricia M. Caliguire.

On December 21, 2020, a telephone prehearing conference was held, during which Verizon stated its intention to file a motion to dismiss on or before January 29, 2021. By letter dated December 21, 2020, and received at the OAL on January 5, 2021, Tenny requested leave to amend its petition. By letter dated January 15, 2021, Verizon stated that it had no objections to the motion and requested additional time following receipt of the amended petition to file its motion to dismiss. An order was issued on January 26, 2021, granting Tenny's motion to amend its petition on or before February 16, 2021.

The Petitioner failed to file an amended petition by the February 16, 2021 deadline, did not request an extension of the deadline, and provided no explanation for its failure to meet the deadline. By letter dated May 10, 2021, the ALJ directed Tenny to file an amended petition within 10 days, and stated that failure to comply with this order would result in the return of this matter to the Board for further disposition. Tenny did not respond to the May 10, 2021 letter, and failed to offer an explanation for its failure to do so.

Due to the lack of exigent circumstances, ALJ Caliguire found that Tenny had failed to support its case and issued an Initial Decision on June 7, 2021 recommending dismissal of Tenny's petition with prejudice.

Staff found ALJ Caliguire's recommendation to be consistent with current law, and recommended the Board adopt the ALJ's Initial Decision dismissing the petition at this time.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

5. WATER

Michael Kammer, Director, Division of Water, presented these matters.

A. Docket Nos. BPU WR20110719 and OAL PUC 01163-2021S – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Authorization to Change the Level of its Purchased Water Adjustment Clause and Purchased Wastewater (Sewerage) Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: On November 13, 2020, the New Jersey American Water Company (NJAW or Company) filed a petition with the Board seeking approval to change the levels of its existing levels of its purchased water adjustment clause (PWAC) and purchased wastewater (sewerage) treatment adjustment clause (PSTAC) charges, with respect to increased purchased water expenses and increased purchased wastewater treatment expenses. The total amount requested in the petition would decrease annual revenues by (\$3,502,197.00) or -0.47% above total Company revenues of approximately \$807,900,000.00.

The Company purchases water on a routine basis from six separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The PWAC and the PSTAC represents a dollar-for-dollar pass through (plus taxes) of the NJAW's purchased water and purchased sewerage treatment costs. The Company does not earn a profit on its PWAC or PSTAC.

The Board transmitted this matter to the Office of Administrative Law (OAL) for hearing as a contest case on January 11, 2021, and was assigned to Administrative Law Judge (ALJ) Tricia Caliguire. ALJ Caliguire granted motions to intervene filed by Middlesex Water Company (Middlesex) and the Mount Laurel Township MUA (Mount Laurel). Virtual public comment hearings were held via Zoom on April 27, 2021 at 4:30 p.m. and 5:30 p.m. No members of the public attended the virtual public hearings and no written comments have been received by the Board.

NJAW, the Division of Rate Counsel, Board Staff (collectively, Signatory Parties) entered into a Stipulation that resolved all issues that emanated from this proceeding. Middlesex and Mount Laurel did not object to the Stipulation. The rate impact of the Stipulation depends on where a customer lives in the New Jersey-American's Water service territory.

ALJ Caliguire issued an Initial Decision recommending that the Board adopt the Stipulation. Staff recommended that the Board adopt the Initial Decision.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket Nos. BPU WR19121516 and OAL PUC 17894-2019S – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Wastewater Service and Other Tariff Modification.

BACKGROUND AND DISCUSSION: This matter involved the Board considering an Initial Decision addressing New Jersey-American Water Company's (Company, NJAWC, or Petitioner) proposal to include plant acquisition adjustments related to New Jersey-American Water Company's acquisitions of the former Shorelands Water Company (Shorelands) and the water and wastewater assets of the Borough of Haddonfield (Haddonfield) in base rates.

On September 14, 2017, New Jersey-American Water Company filed a petition with the Board seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$129.3 million or approximately 17.54% over pro-forma present rate revenues. The Petitioner serves approximately 631,000 water and fire service customers and approximately 41,000 sewer service customers.

