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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

August 17, 2018

via overnight mail and email aida.camacho@bpu.nj.gov
Aida Camacho-Welch, Secretary of the Board
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Re: **Motion to Participate**

In the Matter of the Petition of Public Service Electric and Gas Company for
Approval of the Second Energy Strong Program (Energy Strong II)
BPU Docket #s EO18060629 & GO18060630

Dear Secretary Welch:

My firm represents Environment New Jersey and New Jersey Conservation Foundation in this matter. Enclosed please find and original and four copies of:

- Motion to Participate by Environment New Jersey and New Jersey Conservation Foundation
- Certification of Doug O'Malley in support of the Motion
- Certification of Tom Gilbert in support of the Motion

Please feel free to call me at 973.424.1166 or email me anytime if you need anything further from me, or my clients.

Respectfully submitted,

/s/ Raghu Murthy
Raghu Murthy

c: **via** email to all individuals on the Service List

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Attorneys for Movants,
Environment New Jersey and New Jersey Conservation Foundation

In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Second Energy Strong Program (Energy Strong II)	STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES PRESIDENT JOSEPH L. FIORDALISO, PRESIDING BPU DOCKET #s EO18060629 & GO18060630
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**MOTION TO PARTICIPATE BY ENVIRONMENT NEW JERSEY AND NEW
JERSEY CONSERVATION FOUNDATION**

Environment New Jersey and New Jersey Conservation Foundation
(collectively, "Movants") hereby move for permission to participate in the above-captioned proceeding before the Board of Public Utilities, with President Joseph L. Fiordaliso presiding. Movants seek permission to argue orally at any BPU hearings on this matter, and to present statements and submit briefs to BPU on this matter.

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PROCEDURAL HISTORY

1. On June 12, 2018, PSE&G filed a Petition¹ with BPU. The Petition requests BPU approval of cost recovery for four electric subprograms and two gas subprograms:

Electricity

- a. Station Subprogram: \$906M for flood mitigation for 16 stations, and life cycle replacements for 15 substation facilities
- b. Outside Plant Higher Design and Construction Standards Subprogram: \$345M for upgrading 475 miles of circuits to a spacer cable system
- c. Contingency Reconfiguration Subprogram: \$145M to harden the electric system and increase electric system resiliency by investment in contingency reconfiguration strategies
- d. Grid Modernization Program: \$107M for an Advanced Distribution Management System to incorporate data sources such as outage information gained from SCADA², intelligent fault indicators, potential future deployment of Smart Meters and other advanced metering infrastructure, and add-on analysis applications such as load flows and state estimations for data accuracy

Gas

- e. Curtailment Resiliency Subprogram: \$863M for an LNG facility in Linden or Edison, with the ability to deliver 50 MDTH/Day, and five natural gas distribution facility projects
 - f. Metering and Regulation Upgrade Subprogram: \$136M to rebuilding seven natural gas M&R stations
2. On July 25, 2018, BPU issued an Order Designating Commissioner, Setting Manner of Service and Bar Date ("July 2018 Order").³ Through the July 2018 Order, BPU designated President Fiordaliso as the officer presiding over this proceeding. See July 2018 Order p. 2. BPU also set a deadline of August 17, 2018 for all motions to intervene or participate. See id.

¹ <https://ni.pseg.com/aboutpseg/regulatorvpage/-/media/6DCDE89354844F93975C0DA2D98825C6.ashx>

