



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF COMPREHENSIVE ENERGY)
EFFICIENCY AND RENEWABLE ENERGY RESOURCE) ORDER
ANALYSIS FOR THE 2009 - 2012 CLEAN ENERGY)
PROGRAM: REVISED 2012 - 2013 PROGRAMS AND)
BUDGETS CLEAN POWER CHOICE) DOCKET NOS. EO07030203
and EO11100631V

Parties of Record:

- Joe Gennello, Honeywell Utility Solutions
- Diane Zukas, TRC Energy Services
- Michael Ambrosio, Applied Energy Group
- Mark Mader, Jersey Central Power & Light
- Timothy White, Atlantic City Electric
- Scott Markwood, Orange & Rockland Utilities
- Bruce Grossman, South Jersey Gas Company
- Susan Ringhof, Public Service Electric and Gas Company
- Tracey Thayer, New Jersey Natural Gas
- Mary Patricia Keefe, Elizabethtown Gas
- Stefanie A. Brand, Esq., Director, Rate Counsel

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities ("Board" or "BPU") at its June 21, 2013, public meeting, where the Board approved the electric distribution companies to continue to maintain the existing Clean Power Choice ("CPC") program.

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. ("EDECA") was signed into law. EDECA established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge. N.J.S.A. 48:3-60(a)(3). EDECA further empowered the Board to initiate a proceeding and cause to be undertaken a comprehensive resource analysis ("CRA") of energy programs, which is currently referred to as the comprehensive energy efficiency ("EE") and renewable energy ("RE")

resource analysis. Ibid. After notice, opportunity for public comment, public hearing, and consultation with the New Jersey Department of Environmental Protection ("DEP"), within eight months of initiating the proceeding and every four years thereafter, the Board determines the appropriate level of funding for EE and Class I RE programs that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999. These programs are now called New Jersey's Clean Energy Program (the "NJCEP").

By Order dated April 27, 2007, Docket No. EO07030203, the Board directed the Office of Clean Energy ("OCE" or "Staff") to initiate a third comprehensive EE and RE resource analysis proceeding and to schedule public hearings on program funding and funding allocations for the years 2009 through 2012. By Order dated September 30, 2008 (the "CRA III Order"), Docket No. EO07030203, the Board concluded this proceeding and set funding levels of \$245 million for 2009, \$269 million for 2010, \$319.5 million for 2011, and \$379.25 million for 2012. By Order dated December 20, 2011, Docket Nos. EO07030203 and EO11100631V, the Board approved 2012 programs and budgets for the NJCEP ("2012 Budget Order") as well as the compliance filings of Honeywell International, Inc. ("Honeywell"), TRC, Inc. ("TRC"), the OCE, and the electric and gas utilities (collectively referred to as "the Utilities"). The compliance filings included program descriptions and detailed budgets for each program.

By Order dated November 20, 2012, Docket Nos. EO07030203 and EO11100631V ("November 20th Order"), the Board approved revised 2012 programs and budgets and initial 2013 programs and budgets, which resulted in an 18 month budget cycle from January 1, 2012 through June 30, 2013. The November 20, 2012, order also approved revised compliance filings of the Utilities, Honeywell, TRC, and OCE. In this Order the Board will consider modifications to the NJCEP, specifically the Clean Power Choice program.

CLEAN POWER CHOICE PROGRAM

The CPC program offers customers the option to select a clean power choice product from a BPU licensed Clean Power Choice Marketer ("CPM"). Since the program's inception, NJCEP has provided administrative and marketing support to CPC including support for an NJCEP Website, EDI customer enrollment, customer account look-up, consolidated utility billing and verification services to ensure customers received what they were promised. Over the past few years, CPC program expenses have consistently declined in recognition of the ability of CPMs to bear more responsibility for the program.

In the Board's December 20, 2011, Budget Order, Docket Nos. EO07030203 & EO11100631V, the Board noted that the OCE would "continue to manage the program, but proposes to reduce the level of support provided and, instead, rely on the efforts of Clean Power Marketers to market and verify delivery of renewable energy." Id. at 12. It further noted that in 2012, "the OCE will make efforts to shift all costs, including the costs for utility support, to the Clean Power Marketers." Ibid. The December 2011 Order also described that the utilities would continue to support CPC at the Board-approved funding level by sustaining essential services such as EDI customer enrollment, customer account look-up and consolidated on-line billing services. Id. at 5-6.

On August 17, 2012, the Board issued a Request for Public Comment on issues related to the programs and budgets for the FY12 - FY13 funding period. The request for comments included a Staff Straw proposal, which among other things, proposed to eliminate funding for the CPC program and shift responsibility for the continued operation of the CPC program to the utilities and the CPMs. The Board received comments from Rate Counsel and the CPMs, which is summarized in the November 20, 2012 order and quoted below.

