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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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File No.: 300135-70

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November 30, 2018

VIA HAND DELIVERY

Aida Camacho-Welch, Esq.
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave., 3rd Floor, Suite 314
P.O. Box 350
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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**RE: In The Matter Of The Petition Of Public Service Electric & Gas Company
For Approval of Its Clean Energy Future-Electric Vehicle and Energy
Storage ("CEF-EVES") Program on a Regulated Basis
BPU Docket No.: EO18101111**

Dear Secretary Camacho-Welch:


Enclosed are an original and ten (10) copies of the Response of Direct Energy Business, LLC ("Direct Business"), Direct Energy Business Marketing, LLC ("Direct Marketing"), Direct Energy Services, LLC ("Direct Services"), and Gateway Energy Services Corporation ("Gateway"), (collectively, "Direct Energy") and Centrica Business Solutions (collectively "Intervenors") to Public Service Electric and Gas's ("PSE&G") opposition to Intervenors' Motion for Intervention. By copy of this letter, copies of this response are being forwarded on this date via email to all persons whose names appear on the attached Service List.

I also have enclosed an extra copy of this Response to be stamped "filed" and returned to this office by the courier.

Thank you for your courtesies.

Respectfully submitted,


Christopher E. Torkelson


CET/djl
Enclosures

cc: Stefanie A. Brand, Esq. (w/encs., via email and FedEx)
Matthew M. Weissman, Esq. (w/encs., via email and Fedex)
All Persons on Attached Service List (w/encs., via email only)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY - IN THE MATTER OF THE
PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF
ITS CLEAN ENERGY FUTURE-ELECTRIC VEHICLE AND ENERGY STORAGE
("CEF-EVES") PROGRAM ON A REGULATED BASIS

DOCKET NO. EO18101111

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

IN THE MATTER OF THE PETITION :
OF PUBLIC SERVICE ELECTRIC :
AND GAS COMPANY FOR : BPU DOCKET NO. EO18101111
APPROVAL OF ITS CLEAN ENERGY :
FUTURE-ELECTRIC VEHICLE AND :
ENERGY STORAGE PROGRAM ON A :
REGULATED BASIS :

**RESPONSE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S OPPOSITION
TO THE MOTION TO INTERVENE OF DIRECT ENERGY BUSINESS, LLC,
DIRECT ENERGY BUSINESS MARKETING, LLC,
DIRECT ENERGY SERVICES, LLC, GATEWAY ENERGY SERVICES
CORPORATION, AND CENTRICA BUSINESS SOLUTIONS**

Pursuant to N.J.A.C. 1:1-12.2(c), Direct Energy Business, LLC ("Direct Business"), Direct Energy Business Marketing, LLC ("Direct Marketing"), Direct Energy Services, LLC ("Direct Services"), and Gateway Energy Services Corporation ("Gateway"), (collectively, "Direct Energy") and Centrica Business Solutions hereby file this response to the opposition of Public Service Electric and Gas Company ("PSE&G") to Direct Energy and Centrica Business Solutions' Motion to Intervene ("Motion to Intervene") in PSE&G's Clean Energy Future-Electric Vehicle and Energy Storage Program proceeding. Contrary to PSE&G's claims, Direct Energy and Centrica Business Solutions will be substantially, specifically and directly affected by the outcome of this proceeding and its interests are sufficiently different from that of any party so as to add measurably and constructively to the scope of the case. As more fully described below, Direct Energy and Centrica Business Solutions respectfully request that their Motion to Intervene be granted so that they may have full party status as intervenors in this proceeding.

I. BACKGROUND

1. On October 11, 2018, PSE&G filed its Petition with the Board of Public Utilities (“BPU” or “Board”) pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, seeking approval for a Clean Energy Future – Electric Vehicle and Energy Storage Program (“CEF-EVES Program”).

2. By Order adopted on October 29, 2018, the Board determined that the Petition should be retained by the Board for hearing and designated Commissioner Chivukula as the presiding officer. The Board further established November 13, 2018 as the date by which entities seeking to intervene or participate must file the appropriate application. Pursuant to the Board’s Order, Direct Energy and Centrica Business Solutions filed their Motion to Intervene on November 13, 2018. Direct Energy and Centrica Business Solutions are seeking to be granted full party status in this proceeding.

3. PSE&G submitted its opposition to the Motion to Intervene of Direct Energy and Centrica Business Solutions on November 23, 2018.

4. Direct Energy and Centrica Business Solutions urge the Board to reject PSE&G’s request that Direct Energy and Centrica Business Solutions’ involvement in this proceeding be denied or severely limited.

II. ARGUMENT

5. As explained in the Motion to Intervene, four of the intervening Direct Energy companies hold electric power licenses and operate as third-party energy suppliers in New Jersey. In addition, Direct Energy is licensed to sell electricity to customers in PSE&G’s service territory. As further explained in the Motion to Intervene, Centrica Business Solutions, a subsidiary of Centrica plc and affiliate of Direct Energy, integrates localized energy solutions for businesses around the world that leverages its energy insights, onsite generation and demand management

capabilities. The energy solutions integrated by Centrica Business Solutions include solar, combined heat and power, energy efficiency, energy insight, demand response, power generation and energy storage.