² PSE&G's Supervisory Control And Data Acquisition system

³ <http://www.bpu.state.nj.us/bpu/pdf/boardorders/2018/20180725/7-25-18-2G.pdf>

FACTS

A. Background on Environment New Jersey and New Jersey Conservation Foundation

3. Environment New Jersey is one of the State's largest citizen-based nonprofit advocacy organizations. Environment New Jersey has more than twenty thousand dues-paying members in the state, the majority of whom reside in PSE&G's New Jersey service territory. Certification of Doug O'Malley ("O'Malley Cert.") paras. 2-3.
4. Environment New Jersey is committed to preserving New Jersey's environment for this and future generations by protecting our land, air, and water and promoting a clean energy future. The organization and its predecessors have a rich and detailed history in engaging in advocacy and environmental organizing on a broad set of energy issues, including energy efficiency and clean energy. O'Malley Cert. para. 4.
5. New Jersey Conservation Foundation was founded in 1960, and has since preserved over 125,000 acres of land in New Jersey, for the public's use and enjoyment, and to contribute to the state's ecological well-being. See Certification of Tom Gilbert ("Gilbert Cert.") paras. 2, 4.
6. New Jersey Conservation Foundation is committed to preserving New Jersey's environment for this and future generations by protecting our land, air, and water and promoting a clean energy future. Because New Jersey Conservation Foundation is committed to preserving New Jersey's land, air, and water for this and future generations, it actively advocates for a clean energy future.

Without such advocacy, both the lands that it has protected in partnership with dozens of nonprofit partners, and lands that New Jersey Conservation Foundation itself owns, manages and stewards are at significant risk of environmental destruction. Gilbert Cert. paras. 7, 8.

7. New Jersey Conservation Foundation engages in advocacy, litigation, and education on a broad set of energy issues, including energy efficiency and clean energy. It has worked with national experts to study and report on New Jersey's clean energy future. Gilbert Cert. para 9.

B. Movants' Interest in This Proceeding

8. Movants are interested in three of PSE&G's proposed subprograms: the Grid Modernization Subprogram, the Curtailment Resiliency Subprogram, and the Metering and Regulation Upgrade Subprogram. O'Malley Cert. para. 6, Gilbert Cert. para. 10.
9. Movants have a significant interest in ensuring that Energy Strong II will "conserve and preserve the quality of the environment and prevent the pollution of the waters, land and air of this State." N.J.S.A. 48:2-23. This is fundamental to the core mission of both Movants. New Jersey Conservation Foundation has an especially urgent interest in this goal, because the organization owns, manages and stewards over 20,000 acres of open space lands in the state. O'Malley Cert. para. 7, Gilbert Cert. paras. 5, 11.
10. Movants have a significant interest in ensuring that Energy Strong II conforms to the goals and the specific provisions of P.L.2018, c.17, the clean energy

legislation recently signed by Governor Murphy, the Governor's clean energy platform, and the Regional Greenhouse Gas Initiative ("RGGI"). O'Malley Cert. para. 8, Gilbert Cert. para. 12.

11. BPU's decision could encourage expanded consumption of gas in the state that would either persist for decades or result in stranded assets in the not too distant future. Both P.L.2018, c.17 and the Global Warming Response Act call for a significant reduction in greenhouse gas emissions within the state. Governor Murphy announced that a revised Energy Master Plan will be developed by July 2019, a process that could develop policy goals and strategies contrary to the expansion of gas infrastructure proposed in the Curtailment Resiliency Subprogram, and the Metering and Regulation Upgrade Subprogram. Movants have a strong interest in developing new state goals and policies that will allow the state to reduce the consumption of gas in order to achieve the goals of the Global Warming Response Act. Gilbert Cert. para. 13.
12. In 2015, New Jersey Conservation Foundation embarked on a major new initiative to protect its core mission, advocating for policies that prevent the development of unneeded gas infrastructure in New Jersey, and to promote clean energy and energy efficiency alternatives. This work has involved numerous research reports from national experts, extensive legal work and sustained advocacy in many different forums. Gilbert Cert. para. 14.
13. Movants both have a significant interest in ensuring that, if approved, the Grid Modernization Subprogram maximizes the benefits that grid modernization

can provide in terms of reliability, energy efficiency and clean energy. BPU's decision will influence future grid modernization proposals in New Jersey. Grid modernization is a key issue in Movants' energy platforms: and therefore, Movants have a significant interest in BPU's decision. O'Malley Cert. para. 9, Gilbert Cert. para. 15.