On September 27, 2017, the Board transmitted this matter to the Office of Administrative Law (OAL) for determination as a contested case and assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman. ALJ Gertsman, issued an Initial Decision recommending that the Board adopt a partial stipulation which, among other things, agreed to a base rate increase and further agreed to continue litigation of certain Plant Acquisition Adjustments resulting from the New Jersey-American's acquisition of the former Shorelands Water Company and the wastewater, the water and sewer assets of the Borough of Haddonfield.

Prior to the filing of this matter, NJAWC acquired Shorelands and acquired the water and wastewater assets of the Haddonfield. The price for Shorelands exceeded the original cost less depreciation of Shorelands. NJAWC also paid a premium over original cost less depreciation for the Haddonfield system assets.

New Jersey-American made various arguments regarding both acquisitions. The New Jersey Division of Rate Counsel (Rate Counsel) and Staff rejected those arguments.

New Jersey-American argued that the Shorelands acquisition benefited existing customers by allowing the Company to optimize its water supply portfolio in that portion of Monmouth County. The Company further argued that integrating the Shorelands system

into New Jersey-American's surrounding Coastal North system allowed the Company to avoid capital projects associated with finished water storage planned for the Coastal North system, therefore allowing the Company to eliminate certain capital projects that it had planned in that part of the system.

With regard to Haddonfield, New Jersey-American argued that the integration of that system with New Jersey-American's existing water distribution system, thus improving the resiliency and water quality for both systems. The Company further argued that the Haddonfield acquisition led to the decommissioning of Haddonfield's Centre Street water treatment plant, which eliminated the need to undertake a costly upgrade to that facility.

The Company also argued that the decommissioning of the Centre Street water treatment plant also benefited both former customers of Haddonfield and the New Jersey-American's existing customers because their combined water supply needs are served by New Jersey-American's existing facilities at a lower price per customer cost and improved water age in the distribution system.

Finally, New Jersey-American argued that both the Haddonfield customers and the Shorelands customers benefited by having access to the Company's call centers and on-line account services. New Jersey-American additionally argued that the acquisition of both systems led to certain economies of scale, thus creating additional value for all customers.

The Rate Counsel argued that the Shorelands acquisition cost ratepayers approximately \$3 million more that they would not have to pay if the acquisition had not proceeded.

The Rate Counsel further argued that the revenues associated with the Haddonfield customers were not adequate to satisfy the revenue requirement for the Haddonfield system, and that New Jersey-American's additional investments have further increased the cost of providing service to Haddonfield customers.

Middlesex Water Company argued that no portion of the Plant Acquisition Adjustment should be charged to Middlesex, and therefore, by extension, should not be reflected in the rates of Middlesex's customers.

Staff found the Initial Decision, to be just and reasonable, in the public interest, and in accordance with the law. Therefore, Staff recommended that the Board adopt the Initial Decision, without modification, as its own.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

6. RELIABILITY AND SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

Kelly Mooij, Director, Division of Clean Energy, presented these matters.

A. Docket No. QO21040721 – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2022 Clean Energy Program.

BACKGROUND AND DISCUSSION: On February 9, 1999, the Electric Discount and Energy Competition Act (the Act), N.J.S.A. 48:3-49 et seq., was signed into law, creating the societal benefits charge (SBC) to fund programs for the advancement of EE and renewable energy RE in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (collectively, the CRA Straw Proposal) 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 the EE and Class I RE programs, which are part of what is now known as New Jersey Clean Energy Program (NJCEP).

The CRA Straw Proposal's funding levels include the funding estimated to meet the needs of the NJCEP and Board Staff efforts to advance the initiatives required by L. 2018, c. 17, codified at N.J.S.A. 48:3-87.8 et al. (Clean Energy Act or CEA). For FY22, Staff recommended that the Board set a new SBC funding level of \$344,665,000.00, the same funding level approved by the Board since FY15. When combined with other sources of funds, it results in total FY22 funding of \$586,106,880.00 (collectively, Proposed FY22 Funding Level). Staff estimated that the Proposed FY22 Funding Level will be sufficient to maintain a full portfolio of programs.

