



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

ENERGY

IN THE MATTER OF DEMAND RESPONSE)
PROGRAMS FOR THE PERIOD BEGINNING) ORDER
JUNE 1, 2009 -- ELECTRIC DISTRIBUTION)
COMPANY PROGRAMS) DOCKET NOS. EO08050326
EO08080541
EO08080542
EO08080543
EO08080544

(SERVICE LIST ATTACHED)

BY THE BOARD:

By Order dated July 1, 2008, pursuant to N.J.S.A. 48:3-98.1 ("Section 98.1"), the Board directed the State's electric distribution companies ("EDCs"), Public Service Electric & Gas Company ("PSE&G"), Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), and Rockland Electric Company ("RECO"), to submit proposals for demand response ("DR") programs to be implemented for the period beginning June 1, 2009. Proposals were submitted in a timely manner by PSE&G, JCP&L, ACE and RECO.

The July 1, 2008 Order also set a procedural schedule designed to maximize stakeholder participation while expediting the process to increase the use of DR. On August 22, 2008, Rate Counsel met with Staff to express its concern that due, in part, to missing necessary components in the filings, proposals as submitted were not administratively complete, and that the expedited procedural schedule did not allow sufficient time for fully evaluating the more innovative and complex proposals submitted by the EDCs. Staff agreed with Rate Counsel, but was concerned that extending the procedural schedule could jeopardize the timely implementation of those DR programs that contemplated participation in the relevant PJM programs in time to meet the deadline for registering DR with PJM for the period beginning June 1, 2009.

Staff and Rate Counsel agreed on a suggested plan of action that would address these concerns, and presented it to the EDCs at a meeting on August 27, 2008. One of the key elements of this plan was an interim step to ensure that some level of DR would be in effect for the period beginning June 1, 2009, namely, the adoption by the Board of a modified version of the proposal submitted in November 2007 by the Demand Response Working Group ("DRWG") to be implemented through the EDCs under Section 98.1. The plan of action outlined at the August 27 meeting was memorialized in a letter sent to the EDCs by Energy Division Director Nusha Wyner on August 29, 2008. The letter requested responses from the EDCs by September 8, 2008.

The EDCs responses to adopting a modified version of the DRWG proposal are summarized as follows:

- ACE stated that if the Board chooses to implement the DRWG proposal "...the Company respectfully submits that funding for the proposed 'premium payment' be provided through funds available to the Office of Clean Energy."

PSE&G stated that "[i]f the BPU wishes to pursue a near-term CSP-based DR initiative, it can do so in the competitive segment of the DR program...without the involvement of the EDCs."

RECO proposed a DR incentive program for commercial and industrial customers that "essentially implements the DRWG proposal... [and] is both consistent with your proposal and eminently feasible."

JCP&L supported the implementation of the DRWG proposal subject to "satisfactory resolution of the funding/cost recovery issues."

After carefully considering the filings and responses, and in view of its desire to follow the recommendations of the draft Energy Master Plan by implementing a program that will encourage the growth of DR in New Jersey, at its September 12, 2008 agenda meeting, the Board directed Staff to reconvene and lead a working group on September 18, 2008 for the purpose of modifying the DRWG proposal to include, but not be limited to, the following issues:

- Identifying a funding source other than the Retail Margin account;
Suggesting funding options in the event that the proposal's 300 MW cap is exceeded;
- Establishing measurement and verification protocols; and
Fostering cooperation between EDCs and CSPs (curtailment service providers).

These decisions were later memorialized in an Order dated September 22, 2008.

As directed, Staff convened a working group on September 18, 2008, and in a 3½-hour session chaired by Frank Perrotti and Ronald Reisman, addressed the issues that required modification. On September 26, 2008, a Secretary's letter containing the proposal as modified by Staff based on working group suggestions, was e-mailed to the listserv and posted on the BPU website. Comments were requested by October 10, 2008.

All four EDCs submitted comments by October 10, 2008 that are summarized as follows:

- ACE and JCP&L filed comments jointly, noting that they "...are generally supportive of the Board's DR objectives and the fundamental underlying premise of the Modified Proposal", although they suggested that "...the cost recovery method must be clarified..." and EDCs should be allowed to call curtailment events.

RECO "has no objection to such proposal" although it supports the cost recovery clarification suggested by ACE and JCP&L, and also believes the Board should allow for "incentive rate treatment" in addition to program cost recovery.