C. Environment New Jersey's Involvement with Prior BPU Proceedings

14. Environment New Jersey has made material and unique contributions in several BPU proceedings, especially in the fields of energy efficiency and clean energy. Several examples follow.
15. In the early 2000s, the organization advocated before the Board of Public Utilities ("BPU") for clean energy advances, including the establishment of a clean renewable energy portfolio standard for the state of 22.5% clean, renewable energy by 2021. O'Malley Cert. para. 14.
16. Since 2004, Environment New Jersey been involved with BPU proceedings on energy efficiency standards and renewable energy resource analysis, advocating for increased investments in energy efficiency and an Energy Efficiency Resource Standard. O'Malley Cert. para. 14.
17. In 2006, Environment New Jersey moved to intervene⁴ in the highly contested attempted merger of Exelon Inc. and PSEG to raise concerns that the proposed merger would adversely impact consumers as well as energy efficiency programs. O'Malley Cert. para. 15.

⁴ Under the name of a predecessor organization, New Jersey Public Interest Research Group Citizen Lobby Inc.

18. In 2009, BPU approved, over PSE&G's objection, Environment New Jersey's motion to intervene in PSE&G's proposal to construct fossil-fueled powered transmission lines that bisected the Delaware Water Gap and ran through multiple North Jersey communities. I/M/O Petition of PSE&G for A Determination Pursuant to the Provisions of N.J.S.A. 40:55d-19 (Susquehanna-Roseland), EM09010035, 2009 WL 2877004, at *4 (BPU 2009). In that case, BPU found that conservation organizations, including Environment New Jersey, were eligible to intervene on the basis that:

...they have invested considerable time and energy in matters concerning energy and climate change, that they have fought to preserve open space and environmentally sensitive lands, and ... [are] working to ensure the success of the State's Energy Master Plan, Global Warming Response Act ("GWRA"), and the [RGGI].

Id. These are the same interests that Movants seek to advance in this proceeding. O'Malley Cert. para. 16.

19. Environment New Jersey has a record of providing public comment and stakeholder engagement with BPU on the Energy Master Plan process, with the three most recent examples being the Corzine Administration process from 2007 through 2008 as well as the Christie Administration revisions of the Energy Master Plan in 2010 and 2011, and finally the 2015 revision. O'Malley Cert. para. 21.

D. Environment New Jersey's Longstanding Expertise in Energy Issues

20. Environment New Jersey has a demonstrably clear record of supporting additional actions to reduce global warming pollution, both in New Jersey and

across the country.⁵ The organization was an early champion of the Regional Greenhouse Gas Initiative (RGGI) and the CO2 Budget Trading Program. In 2014, Environment New Jersey successfully opposed the Christie Administration's efforts to end the Trading Program without rulemaking procedures after a two-year legal battle.⁶ O'Malley Cert. para. 20.

21. Environment New Jersey has a record of advocating for improved air quality and reduced air pollution from fossil fuels. The most recent example is the release of Environment New Jersey's Trouble in the Air report in July 2018 which documented that the average number of unhealthy air days across the New Jersey metropolitan regions averaged more than 90 days. O'Malley Cert. para. 19.

22. Environment New Jersey has a record of challenging air permits and advocating for reduced emissions from fossil fuel power plants, stronger scrubber technology and the reduced use of fossil fuel generation. O'Malley Cert para. 19.

23. Environment New Jersey's participation in this matter, if permitted, will be led by Doug O'Malley, Rob Sargent, and Tony Dutzik. These gentlemen have decades of experience working on policy solutions to New Jersey's most vexing energy dilemmas. O'Malley Cert. paras. 22-24.

⁵ For example, Environment New Jersey played a leading role in building up political and public support for the ultimate passage of New Jersey's Global Warming Response Act, which will reduce the State's carbon pollution by 20% by 2020 and 80% by 2050 from 2006 emission levels.

⁶ In Re Regional Greenhouse Gas Initiative, 2014 WL 1228509 (App.Div. 2014)(The Appellate Division upheld Environment New Jersey's interpretation of RGGI and the Trading Program, that "...the Trading Program regulations were ... sufficiently broadly worded to allow for implementation of a program independent of RGGI...")