On May 7, 2021, via the BPU listserv and the NJCEP website, Staff provided public notice of a May 25, 2021 public hearing. The notice included the announcement that the draft FY22 CRA (CRA Straw Proposal) and related programs and budget for FY22 would be released during the week of May 17, 2021. On May 18, 2021, the Board released the draft FY22 CRA and related programs and budget for FY22. The notice solicited written comments from the public on the CRA Straw Proposal, with a due date of June 4, 2021. In addition, by email dated May 27, 2021, the NJDEP, confirmed that: (a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY22 Funding Level set forth therein, as defined below; and (b) the NJDEP agreed with the Proposed FY22 Funding Level.

The Proposed FY22 Funding Level represents a continuation of the current funding level, and its approval will therefore have no incremental impact on rates.

The comprehensive resource analysis (CRA) straw proposal recommended that \$344,665,000.00 in new societal benefits charge (SBC) funding be approved for Fiscal Year (FY22). Staff recommended that this be allocated across the energy efficiency programs, DER programs, Renewable Energy programs, EDA programs, Planning and Administration, BPU Initiatives, and the State Energy Initiatives. Eighty-seven million dollars is being allocated to State Energy Initiatives.

When combined with the new funding and other sources of funding, which include prior commitments carried over from FY21, the total new proposed FY22 funding level is \$581,106,880.00.

Staff estimated that the Proposed FY22 funding level will be sufficient to maintain a full portfolio of programs. Staff also determined that by maintaining the FY21 SBC level in FY22, there will be no incremental impact on rates. The CRA Straw Proposal sets out in detail the rationale utilized by Staff in developing the FY22 funding level.

Staff recommended that the Board set, adopt, and approve the proposed FY22 funding level and proposed FY22 utility payments.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

B. Docket No. QO21040720 – In the Matter of the Clean Energy Programs and Budget for the Fiscal Year 2022.

BACKGROUND AND DISCUSSION: New Jersey's Clean Energy Program promotes increased energy efficiency and the use of clean, renewable sources of energy. The results for New Jersey are a stronger economy, less pollution, lower costs, and reduced demand for electricity.

Staff is guided in the development of this budget and programs to meet the objectives set forth in various clean energy initiatives including the Clean Energy Act which places considerable emphasis on the important role of energy efficiency in addition to requiring a transition of the solar program as well as setting energy storage and benchmarking goals, Offshore Wind Economic Development Act, and New Jersey's Electric Vehicle Act, among others. Staff is further led by the strategies detailed in the Energy Master Plan (EMP) which set forth a roadmap for meeting the 100% clean energy by 2050 goals. Finally, staff's efforts are highly focused on equity and ensuring the benefits of clean energy and the clean energy economy are enjoyed by all residents.

The Clean Energy Budget is developed to achieve these clean energy goals and designed with Staff and our program administrator's involvement before being issued for public comment. Notice was distributed to BPU listserv about the posting to the New Jersey Clean Energy Program (NJCEP) website of the following proposed Fiscal Year 2022

(FY22) documents: the Division of Clean Energy Compliance Filing, TRC Energy Solutions (TRC) Program Descriptions and Budgets, the Charge Up NJ Compliance Filing, the Comfort Partners Compliance Filing, the Proposed FY22 Budget, and the comprehensive resource analysis (CRA) Straw Proposal. The distributions and postings requested comments on these documents, with a due date of June 4, 2021.

On May 25, 2021, Staff hosted a webinar and presented an overview of proposed new NJCEP initiatives, along with program changes for FY22 and accepted public comment at that meeting.

In addition, the New Jersey Department of Environmental Protection (NJDEP), confirmed that the Board had consulted with the NJDEP regarding the CRA Straw Proposal and the FY22 Funding Level, and that NJDEP agreed with the Proposed FY22 Funding Level. The budget is consistent with the funding levels approved in the CRA Order.