PSE&G "does not support the DRWG proposal for implementation at this time." PSE&G states that the Board should adopt the DR programs outlined in its August 5, 2008 filing, which are "...supported by pre-filed testimony...subject to extensive discovery, and include[s] a detailed cost-benefit analysis." PSE&G states that the DRWG proposal "...has not been subject to any discovery and there is no supporting cost-benefit analysis," while also challenging the Board's authority "...that allows it to direct utilities to undertake a program such as the DRWG proposal."

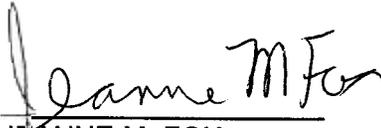
In discussions with Staff and Rate Counsel, JCP&L, ACE and RECO agreed to schedule public hearings within their service areas on the DRWG Modified Proposal, and have published notice of same. RECO will hold its hearings on November 5, 2008 in Alpine; JCP&L on November 13, 2008 in Morristown; and ACE on November 25, 2008 in Mays Landing. PSE&G has advised Staff and Rate Counsel that it refuses to schedule public hearings on the DRWG Modified Proposal because of the objections outlined in its comments.

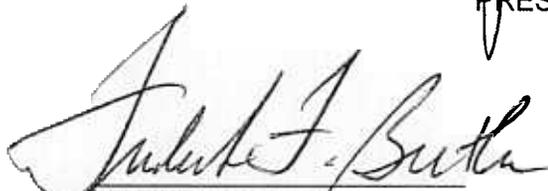
The Board has not yet determined whether it will approve the DRWG Modified Proposal, since, as noted by the EDCs, there are still some issues which must be clarified before the proposal can be submitted for the Board's review. However, prior to the Board's review of the DRWG Modified Proposal, and due to the potential for some level of rate increase if approved, the public is entitled to notice and an opportunity to be heard. Accordingly, public hearings are appropriate at this time to provide for public comment. The Board is disappointed in PSE&G's position and the lack of cooperation which PSE&G has demonstrated in this matter in light of the importance of increasing DR as part of the State's energy initiatives.

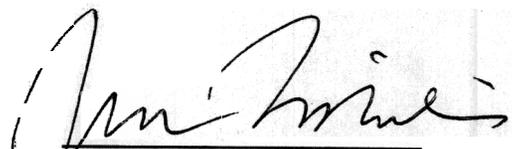
Therefore, the Board HEREBY ORDERS PSE&G to immediately prepare and publish a Notice of Public Hearing on the DRWG Modified Proposal. The hearings shall be scheduled for the earliest possible dates allowed under N.J.A.C. 14:1 – 5.12(c), but no later than December 1, 2008.

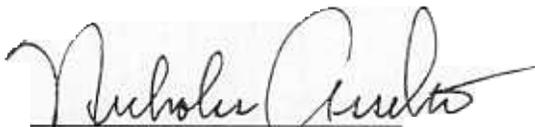
DATED: 10/23/08

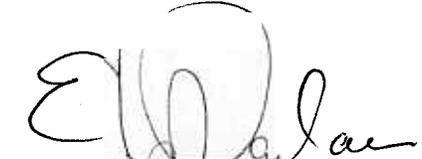
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

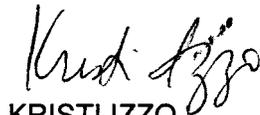

FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

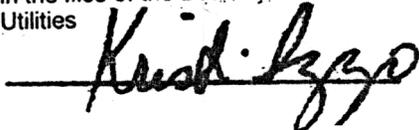

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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



Board of Public Utilities
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs,
Docket No. EO08050326 and
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Market-based Programs,
Docket No. EO08060421
Service List

BPU STAFF

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
kristi.izzo@bpu.state.nj.us

Ronald Reisman
Office of the Ombudsperson
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
ronald.reisman@bpu.state.nj.us

Nusha Wyner, Director
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
nusha.wyner@bpu.state.nj.us

Frank Perrotti
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
frank.perrotti@bpu.state.nj.us

Alice Bator, Chief
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
alice.bator@bpu.state.nj.us

Linda Nowicki
Division of Energy
Board of Public Utilities
44 S. Clinton Ave.
Trenton, NJ 08625
linda.nowicki@bpu.state.nj.us

Robert Schultheis
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
robert.schultheis@bpu.state.nj.us

Sheila Iannaccone
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
sheila.iannaccone@bpu.state.nj.us

John Garvey
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
john.garvey@bpu.state.nj.us

Nnajindu Ugoji
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
naji.ugoji@bpu.state.nj.us