Comment: Given the proposed elimination of funding for this program, Rate Counsel opposes any change that could result in the EDCs passing through the costs of this program to ratepayers.

The Clean Power Marketers commended the Board on its commitment to maintaining the structure of the program going forward despite the proposed elimination of its budget from the NJCEP. The commenters state that they are willing to pay the EDCs for their reasonable costs in looking up customer account numbers but believe that they should not be required to pay for the cost of Electronic Data Interface, since this service is provided to third party suppliers without a fee.

Response: Staff's proposal is to have the Clean Power Marketers directly reimburse the utilities for any expenses related to this program. . .

By Order dated November 20, 2012, the Board approved Staff's recommendation to cease funding the CPC program at the end of 2012. The order also approved the November 8, 2012, compliance filing submitted by the utilities. In the utilities' compliance filing, PSE&G, JCP&L, ACE, and RECO proposed to continue to support the CPC program through December 31, 2012. In part, the compliance filing stated that:

The Utilities will support the Clean Power Choice (CPC) program through December 31, 2012 as described in the Utility compliance filing dated December 28, 2011. The Utilities will hold further discussions with the OCE regarding what services, if any, the Utilities will provide related to the CPC program subsequent to December 31, 2012. Details regarding the Utilities role related to the CPC program subsequent to December 31, 2012 will be provided at a later date and submitted to the Board for consideration.

[Utilities' November 8, 2012, Compliance Filing, at 4].

In the November 20th Order, the Board directed Staff to continue discussions with the utilities and the CPMs concerning the CPC program implementation in 2013. On November 28, 2012, a meeting was held including representatives from the OCE, the CPMs and the four electric utilities. On November 29, 2012, the electric utilities submitted an Addendum to the November 8, 2012, compliance filing that memorialized the content of that meeting. Specifically, ACE, JCP&L and PSE&G indicated a willingness to continue maintaining the CPC program within their service territories so long as there are no incremental costs to the utilities. RECO agreed to continue to maintain the program in its service territory so long as all costs in doing so are borne by the CPMs and there are no incremental costs to the utility. In addition, the addendum indicated that effective January 1, 2013, the utilities may exercise their business discretion

concerning assessment of costs to the CPMs and continued support of the program because the program would no longer be NJCEP-funded.

Staff recommends that the Board approve the November 29, 2012, Addendum to the utilities' November 8, 2012, compliance filing. The utilities have agreed to continue the CPC program as currently structured while shifting any incremental costs associated with operating the program from the NJCEP to the CPMs. Because the program will no longer be NJCEP-funded, support services previously provided by the NJCEP also should be transferred to the CPMs. Namely, the CPMs should be required to provide third-party product verification that the appropriate number and type of Renewable Energy Certificates have been bought and retired to meet the CPC obligations. The CPM should also be required to provide reasonable notice to the customers that the product is no longer verified by the BPU but will be verified by an independent third party selected by the CPM. Such requirements will help to ensure that customers are properly informed about the scope of the CPC program.

DISCUSSION AND FINDINGS

The Board has reviewed the November 29, 2012, Addendum to the November 8, 2012, compliance filing submitted by the utilities. The Board **FINDS** that the filing is consistent with the objective of the Board to shift the costs of operating the program from the NJCEP to the utilities and the CPMs. Therefore, the Board **HEREBY APPROVES** Staff's recommendation and the November 29, 2012, Addendum to the utilities' November 8, 2012, compliance filing.

The Board **FINDS** that upon the effective date of this Order, the CPC program will no longer be delivered as part of the NJCEP. The Board also **FINDS** that the NJCEP stopped funding the CPC program as of December 31, 2012. Consequently, the Board **FINDS**, as stated in the November 29, 2012 Addendum, "as of January 1, 2013, decisions regarding assessment of costs to the CPMs and continued support of the program will rest entirely within the business judgment of the EDCs." The Board **HEREBY DIRECTS** the EDCs to provide the Board with 90 days written notice if any of the EDCs decide to cease or otherwise change the terms of their participation in the CPC program.

To facilitate transition of program responsibilities, the Board **HEREBY REQUIRES** that all CPMs provide third-party product verification on an annual basis for all products sold through the CPC program, effective 10 days from the date of this Order. The third-party verification shall describe 1) whether the appropriate number and type of Renewable Energy Certificates have been bought and retired to meet the CPC Program obligations; and 2) the CPM's compliance with the verification requirements established by the Board in I/M/O The Voluntary Green Power Choice Program, Docket No. EO05010001 (March 24, 2005). Each CPM must file a report with the Board demonstrating compliance with the above requirements no later than March 31st of the following year. Products sold in 2013 shall be verified no later than March 31, 2014. Products sold in 2014 must be verified no later than March 31, 2015, and so on. Nothing in this Order relieves CPMs of their licensing obligations as set forth in N.J.A.C. 14:4-5.1 et seq.