Based on the goals set forth in the CRA Straw Proposal, the policy objectives of the NJCEP, and historic spend rates, Staff, in close coordination with the TRC Team, developed proposed programs and budgets.

The total budget for the Clean Energy Program includes both new funding and prior commitments which are carried over from FY21, with \$87.1 million going towards State Energy Initiatives.

The following summarizes some key programs and funding levels:

- The FY22 budget allocates more than \$137 million in new funding to Energy Efficiency, including, but not limited to, over \$45 million for low-income residents via Comfort Partners, \$16.5 million to support the Energy Efficiency Transition, \$7.3 million for State Facilities Initiatives, and \$3 million for Acoustical Testing Pilot Program. Funding for the EE programs transitioning to the utilities has been provided for the limited purpose of processing applications received prior to June 30, 2021 and ensuring a smooth transition which limits customer and contractor confusion.
- The Budget includes over \$11.6 million in new funding for Renewable Energy Programs, including \$8.9 million for Offshore Wind and \$2.6 million for Solar Registration.
- The FY22 budget also covers the cost for administration, including Staff's salaries and our partnerships with Sustainable Jersey and NJIT. Also, \$12.7 million in new funding has been budgeted for Program Evaluation/Analysis to continue the efforts on several critical studies approved by the Board as well as to engage in several new studies to track and report progress in meeting the EMP goals and ensure increased oversight of programs.
- Additionally, several key BPU Initiatives continue to receive new funding including \$505,000.00 for Community Energy Grants, which will be redesigned and relaunched, with Board approval in FY22 as well as \$20 million for Energy Storage.

- Lastly, the FY22 budget allocated approximately \$41.9 million in new funding for Electric Vehicle (EV) incentives. Specifically, \$30 million will continue to annually support the Plug In EV Incentive Fund, \$4.4 million for Charge Up New Jersey, \$6 million for State Vehicle Fleet, and \$1 million for Municipal Clean Fleet. Concurrent with the release of the Budget, staff also released a straw proposal related to the design of the EV year 2 program and incentive structure and had a separate public meeting on that design. Comments and responses to that document are included in the compliance filings and informed staff's recommendations for the year 2 programming which is expected to commence in summer of 2021 and will be funded through this budget.

Staff reviewed and considered the comments received and recommended that the Board approve the processes utilized in developing the detailed FY22 program budgets contained in the order as well as the FY22 program budget and compliance filings.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

Cathleen Lewis, Outreach Coordinator, Office of Clean Energy, presented this matter.

C. Docket No. QO21050750 – In the Matter of an Agreement Between New Jersey Department of Environmental Protection and the Board of Public Utilities Use of Regional Greenhouse Gas Initiatives Proceeds – Executive Session.

BACKGROUND AND DISCUSSION: This matter was first discussed in Executive Session, and it involved Memorandum of Understanding (MOU) between the Board and the New Jersey Department of Environmental Protection (NJDEP) Agency, which will allow the NJDEP to expend the Regional Greenhouse Gas Initiative (RGGI) funds originally allocated to the Board from the proceeds of the 2020 auction.

New Jersey participated in the RGGI auction in March 2020. Auctions are held quarterly, and New Jersey must report annually on the projects that are funded through those auction proceeds. The 2020 auction allocated \$17.6 million to NJBPU. NJDEP will use those funds for projects that fulfill the Board's statutory obligations.

The MOU also provided the Board to grant the NJDEP with the authority to do so for future years of funding, but it does not require it.

Staff recommended approving the Memorandum of Understanding.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

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

Docket No. QO21060883 – Order Addressing Requests for Extension for Projects in the Solar Transition Incentive Program;

B. Scott Hunter, Manager, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: The Transition Incentive (TI) Program was designed to ensure a smooth and efficient transition from the Solar Renewable Energy Certificate (SREC) Registration Program to a new Solar Successor Incentive Program, which is currently under development.