Andrea Sarmentero-Garzon
Counsel's Office
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
andrea.sarmentero-garzon@bpu.state.nj.us

Suzanne Patnaude
Counsel's Office
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102
suzanne.patnaude@bpu.state.nj.us

DAG

Elise Goldblat
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07102
elise.goldblat@dol.lps.state.nj.us

Babette Tenzer
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
babette.tenzer@dol.lps.state.nj.us

Alex Moreau
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
alex.moreau@dol.lps.state.nj.us

Jessica Campbell
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
jessica.campbell@dol.lps.state.nj.us

Anne Shatto
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
anne.shatto@dol.lps.state.nj.us

Kerri Kirschbaum
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
kerri.kirschbaum@dol.lps.state.nj.us

Caroline Vachier
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
caroline.vachier@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Director
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07102
sbrand@rpa.state.nj.us

Paul Flanagan
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07102
pflanagan@rpa.state.nj.us

Ami Morita
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
amorita@rpa.state.nj.us

Board of Public Utilities
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, Docket No.
EO08050326 and
I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Market-based Programs,
Docket No. EO08060421
Service List

Diane Schulze
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
dschulze@rpa.state.nj.us

Kurt Lewandowski, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
klewando@rpa.state.nj.us

James Glassen, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101
jglassen@rpa.state.nj.us

Rate Counsel Consultants
Brian Biewald
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
bbiewald@synapse-energy.com

Robert Fagan
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
rfagan@synapse-energy.com

Rick Hornby
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
rhornby@synapse-energy.com

Jenn Kallay
Synapse Energy Economics, Inc.
22 Pearl St.
Cambridge, MA 02139
jkallay@synapse-energy.com

ATLANTIC CITY ELECTRIC
Walter L. Davis
Atlantic City Electric Co. – 63ML38
New Castle Regional Office
Eagle Run Road
P.O. Box 9239
Newark, DE 19714
walt.davis@atlanticcityelectric.com

Philip J. Passanante, Esq.
Assistant General Counsel
Atlantic City Electric Co. – 89KS42
800 King St., 5th Floor
P.O. Box 231
Wilmington, DE 19899-0231
philip.passanante@pepcoholdings.com

Nicholas W. Mattia, Jr., Esq.
Dickstein Shapiro LLP
1825 Eye St., NW
Washington, DC 20006-5304
mattia@dicksteinshapiro.com

Wayne Barndt
Pepco Holdings, Inc. – 79NC59
New Castle Regional Office 401
Eagle Run Road
P.O. Box 9239
Newark, DE 19714
wayne.barndt@pepcoholdings.com

Roger E. Pedersen
Manager, NJ Regulatory Affairs
Atlantic City Electric Co. – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
roger.pedersen@pepcoholdings.com

Kenneth J. Parker, President
Atlantic City Electric Co. – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
kenneth.parker@atlanticcityelectric.com

JCP&L
Michael J. Filippone
JCP&L
300 Madison Avenue
PO Box 1911
Morristown, NJ 07962-1911
mfilippone@firstenergycorp.com

Eva Gardow
JCP&L
300 Madison Ave,
P.O. Box 1911
Morristown, NJ 07962-1911
egardow@firstenergycorp.com

Chris Siebens
FirstEnergy – Rates Department
2800 Pottsville Pike
Reading, PA 19640
csiebens@firstenergycorp.com

Arthur E. Korkosz, Esq.
FirstEnergy Corp.
76 South Main St.
Akron, OH 44308
korkosza@firstenergycorp.com

Marc B. Lasky, Esq.
Thelen Reid Brown Raysman &
Steiner LLP
200 Campus Drive, Suite 210
Florham Park, NJ 07932
mlasky@thelen.com

Michael J. Connolly, Esq.
Thelen Reid Brown Raysman &
Steiner LLP
200 Campus Drive, Suite 210
Florham Park, NJ 07932
mconnolly@thelen.com

ROCKLAND ELECTRIC
John L. Carley, Esq.
Consolidated Edison Co. of NY,
Inc.
4 Irving Place
New York, NY 10003
carleyj@coned.com

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland &
Perretti LLP
Headquarters Plaza
One Speedwell Ave.
P.O. Box 1981
Morristown, NJ
jmeyer@riker.com

Jane Quin
Orange & Rockland
390 West Route 59
Spring Valley, NY 10977-5300
quinj@oru.com

