



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/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE) ORDER EXTENDING
ELECTRIC AND GAS COMPANY FOR APPROVAL OF A) 180 DAY REVIEW PERIOD
SOLAR LOAN III PROGRAM AND ASSOCIATED)
COST RECOVERY MECHANISM AND FOR CHANGES IN)
THE TARRIFF FOR ELECTRIC SERVICE, B.P.U.N.J.)
NO. 15 ELECTRIC PURSUANT TO N.J.S.A. 48:-2-21 AND)
N.J.S.A. 48:2-21.1) DOCKET NO. EO12080726

Parties of Record:

Matthew M. Weissman, Esq., General Regulatory Counsel-Rates, Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel.
James E. McGuire, Esq., on behalf of KDC Solar LLC
Gary Weisman, on behalf of the New Jersey Solar Energy Coalition
Michael A. Gruin, Esq., on behalf of the Solar Energy Industries Association
William Potter, Esq., on behalf of the Mid-Atlantic Solar Energy Industries Association

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine 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.

By Order dated May 23, 2012 ("May 2012 Order") the Board accepted the recommendations of the Office of Clean Energy ("OCE") which had reviewed, at the Board's direction, the programs of the electric distribution companies ("EDC") which provide financial incentives for the development of solar energy in the State. In the May 2012 Order, the Board adopted the OCE recommendation to extend the EDCs' solar financing programs by 180 MW over a three year period. The share of the 180 MW allocated to Public Service Electric and Gas Company ("PSE&G" or "Company") is 97.5 MW based on a three year program.

August 2012 Filing

On August 1, 2012, PSE&G filed its petition with the Board, requesting approval of a three year solar financing program, the Solar Loan III Program, pursuant to N.J.S.A. 48:3-98.1. In addition, the Company proposes to recover all program costs through a new component of its electric Regional Greenhouse Gas Initiative Recovery Charge using a weighted average cost of capital to calculate a return on its investment. PSE&G proposes to invest up to \$193 million over a three-year period by providing loans to parties to develop the Company's allocated share of 97.5 MW of dc solar systems a delineated in the May 2012 Order.

On August 31, 2012, the Staff of the Board ("Board Staff") advised PSE&G that for this petition, Board Staff was amending the minimum filing requirements in Appendix A of the May 12, 2008 Board Order in Docket No. EO08030164 to waive any filing deficiencies that may be present in the Company's Petition without precluding subsequent request for any information, and the Petition was thus deemed administratively complete¹. Therefore, the Board's 180-day review period under N.J.S.A. 48:2-98.1 (b) commenced on August 1, 2012 and would have expired on January 27, 2013 (the "Review Date").

By an Order dated September 13, 2012, the Board determined to retain this matter for review, designated Commissioner Joseph L. Fiordaliso as the presiding hearing officer and adopted a procedural schedule. By Order dated October 4, 2012, Commissioner Fiordaliso established the procedural schedule for this proceeding, which was amended at the request of the parties by Order dated December 3, 2012. By Order dated January 4, 2013, Commissioner Fiordaliso approved a further revised schedule, and by Order dated January 23, 2013, the Board granted an extension of the Review Date to April 1, 2013.

Following the filing of the petition, the Parties have engaged in extensive discovery and participated in settlement and discovery conferences, and have filed direct and rebuttal testimony. In order to provide for the filing of surrebuttal testimony, and discovery thereon, and in order to provide the Board with additional time to complete the processing of the Petition and issue a final determination in this matter, the undersigned parties have subsequently agreed to request an extension of the Review Date to May 1, 2013.

Hearings are scheduled for April 1 and 2, 2013

STIPULATION

The Parties have met to discuss the filing. On March 6, 2013, the Parties entered into the attached stipulation ("Stipulation") whereby the Parties agreed to a further extension of the 180 day review period.

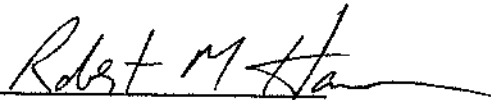
The Signatory Parties have agreed, pursuant to N.J.S.A. 48:2-21.3, to extend the 180-day period for Board action on PSE&G's petition to May 1, 2013.