E. New Jersey Conservation Foundation's Independent Expertise in State and National Energy Issues

24. New Jersey Conservation Foundation has an extensive record of supporting additional actions to reduce global warming pollution, both in New Jersey and across the country. Gilbert Cert. para. 23.
25. New Jersey Conservation Foundation has provided expert consultation and analysis of costs related to clean energy provisions of New Jersey's Clean Energy Act. Gilbert Cert. para. 16.
26. New Jersey Conservation Foundation has a record of advocating for reduced air pollution from fossil fuels and improved air quality. The most recent example is the release of New Jersey Conservation Foundation's Report, "A Clean Energy Pathway for New Jersey," in September, 2017, which documented that the state can substantially reduce emissions by 2030 with a combination of renewable energy and energy efficiency without increasing costs to ratepayers.⁷ Gilbert Cert. para. 17.
27. New Jersey Conservation Foundation has a consistent record of devoting significant institutional resources to sponsoring research that examines costs and benefits of clean energy alternatives in order to evaluate lower cost pathways. The organization has invested in a series of research reports by national gas experts evaluate the benefits and costs of alternative approaches to delivering gas, which are focused on New Jersey. Gilbert Cert. para. 18.

⁷ <https://rethinkenergy.nj.org/cleanenergypathway/>

28. A New Jersey Conservation Foundation commissioned report, “Analysis of Regional Pipeline System's Ability to Deliver Sufficient Quantities of Natural Gas During Prolonged and Extreme Cold Weather” (Winter 2017-2018) (February 11, 2018) presented the work of a national energy expert in assessing New Jersey’s gas transportation capacity.⁸ Gilbert Cert. para. 19.
29. Another New Jersey Conservation Foundation Commissioned Report, “Analysis of Reliability in Electric and Gas Markets, Cost Savings and Project Need” (Nov. 28, 2016) presented information critical for decision makers to evaluate meaningfully applications for gas infrastructure.⁹ Gilbert Cert. para. 20.
30. Additionally, New Jersey Conservation Foundation has been substantially involved in examining proposed gas infrastructure projects, as well as devoting significant resources to presenting recommendations for federal energy infrastructure review nationwide. Gilbert Cert. para. 21.
31. New Jersey Conservation Foundation has brought such expertise to bear on specific gas infrastructure projects impacting New Jersey residents, presenting expert examination of those projects. See PennEast Analysis of Alternatives (Sept. 12, 2016)¹⁰; Analysis of Public Benefit Regarding PennEast Pipeline

⁸ <https://thewatershed.org/wp-content/uploads/2018/02/Winter-2017-2018-gml-Final-1.pdf>

⁹ <https://rethinkenergy.nj.org/wp-content/uploads/2017/01/Nov-2016-Skipping-Stone.pdf>

¹⁰ Greg Lander, Skipping Stone, PennEast Analysis of Alternatives, Exhibit A to Intervenors’ Additional Comments on FERC’s July 2016 DEIS for the PennEast Pipeline Project, FERC Docket No. CP15-558, Accession No. 20160912-6009

(Mar. 9, 2016).¹¹ Such research and advocacy is important to protecting the interests of New Jersey ratepayers. In the present proceeding, a central question is whether proposed investments are prudent. New Jersey Conservation Foundation's prior and current work on gas infrastructure is directly relevant to these issues. Gilbert Cert. para. 22.

32. New Jersey Conservation Foundation is actively defending their own conserved lands from the impacts of proposed gas infrastructure in federal court proceedings, as well as investing significant resources in defending conservation lands in the state by in other legal proceedings. Gilbert Cert. para. 23.

33. New Jersey Conservation Foundation's participation in this matter, if permitted, will be led by Barbara Blumenthal, Ph.D. and Tom Gilbert. These individuals have developed expertise working on policy solutions to implement New Jersey's clean energy goals and to reduce reliance on gas infrastructure and will continue to be involved in proceedings to revise the state Energy Master Plan; proceedings to close the current SREC program and transition to a modified solar incentive program; proceeding to implement the energy efficiency provisions in the Clean Energy Act, as well as other proceedings related to clean energy policy. Gilbert Cert. paras. 31-33.