PSE&G
Frances I. Sundheim, Esq.
Public Service Electric & Gas Co.
80 Park Plaza, T-08C
Newark, NJ 07101
frances.sundheim@pseg.com

Gregory Eisenstark, Esq.
PSEG Services Corporation
80 Park Plaza, T5G
Newark, NJ 07102
gregory.eisenstark@pseg.com

Board of Public Utilities
 I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Electric Distribution Company Programs, Docket
 No. EO08050326 and
 I/M/O Demand Response Programs for the Period Beginning June 1, 2009 – Market-based Programs,
 Docket No. EO08060421
 Service List

Connie E. Lembo
 Public Service Electric & Gas Co.
 80 Park Plaza, T-08C
 Newark, NJ 07101
Constance.lembo@pseg.com

OTHERS

Tom Rutigliano
 ConsumerPowerline
 17 State Street, 19th Floor
 New York, NY 10004
trutigliano@consumerpowerline.com

Glen Smith, President and CEO
 Energy Curtailment Specialists
 4455 Genesee Street
 Buffalo NY 14225
gesmith@ecsny.com

Paul Tyno, Exec. Vice President
 Energy Curtailment Specialists
 4455 Genesee Street
 Buffalo NY 14225
ptyno@ecsny.com

Dara Biltekoff, Corporate Counsel
 Energy Curtailment Specialists
 4455 Genesee Street
 Buffalo NY 14225
dara@ecsgrid.com

Elizabeth Eisenhauer
 Energy Curtailment Specialists
 4455 Genesee Street
 Buffalo NY 14225
eeisenhauer@ecsdemandresponse.com

Kenneth D. Schisler
 Senior Director, Regulatory Affairs
 EnerNOC, Inc.
 75 Federal St., Suite 300
 Boston, MA 02110
kschisler@enernoc.com

Divesh Gupta, Counsel
 Constellation Energy Resources, LLC
 111 Market Place, Suite 500
 Baltimore, MD 21202
divesh.gupta@constellation.com

Timothy Daniels, Dir., Energy Policy
 Constellation Energy Resources, LLC
 810 Seventh Avenue, Suite 400
 New York, NY 10019
timothy.daniels@constellation.com

Marc A. Hanks
 Director, Government & Regulatory
 Affairs
 Direct Energy
mhanks@strategicenergy.com

Charles Alexander Castle
 Bevan, Mosca, Giuditta & Zarillo, PC
 776 Mountain Blvd, Suite 202
 Watchung, NJ 07069
ccastle@bmgzlaw.com

David Holland,
 Account Executive
 Energy Services
 Honeywell Utility Solutions
 Wayne Interchange Plaza 1
 145 Rt. 46 West
 Wayne, New Jersey 07470
dave.holland@honeywell.com

Steven S. Goldenberg, Esq.
 Fox Rothschild LLP
 997 Lenox Drive, Building 3
 Lawrenceville, NJ 08648
SGoldenberg@foxrothschild.com

David Ellis, Senior Vice President
 Enerwise Global Technologies, Inc.
 511 School House Road, Suite 200
 Kennett Square, PA 19348
david.ellis@enerwise.com

Phil Germinario
 Manager, Demand Response and
 Green Power
 SUEZ Energy Resources NA, Inc.
 333 Thornall St., 6th Floor
 Edison, NJ 08837
phil.germinario@suezenergyna.com

Ritchie Don Priddy
 Director, Demand Response
 Marketing
 SUEZ Energy Resources NA, Inc.
 1990 Post Oak Blvd., Suite 1900
 Houston, TX 77056
rpriddy@suezenergyna.com

Joseph Janocha
 Manager, Regulatory Affairs
 Atlantic City Electric Co. – 63ML38
 5100 Harding Highway
 Mays Landing, NJ 08330
joseph.janocha@pepcoholdings.com

Andrea Reid
 Energy Division
 Board of Public Utilities
 Two Gateway Center
 Newark, NJ 07102
andrea.reid@bpu.state.nj.us

Frank Magnotti
 Comverge, Inc.
 120 Eagle Rock Ave.
 East Hanover, NJ 07936
fmagnotti@comverge.com

Troy Anatra
 Comverge, Inc.
 120 Eagle Rock Ave.
 East Hanover, NJ 07936
tanatra@comverge.com

Laurie Wiegand-Jackson
 North America Power Partners LLC
 44 Cooper St., Suite 111
 Woodbury, NJ 08096
lwj@northamericapowerpartners.com

Lisa Gurkas
 Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, New Jersey 07102
lgurkas@rpa.state.nj.us