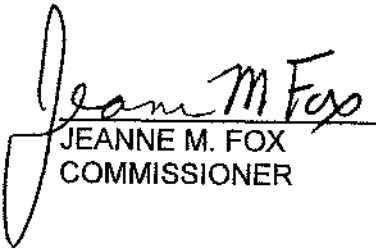
CPMs shall also provide notice to the customers, within 60 days of the Board's decision, that the product is no longer verified by the BPU but will be verified by an independent third party. At a minimum, the notice shall include the following language: "The New Jersey Board of Public Utilities does not provide verification of the products sold under the Clean Power Choice (CPC)

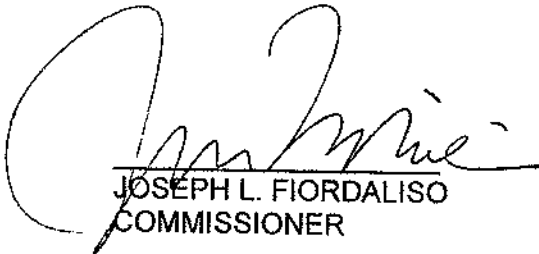
Program. All CPC products are verified by an independent third party who confirms that the correct amount and type of renewable energy resources has been procured on your behalf.”

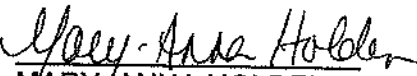
DATED: 6/21/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

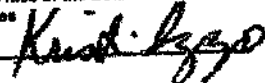

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



IN THE MATTER OF COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE
ENERGY RESOURCE ANALYSIS FOR THE 2009 - 2012 CLEAN ENERGY PROGRAM:
REVISED 2012 AND INITIAL 2013 PROGRAMS AND BUDGETS –
CLEAN POWER CHOICE
DOCKET NOS. EO07030203 & EO11100631V

SERVICE LIST

Joe Gennello
Honeywell Utility Solutions
5 East Stow Road, Suite E
Marlton, NJ 08053

Diane M. Zukas
TRC Energy Solutions
900 Route 9 North, Suite 404
Woodbridge, NJ 07095

Mike Ambrosio
Applied Energy Group
317 George Street, Suite 305
New Brunswick, NJ 08901

Mr. Bruce Grossman
Program Mgr, Residential Energy Efficiency
South Jersey Gas Company
1 South Jersey Plaza
Folsom, NJ 08037

Mr. Ken Maloney
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mr. Samuel Valora
Program Manager, C&I Energy Efficiency
South Jersey Gas Company
1 South Jersey Plaza
Folsom, NJ 08037

Mr. Alex Stern, Assist. General Reg. Counsel
Public Service Electric and Gas Company
T5, PO Box 570
Newark, NJ 07101

Mr. Steve Swetz, Director, Corp Rates &
Revenue Requirements
Public Service Electric and Gas Company
T5, PO Box 570
Newark, NJ 07101

Mr. Anthony Pugliese
Elizabethtown Gas
148 Edison Road
Stewartsville, NJ 08886

Ms. Mary Patricia Keefe
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mr. Thomas Kaufmann
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mr. Scott Carter
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309

Ms. Debbie Franco
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mr. Wayne Barndt
Manager Regulatory Strategy & Policy
Pepco Holdings
New Castle Regional Office
Mailstop 79NC59, PO Box 9239
Newark, DE 19714

Mr. Mark Mader, Rates & Regulatory Affairs
Jersey Central Power and Light Company
300 Madison Avenue, PO Box 1911
Morristown, NJ 07962-1911

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Ms. Tracey Thayer
Director, Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Ms. Anne Marie Peracchio
Director, Conservation & Clean Energy Policy
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Marisa Slaten, Esq.
Deputy Attorney General
Division of Law
Department of Law and Public Safety
124 Halsey Street
Newark, NJ 07101

Mr. Timothy White
Manager Policy Coordination
Pepco Holdings
New Castle Regional Office
Mailstop 79NC59 , PO Box 9239
Newark, DE 19714

Mr. Scott Markwood
Administrator
Orange & Rockland Utilities, Inc.
Customer Energy Services
390 West Route 59
Spring Valley, NY 10977

Susan Lacey Ringhof
Product Manager
PSE&G Market Strategy & Development
Renewables and Energy Solutions
80 Park Plaza, T8
Newark, NJ 07102

Elizabeth Ackerman, Director
Div of Economic Development & Energy Policy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Benjamin S. Hunter
Renewable Energy Program Admin., OCE
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Mike Winka
Senior Policy Advisor to the NJBPU
President's Office
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Rachel Boylan
Legal Specialist
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Allison E. Mitchell
Administrative Analyst, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Mona Mosser
Bureau Chief, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Kristi Izzo
Board Secretary
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350