



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 201
Newark, NJ 07102
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC) ORDER DESIGNATING
SERVICE ELECTRIC AND GAS COMPANY FOR AN) COMMISSIONER
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) DOCKET NO. EO11010030

(SERVICE LIST ATTACHED)

APPEARANCES:

Alexander C. Stern, Esq., Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Paul E. Flanagan, Esq., Ami Morita, Esq., Diane Schulze, Esq., Division of Rate Counsel, (**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Paula T. Dow**, Attorney General of New Jersey)

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

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 cost 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 public 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. In determining the recovery of such program costs, the Board "...may take into account the potential for job creation from such programs, the effect on competition for such programs, existing market barriers, environmental benefits, and the availability of such programs in the marketplace." N.J.S.A. 48:3-98.1(b).

On July 16, 2009, the Board authorized 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 (collectively, "E3 Programs").¹

January 2011 Filing

On January 25, 2011, PSE&G filed the instant petition with the Board. On February 24, 2011, Board Staff notified PSE&G that the filing was not administratively complete and described the items which were necessary to remedy the deficiencies. On March 1, 2011, PSE&G submitted additional information to address the deficiencies described in Staff's February 24, 2011 letter. On March 14, 2011, Board Staff notified PSE&G that the filing was deemed administratively complete.²

In the filing, the Company seeks approval to extend three of the E3 Sub-Programs: 1) Residential Multi-Family Housing; 2) Municipal/Local/State Government Direct Install; and 3) Hospital Efficiency (collectively, "E3 Extension Sub-Programs"). PSE&G proposes to extend these sub-programs under the same process, terms, and conditions as currently approved by the Board, while seeking approval of additional expenditures of approximately \$105.2 million

¹ I/M/O 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 N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and when a petition is determined to be complete, set the beginning of the 180-day period. I/M/O Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination in this matter commenced on March 1, 2011.

over a twenty-four (24) month period. The Company proposes to recover the costs of the E3 Extension Sub-Programs through an EEE Extension Program Component of the Company's electric and gas RGGI Recovery Charge ("RRC").


DISCUSSION AND FINDINGS

The Board has determined that the petition described above should be retained by the Board for hearing and, as authorized by N.J.S.A. 48:2-32, **HEREBY DESIGNATES** President Lee A. Solomon as the presiding officer who is authorized to rule on all motions that arise during the proceedings and modify any schedules that may be set as necessary to secure just and expeditious determination of the issues.

DATED: 3/30/11


BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

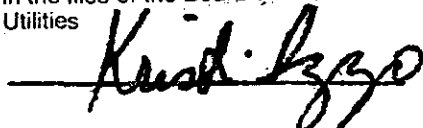

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
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 the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Program 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
DOCKET NO. EO11010030

SERVICE LIST

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