The TI program was opened to projects registered in the SREC Program that did not meet the project completion deadlines and was opened to new registrations starting on May 1, 2020. The Board established the program by Board orders in December 2019, January 2020, and issued a blanket extension to projects via Board order in July 2020.

The TI program rules were adopted on October 5, 2020. Reflecting the interim nature of the program, the TI rules contained no provision for extension of the project deadlines.

On April 26, 2021, Staff released its straw proposal for the Solar Successor Program. In addition to details on the Successor Program design, the straw contained Staff's proposal for closing the TI program to new registrants. Following consideration of these comments and incorporation as appropriate, Staff will make a recommendation to the Board which is anticipated to be addressed in a future Board order. Several commenters recommended extensions to various deadlines associated with the TI program.

Staff received six petitions for extension of the TI program project completion deadlines. The petitioners cite unanticipated project delays due to interconnection issues, COVID-related impacts to supply chains, and carport permitting issues as extenuating circumstances.

Staff was concerned that many solar project developers and installers will be unable to meet the TI program deadlines to qualify for an incentive under the program and are finding it difficult to arrange for construction-related financing due to the risk of missing the October 30, 2021 deadline, and would likely seek an extension through the petition process.

Staff recommended that the Board find that good cause exists for a waiver of the Board's TI program rules at Title 14: Chapter 8 Subchapter 10.4(d) and (e) and that requiring full compliance with these timelines would adversely impact New Jersey ratepayers; and Grant projects registered in the Transition Incentive program on or before the effective date of the order, including Community Solar Pilot Program Year 1 projects, an automatic six-month extension to the latter of April 30, 2022, or their existing deadline established at New Jersey Administrative Code; and Grant subsection (t) applicants registered in the TI program on or before the effective date of this order an extension to the later of April 30, 2022, or the date set by the Board Order granting the project's conditional certification.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

E. Docket No. QO21060910 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Princeton University.

Kelly Mooij, Director, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: On February 24, 2020, Princeton University (Applicant) submitted an application under the Fiscal Year 2020 (FY20) Commercial and Industrial Program (C&I) Pay for Performance (P4P) program pursuant to the Energy Efficiency and Renewable Energy Program Plan Filing for FY20. The project is located at Elm Drive and South Drive in Princeton, NJ 08544.

The Applicant requested a total financial incentive of \$626,502.95 for a new construction project located at Princeton University Residential Colleges on Elm Drive and South Drive in Princeton. The Residential Colleges at the University will be comprised of dorms, residential apartment units, student study rooms, activity spaces, and other support spaces. Additionally, the building includes a significant kitchen and dining component catering nearly 2,500 to 3,000 meals per day. The project is distributed across eight buildings, with the kitchen and the dining halls on the lower level connecting the different buildings.

The first incentive for the Energy Reduction Plan totals \$43,207.10. The second incentive for the installation of recommended measures is \$432,071.00. The third incentive tied to the post construction benchmarking report would amount to \$151,224.85. These incentive amounts are within entity cap guidelines. The project is estimated to save 952,778 kWh and 124 kW annually compared to an American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) 90.1-2013 baseline, with overall source energy savings of 17.2%. The project is estimated to save \$134,957.00 annually compared to an ASHRAE 90.1-2013 baseline, with overall cost savings of 16.5%.

The project will include energy efficiency enhancements performing above code including efficient wall and floor insulation, high performance windows, interior LED lighting, high efficiency food service equipment, efficient HVAC, energy recovery ventilation, and low flow showerheads and faucets.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$626,502.95 and the issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

9. MISCELLANEOUS

A. Docket No. AO20060471 – In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic.

Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: On October 2, 2020, the New Jersey Division of Rate Counsel petitioned the Board requesting, among other things, that the Board consider expansion of the Board’s Universal Service New Jersey Department of Community Affairs (DCA) e Fund (USF) program and a debt forgiveness program for utility customers facing significant arrearages and financial hardship caused by the Covid-19 Pandemic.