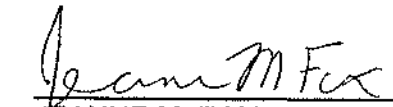
DISCUSSION AND FINDING

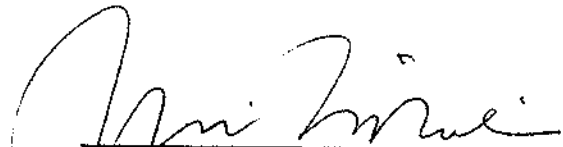
The Board has carefully reviewed the record to date in this matter. The Board is satisfied and **HEREBY FINDS** that the Stipulation is reasonable and is in the public interest as it provides additional time for the filing of written surrebuttal and a thorough review of the proposed Solar Loan III, and allows for the development of a full and complete record for review by the Board. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as it fully set forth herein, and pursuant to N.J.S.A. 48:2-21.3, **HEREBY EXTENDS** the Review Date to May 1, 2013.

DATED: 3/20/13

BOARD OF PUBLIC UTILITIES
BY:

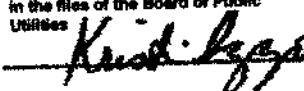

ROBERT M. HANNA
PRESIDENT


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 the Petition of Public Service and Gas Company for Approval of a Solar Loan III Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service B.P.U.N.J. No 15 Electric Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1
DOCKET NO. EO12080726

NOTIFICATION LIST

BOARD OF PUBLIC UTILITIES		
Jerome May, Director Division of Energy Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Alice Bator, Bureau Chief Division of Energy Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Michael Winka Office of the President Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Scott Hunter Office of Clean Energy Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Stacy Peterson Division of Energy Board of Public Utilities 44 S. Clinton Street, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Tricia Caliguire, Esq. Chief Counsel Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Nnajindu Ugoji Division of Energy Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	John Zarzycki Division of Energy Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Kristi Izzo, Secretary Office of the Secretary Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Bethany Rocque-Romaine, Counsel's Office Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Rachel Boylan Counsel's Office Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	William P. Agee, Esq. Counsel's Office Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
DIVISION OF RATE COUNSEL		
Stefanie A. Brand, Esq. Director Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Paul Flanagan, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Felicia Thomas-Friel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101
James Glassen, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Shelly Massey, Paragal Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Sarah H. Steindel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101

DEPARTMENT OF LAW & PUBLIC SAFETY		
Caroline Vachier, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101	Alex Moreau, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101
T. David Wand, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101	Jenique Jones, Paralegal Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101	
PSE&G		
Sheree L. Kelly, Esq. Public Service Electric and Gas Company 80 Park Plaza-T5 Newark, NJ 07102-4194	Matthew M. Weismann, Esq. Public Service Electric and Gas Company 80 Park Plaza-T5 Newark, NJ 07102-4194	
OTHER PARTIES		
<u>SEIA</u> Michael A. Gruin, Esq. Stevens & Lee, P.C. 17 North 2 nd Street 16 th Floor Harrisburg, PA 17101	<u>SEIA</u> Susan P. LeGros, Esq. Stevens & Lee, P.C. 620 Freedom Business Center, Suite 200 P.O. Box 62330 King of Prussia, PA 19406	
<u>KDC Solar</u> James E. McGuire, Esq. Reed Smith LLPWattLotts LLC 136 Main Street Princeton, NJ 08540	<u>MSEIA</u> William Potter Potter and Dickson MSEIA 194 Nassau Street, Suite 32 Princeton, NJ 08542-7003	
<u>NJSEC</u> Gary Weisman, President New Jersey Solar Energy Coalition 2520 Highway 35, Suite 301 Manasquan, NJ 08736	<u>NJSEC</u> Fred D. DeSanti MC2 Public Affairs, LLC P.O. Box 232 Brookside, NJ 07926	
Andrea C. Crane The Columbia Group, Inc. P.O. Box 810 Georgetown, CT 06829	David E. Dismukes, Ph.D. Acadian Consulting Group 5800 One Perkins Place Drive Building 5, Suite F Baton Rouge, LA 70808	Matthew I. Kahal 10480 Little Patuxent Parkway Suite 300 Columbia, Maryland, 21044

In the Matter of the Petition of Public Service and Gas Company for Approval of a Solar Loan III Program and an Associated Cost Recovery Mechanism AND FOR Changes in the Tariff for Electric Service B.P.U.N.J. No 15 Electric Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1
DOCKET NO. EO12080726