ARGUMENT

¹¹ Greg Lander, Skipping Stone, Analysis of Public Benefit Regarding PennEast Pipeline, Exhibit A to Intervenor's Comments on PennEast's Application, FERC Docket No. CP15-558, Accession No. 20160311-5209

34. Movants are entitled to move for permission to participate in this matter because they have a significant interest in the outcome of this case. See N.J.A.C. 1:1-16.6(a) (“Any person or entity with a significant interest in the outcome of a case may move for permission to participate.”)

35. BPU should permit Movants to participate in this matter because their “interest is likely to add constructively to the case without causing undue delay or confusion.” N.J.A.C. 1:1-16.6(b).

A. Movants Have Significant Interests in the Outcome of This Case.

36. As detailed above in paras. 9-14, Movants have several significant interests in Energy Strong II, including:

- the proposal’s effect on environmental protection;
- the proposal’s conformance with Governor Murphy’s clean energy platform, the Governor’s clean energy platform, and RGGI;
- the proposal’s potential for benefits in reliability, energy efficiency, and clean energy;
- the proposal’s potential to further the development of gas infrastructure that may be contrary to the state’s clean energy goals and unduly harm natural resources and ratepayers.

37. In a previous case, PSE&G acknowledged that organizations advancing Movants’ same interests could participate in a BPU proceeding, and BPU ultimately decided that these interests were so essential that they merited not only limited participation, but full party status as intervenors. PSE&G

Susquehanna-Roseland, *supra*, 2009 WL 2877004 at *4. See also In Re Public Service Electric and Gas Company, 2005 WL 1996822, Docket # EM05020106 (BPU 2005)(A party's "interests in the environment, public health and energy policy" do justify intervention.)

B. Movants' Unique Interests Would Add Constructively To The Case, And Allow Development of a Complete Record.

38. As detailed above in paras. 15-33, Movants have longstanding expertise and unique perspectives on several relevant issues. In the original Energy Strong BPU Proceeding, Commissioner Fiordaliso found, and PSE&G acknowledged, that conservation organizations like Environment New Jersey and New Jersey Conservation Foundation "...could provide a different perspective on the proposals to increase resiliency of PSE&G's infrastructure and the reliability of its delivery services under extreme weather conditions and therefore ... should be granted participant status..." I/M/O Petition of PSE&G for Approval of the Energy Strong Program, EO13020155, 2013 WL 5592436, at *6 (BPU 2013). Ultimately, BPU granted the environmental organizations in that case the highest level of participant status, permitting them to appear at BPU hearings and present statements and briefs to BPU. See id.
39. Movants should be permitted to participate because they can assist with development of a complete record in areas where Movants hold unique expertise, experience and policy perspectives. In Re: Public Service Electric and Gas Company, *supra*, 2005 WL 1996822 (BPU allowed an intervention based on the party's ability to "assist in the development of the record.")

C. Movants' Participation Would Not Cause Undue Delay or Confusion.

40. As they have in previous BPU matters, Movants will strictly abide by the schedules and other rulings made by BPU. O'Malley Cert. para. 25, Gilbert Cert. para. 35.
41. Movants will work with all parties to ensure an efficient hearing process, and avoid duplicate of efforts, confusion or any delays. O'Malley Cert. para. 26, Gilbert Cert. para. 36.
42. If this motion is approved, Movants do not require hard copies of any documents. O'Malley Cert. para. 27, Gilbert Cert. para. 37. All parties may serve documents to Movants by email to:
- Aaron Kleinbaum, akleinbaum@easternenvironmental.org
- Doug O'Malley, domalley@environmentnewjersey.org
- Barbara Blumenthal, barb@blumenthaloffice.com
- Tom Gilbert, tom@njconservation.org

CONCLUSION

For the reasons detailed above, Environment New Jersey and New Jersey Conservation Foundation respectfully request a BPU Order granting these organizations status as Participants and permitting them to argue orally at any

BPU hearings on this matter, and to present statements and briefs to BPU on this matter.

Respectfully submitted,

/s/ Raghu Murthy

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