In response to this request, the Board established working groups wherein discussions took place with respect to expanding the existing utility assistance programs offered to delinquent customers. The working group participants, which included State agencies, the utility companies, advocacy groups and non-profits, were each invited to actively participate in working group discussions by providing input and ideas regarding various potential Staff proposals and offer suggestions for changes to existing programs while balancing the needs of the customer and interests of the utilities. As a result of the working groups’ discussions, Staff recommended specific modifications to the following Board programs which incorporates suggestions made through the working group participants:

Staff recommended that for a two-year period beginning October 1, 2021, the following temporary modifications be made to the USF program to address the needs created by the pandemic:

1. Income limits be set at 400 percent Federal Poverty Level (FPL);
2. The USF benefit calculation be set to provide a minimum \$5.00 USF monthly benefit to any applicant who meets the income requirement, but not the affordability threshold requirement;
3. The USF benefit cap be set at \$180 per month or \$2,160.00 per year; and
4. The USF affordability threshold be adjusted from three percent of annual income for gas and non-heating electric costs to two percent of income; and the USF affordability threshold for electric heat be adjusted from six percent of annual income to four percent of income.

Staff also recommended that any disconnected customer who demonstrates he or she has applied for USF, Low Income Home Energy Assistance Program (LIHEAP) or Payment Assistance for Gas and Electric (PAGE) during the period of October 1, 2021 through September 30, 2023 be reconnected by their gas or electric company upon request so that they may obtain the available benefits.

On October 1, 2023, pre-pandemic USF program eligibility guidelines would resume, unless otherwise determined by the Board.

Staff further recommended the following modifications to the USF Fresh Start program (modified Fresh Start program) for a two-year period beginning October 1, 2021:

1. The utilities shall enroll any USF participant with \$60 or more in arrearages into the Fresh Start program regardless of the customer's past participation in the USF program at the time of the customer's enrollment or re-enrollment in USF;
2. The utilities shall remove the \$100 monthly cap on Fresh Start forgiveness so that 1/12 of the overdue balance can be forgiven each month the customer pays their bill in full;
3. The utilities shall timely apply any available federal arrearage forgiveness to Fresh Start balances before current balances as the funds become available and in a manner consistent with the best interest of the customer in order to maximize federal funding;
4. If a customer is participating in the unmodified Fresh Start program when the customer re-enrolls in USF after October 1, 2021, the utility company shall remove the customer from the unmodified Fresh Start program, apply any earned forgiveness and enroll the customer into the modified Fresh Start program (according to 1, 2 and 3 above) for any remaining Fresh Start balance as well as any new overdue balances. Otherwise, the unmodified Fresh Start program customer will complete their Fresh Start year according to the program guidelines in place when the customer initially enrolled in the unmodified Fresh Start program;
5. Customers shall be removed from any Deferred Payment Arrangement upon enrollment into Fresh Start as it is in the best interest of the customer;
6. The Fresh Start customer shall be found in compliance with Fresh Start by their utility company in regards to payment for supply and delivery charges only;

7. Other than the above modifications, the utility companies shall comply with all remaining program policies set forth in the original Board Orders and addendums related to the Fresh Start program; and
8. Beginning October 1, 2023, all Fresh Start program policies applicable prior to the issuance of this Order will resume, unless otherwise directed by the Board.

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

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| Roll Call Vote: | President Fiordaliso | Aye |
| | Commissioner Holden | Aye |
| | Commissioner Solomon | Aye |
| | Commissioner Chivukula | Aye |
| | Commissioner Gordon | Aye |

EXECUTIVE SESSION

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

8. CLEAN ENERGY

C. Docket No. QO21050750 – In the Matter of an Agreement Between New Jersey Department of Environmental Protection and the Board of Public Utilities Use of Regional Greenhouse Gas Initiatives Proceeds.

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

After appropriate motion, the Board reconvened to Open Session.

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



AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

Date: August 18, 2021