Modified Procedural Schedule

Intervener/Respondent Testimony	December 14, 2012
Discovery on Intervener/Respondent Testimony	December 19, 2012
Responses to Discovery on Intervener/Respondent Testimony	January 7, 2013
Rebuttal Testimony	March 1, 2013
Discovery on Rebuttal Testimony	March 8, 2013
Responses to Discovery on Rebuttal Testimony	March 15, 2013
Hearings (if necessary):	April 1 & 2, 2013
Position Papers	April 12, 2013

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF A SOLAR)
LOAN III PROGRAM AND AN ASSOCIATED)
COST RECOVERY MECHANISM AND FOR)
CHANGES IN THE TARIFF FOR ELECTRIC)
SERVICE, B.P.U.N.J. NO. 15 ELECTRIC)
PURSUANT TO N.J.S.A. 48:2-21 AND)
N.J.S.A. 48:2-21.1)

STIPULATION

BPU Docket No. EO12080726

APPEARANCES:

Matthew M. Weissman, General Regulatory Counsel-Rates and **Sheree L. Kelly**, Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel. **Maria Novas-Ruiz, Esq.**, Assistant Deputy Rate Counsel and **James Glassen Esq.**, Assistant Deputy Rate Counsel and **Felicia Thomas-Friel, Esq.**, Deputy Rate Counsel (**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel)

Alex Moreau and T. David Wand, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey).

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

1. On August 1, 2012, Public Service Electric and Gas Company ("PSE&G") filed its Petition ("Petition") with the Board of Public Utilities ("Board" or "BPU"), requesting approval of the Solar Loan III Program ("Program") and an associated rate recovery mechanism pursuant to N.J.S.A. 48:3-98.1 et seq. ("the RGGI Act"). More

specifically, PSE&G proposed to provide loans to borrowers to develop 97.5 MW of solar photovoltaic systems.

2. On August 31, 2012, the Staff of the Board ("Board Staff") issued a determination that the Company's filing was administratively complete. Therefore, the Board's 180-day review period under the RGGI Act commenced on August 1, 2012, with expiration date of January 27, 2013.

3. By an Order dated September 13, 2012 the Board determined to retain this matter for review, designated Commissioner Joseph L. Fiordaliso as the presiding hearing officer and adopted a procedural schedule. Following the filing of the Petition, the parties have engaged in extensive discovery and participated in settlement and discovery conferences. While the parties continue to discuss settlement, the parties have not been able to reach a settlement of all outstanding issues.

4. By Order dated January 4, 2013, Commissioner Fiordaliso set forth a modified procedural schedule for this matter. The procedural schedule therein was conditioned upon the Board approving an anticipated stipulation to extend the 180-day review period deadline.

5. By Order dated January 23, 2013, the Board approved the Stipulation to extend the 180-day period for Board action on the Petition to April 1, 2013. In order to provide for the filing of surrebuttal testimony, and discovery thereon, and in order to provide the Board with additional time to complete the processing of the Petition and

issue a final determination in this matter, the undersigned parties have subsequently agreed to request an extension to May 1, 2013.

Accordingly, the undersigned Parties hereby **STIPULATE AND AGREE** as follows:

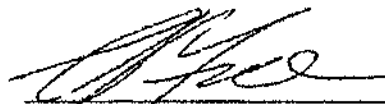
6. The undersigned parties, pursuant to N.J.S.A. 48:2-21.3, have agreed to extend the 180-day period for Board action on PSE&G's Petition, required under N.J.S.A. 48:3-98.1. The new deadline for Board action on the Petition is May 1, 2013.

7. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

WHEREFORE, the undersigned parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving an extension until May 1, 2013.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

By:

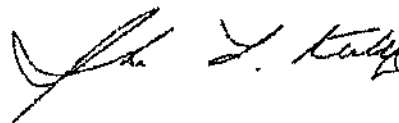


Alex Moreau
Deputy Attorney General

Dated: March 6, 2013

**PUBLIC SERVICE ELECTRIC AND
GAS COMPANY**

By:



Sheree L. Kelly
Assistant General Litigation Counsel

Dated: March 5, 2013

DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

By:



Sarah Steindel, Esq.
Assistant Deputy Rate Counsel

Dated: March 11, 2013