



Agenda Date: 4/21/17
Agenda Item: 8C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC & GAS FOR APPROVAL OF ITS)
2017 ENERGY EFFICIENCY PROGRAM AND)
RECOVERY OF ASSOCIATED COSTS ("EE 2017)
PROGRAM"))
ORDER DESIGNATING)
COMMISSIONER)
DOCKET NO. EO17030196)

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Matthew M. Weissman, Esq., Public Service Electric Gas Services Corporation

BY THE BOARD:

BACKGROUND

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

On July 16, 2009, the Board issued an Order¹ authorizing Public Service Electric & Gas Company ("PSE&G" or "Company") to implement eight (8) energy efficiency programs: 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program.

By Order dated July 14, 2011,² the Board authorized PSE&G to extend three of its E3 Sub-Programs: Residential Multi-Family Housing, Industrial and Commercial Municipal/Local/State Government Direct Install and Hospital Efficiency. By Order dated April 15, 2016,³ the Board authorized PSE&G to further extend the three sub-programs approved in the July 2011 Order ("EEE Extension II").

March 2017 Filing

On March 3, 2017, PSE&G filed the instant petition with the Board. In the filing, the Company seeks approval to continue the EEE Extension II Programs, with modifications, as well as to implement two additional sub-programs: 1) a Smart Thermostat Sub-Program; and 2) a Residential Data Analytics Smart Pilot Sub-Program (collectively, "2017 EE Programs"). The total proposed investment for the 2017 EE Programs is approximately \$95.3 million (\$74 million for investment, \$2.7 million for IT System Enhancement, and \$21.9 million as a fixed administrative allowance, including \$7.67 million for foregone distribution contributions.) PSE&G proposes to recover costs associated with the program through a new 2017 EE component of the Company's electric and gas GPRC, as set forth in the Company's tariffs.

DISCUSSION

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Fiordaliso as the presiding officer who is authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Additionally, the Board **HEREBY DIRECTS** PSE&G to serve copies of the petition on any interveners in this matter within five days of service of the Order(s) granting a petition for intervener status. Further, the Board **HEREBY DIRECTS** that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by May 5, 2017.

To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board **HEREBY AUTHORIZES**

¹ In re the Petition of PSE&G Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058, Order dated July 16, 2009.

² In re the Petition Of Public Service Electric And Gas Company For An Extension Of Three Sub-Components Of Its Energy Efficiency Economic Stimulus Program In Its Service Territory On A Regulated Basis And Associated Cost Recovery And For Changes In The Tariff For Electric Service, B.P.U.N.J. No. 15 Electric And The Tariff For Gas Service, B.P.U.N.J. NO. 15 GAS, Pursuant TO N.J.S.A. 48:2-21, 48:2-21.1, AND N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030, Order dated July 14, 2011.

³ In re the Petition of Public Service Electric and Gas Company to Continue its Energy Efficiency Economic Extension Program on a Regulated Basis, BPU Docket No. EO11010030 (April 16, 2015).

Commissioner Fiordaliso to render decisions on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180 day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated is limited to extensions that do not collectively exceed 180 days, with any further requests for extensions to be directed to the Board.

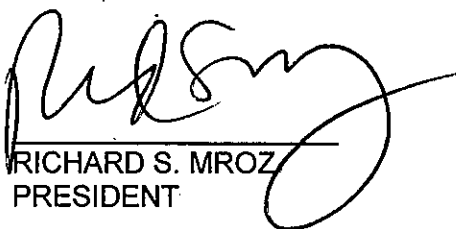
Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

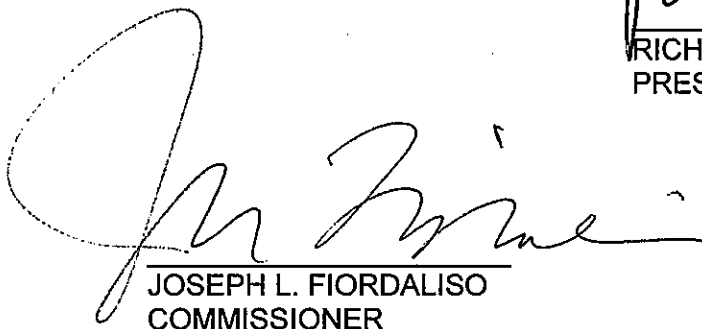
The effective date of this Order is May 1, 2017.

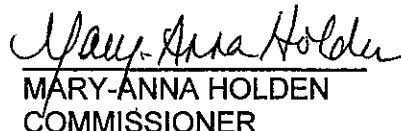
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4/21/17

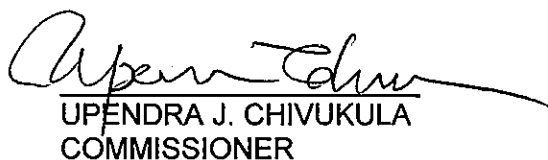
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

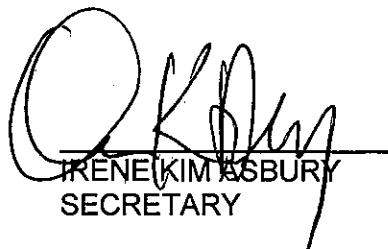

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MARY-ANNA HOLDEN
COMMISSIONER

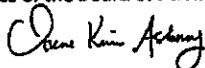

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
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 THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF ITS ENERGY EFFICIENCY 2017 PROGRAM AND RECOVERY
ASSOCIATED COSTS ("EE 2017 PROGRAM")
BPU DOCKET NO. EO17030196

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