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NOTICE¹

Public Meeting on Energy Efficiency and Peak Demand Reduction

Pursuant to the "Open Public Meetings Act", N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities ("Board") hereby gives notice of a Public Meeting to discuss the following item:

IN THE MATTER OF THE IMPLEMENTATION OF P.L. 2018, c. 17
REGARDING THE ESTABLISHMENT OF ENERGY EFFICIENCY AND PEAK
DEMAND REDUCTION PROGRAMS - DOCKET NO. QO19010040

This meeting will be held on **February 1, 2019 at 10:00 a.m. in the New Jersey State House Annex, 131-137 West State Street, Trenton, New Jersey - Committee Room 4.** The Purpose of this meeting is to take comments on the establishment of new energy efficiency (EE) and peak demand reduction programs required pursuant to law.

On May 23, 2018, Governor Phil Murphy signed P.L. 2018, c.17, the Clean Energy Act (Act), which directed both the Board and the State's investor-owned electric and gas utilities to take action regarding energy efficiency. This includes specific goals for each public electric and gas utility to achieve:

"The board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric [and gas] energy efficiency program in order to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities that shall require each electric public utility to implement energy efficiency measures that reduce electricity usage in the State pursuant to section 3 of P.L. , c. (C.) (pending before the Legislature as this bill). Nothing in this subsection shall be construed to prevent an electric public utility from meeting the requirements of this subsection by contracting with another entity for the performance of the requirements."

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“Each electric public utility shall be required to achieve annual reductions in the use of electricity of two percent of the average annual usage in the prior three years within five years of implementation of its electric energy efficiency program. Each natural gas public utility shall be required to achieve annual reductions in the use of natural gas of 0.75 percent of the average annual usage in the prior three years within five years of implementation of its gas energy efficiency program.”

The law further directed the Board to create Quantitative Performance Indicators by which utilities can be assessed and issued incentives or penalties based upon their performance:

“[T]he board shall adopt quantitative performance indicators [...] for each electric public utility and gas public utility, which shall establish reasonably achievable targets for energy usage reductions and peak demand reductions and take into account the public utility's energy efficiency measures and other non-utility energy efficiency measures including measures to support the development and implementation of building code changes, appliance efficiency standards, the Clean Energy program, any other State-sponsored energy efficiency or peak reduction programs, and public utility energy efficiency programs that exist on [May 23, 2018].”

Lastly, the law requires that a stakeholder process be created, including an independent advisory group:

“The board shall establish a stakeholder process to evaluate the economically achievable energy efficiency and peak demand reduction requirements, rate adjustments, quantitative performance indicators, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities. As part of the stakeholder process, the board shall establish an independent advisory group to study the evaluation, measurement, and verification process for energy efficiency and peak demand reduction programs, which shall include representatives from the public utilities, the Division of Rate Counsel, and environmental and consumer organizations, to provide recommendations to the board for improvements to the programs.”

Board Staff is now interested in soliciting comments on implementation of this program. The information considered relevant by Board Staff is listed in the questions below:

1. What are some best practices for energy efficiency and peak demand reduction programs from leading states (Massachusetts, Rhode Island, California, Illinois, etc.) – including, but not limited to, administrative structures, performance incentives, cost-benefit analyses, decoupling policies, and evaluation – that New Jersey can implement to reach its energy efficiency and peak demand reduction goals?
2. How should “full economic, cost effective potential” be defined in terms of the energy efficiency targets to be established by the Board?
3. What markets should be served statewide? What programs should have consistent incentives, eligibility criteria and rules across all service territories? Should the programs be delivered by a single statewide implementer? What are the barriers to implementing a state-wide approach, and how can they be overcome?

4. How can these programs be delivered at the lowest cost to rate payers, while also providing optimal ease of use and customer service and maximizing market utilization?
5. What is the best way to minimize administrative costs and avoid duplicative administrative structures?
6. What considerations should be made during a transition period that would result in as few disruptions as possible to the market place?
7. What is the best way to maximize the use of consumer data held by the utilities, and what procedures are recommend for sharing that data?
8. What data, assumptions, methodology, and considerations (e.g., non-energy benefits) should be used to perform cost-benefit analyses?
9. What should the membership of the Independent Advisory Committee be? What is the proper role of the Independent Advisory Committee? What existing models or best practices should the Board consider in establishing the Independent Advisory Committee?
10. How should savings from the Clean Energy Program, existing utility programs, building code measures, appliance efficiency standards, other State sponsored EE or peak reduction programs, etc., that may contribute to meeting savings targets be factored into a utility's savings targets, QPIs, and performance incentives?
11. How should performance incentives and penalties be implemented? What level of information will be needed? How should they be collected/paid, with what frequency and when should they begin implementation?
12. Under N.J.S.A. 48:3-88(3)(e), each electric and gas public utility must file an annual petition with the Board to demonstrate compliance with energy efficiency and peak demand reduction programs, compliance with targets established pursuant to the quantitative performance indicators, and for cost recovery of the programs. What information should these annual petitions include?

Board Staff invites all interested parties to attend the public hearing and present their views. Information provided at the public hearings will become part of the record of the docket and will be considered by the Board in making its decision.

Written comments may be submitted electronically in word or other easily converted format to energyefficiency@bpu.nj.gov or in hardcopy to Aida Camacho-Welch, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, CN 350, Trenton, New Jersey 08625. All comments must be received on or **before 5:00 p.m. February 15, 2019.**

Persons interested in attending the above Meeting who require special accommodations because of disability should contact the Office of the Secretary of the Board at (609) 292-1599 at least three (3) days prior to the Meeting date so that appropriate arrangements can be made.


Aida Camacho-Welch
Board Secretary

Dated: January 22, 2019