6. Direct Energy and Centrica Business Solutions have a substantial and direct interest in a number of issues raised in this proceeding and are seeking party status to protect their interests. Direct Energy and Centrica Business Solutions noted that full party status is necessary so that they may adequately guard against being placed at a competitive disadvantage relative to the regulated public utility in the provision of products and services to customers that are already available in the private market.

7. In addition, Direct Energy referred to its status as a competitive supplier that gives it a unique perspective that is likely to benefit the Board as it reviews PSE&G's Petition in this proceeding. Likewise, as a market leader in distributed energy solutions, Centrica Business Solutions has a unique perspective on several issues regarding the electric vehicle and energy storage programs proposed by PSE&G.

8. In its opposition to the Motion to Intervene, PSE&G contends that "all concerns raised by Direct Energy and Centrica fail to establish a substantial or specific interest for either entity, are adequately addressed by other parties, and/or will raise confusion and delay in this proceeding." Opposition at 7. Ultimately, PSE&G requests that the Motion to Intervene be denied and that, at most, Direct Energy and Centrica Business Solutions be limited to participant status in this proceeding.

9. To the extent that Direct Energy and Centrica Business Solutions are granted intervention or participation status, PSE&G seeks to have their involvement limited to only issues concerning the energy storage component of PSE&G's proposed Clean Energy Future – Electric

Vehicle and Energy Storage Program. Opposition at 2. If Centrica Business Solutions is granted intervenor status based on its energy storage business interests, PSE&G requests that the intervention be limited to energy storage for non-residential customers in the event that the Board grants Centrica Business Solutions intervenor status. Opposition at 6-7. Direct Energy and Centrica Business Solutions submit that the aforementioned limitations on their participation in this proceeding would deprive them the opportunity to protect their various interests that directly stem from their status as a competitive supplier in PSE&G's service territory, provider of distributed energy solutions, and PSE&G ratepayer. Moreover, the Motion to Intervene addresses not only Direct Energy and Centrica Business Solutions' competitive interests in energy storage, but also their interests in electric vehicle charging.

10. PSE&G claims that its proposal to utilize ratepayer dollars to benefit participating customers does not support the intervenor or participant status of either Direct Energy or Centrica Business Solutions. PSE&G's claim is wholly unfounded as Direct Energy is a ratepayer of PSE&G and receives services from PSE&G at Direct Energy's corporate location in Iselin, New Jersey. In addition to Direct Energy's status as a PSE&G ratepayer, the status of Direct Energy as a very active third-party supplier in New Jersey's retail market and Centrica Business Solutions' status as a market leader in distributed energy solutions, supports the request for full intervenor status to address cross-subsidization concerns, as well as various other issues regarding PSE&G's proposal to use ratepayer funds to support programs already offered in the private market.

11. In its opposition, PSE&G contends that Direct Energy and Centrica Business Solutions should not be granted intervention as they did not set forth in their Motion to Intervene their commitments to make or receive private investment in energy technology, energy storage or the electric vehicle market in New Jersey. Opposition at 4-6. Contrary to PSE&G, which is

seeking ratepayer funds to provide products and services already available in the private market, Direct Energy and Centrica Business Solutions are not required to set forth in detail their competitively sensitive current and future business plans and should not be required to do so to be granted full party status in this proceeding.

12. Notably, PSE&G did not address the following concerns presented in the Motion to Intervene:

- That PSE&G should not own energy storage facilities or electric vehicle charging infrastructure as those assets are outside its function as a regulated utility;
- That the sale of output from PSE&G's proposed microgrid facilities into the market may impact the price of electricity that will inure to the detriment of suppliers;
- Approving PSE&G's Petition may make customers more likely to perceive that energy storage solutions and electric vehicle charging infrastructure is available only from the traditional monopoly provider and thereby serve to reinforce the historical utility-customer monopoly relationship; and
- Concerns regarding equal access to customer data and the ability of third party suppliers and other market participants to provide competitive service to customers that would be served by the proposed microgrid projects.

13. As the Clean Energy – Future Vehicle and Energy Storage Program will impact the competitive market, in which Direct Energy and Centrica Business Solutions already provide solution-focused products and services, the effect of the program on their business operations alone justifies their intervention. Direct Energy and Centrica Business Solutions likewise have an interest in these issues because the expansion of PSE&G's services to include promotion of electric

vehicle adoption and the provision of energy storage system solutions raises substantial concerns about PSE&G's potential use of its monopoly utility status to gain an unfair advantage over its competitors in the private marketing offering these services. Moreover, the proposed Clean Energy – Future Vehicle and Energy Storage Program may impact the price of electricity that Direct Energy must compete with in PSE&G's territory, access to customer data by Direct Energy and Centrica Business Solutions, and numerous other issues that will directly and substantially affect Direct Energy and Centrica Business Solutions.

14. Direct Energy and Centrica Business Solutions disagree with PSE&G's claim that the relationship between this proceeding and New Jersey's Clean Energy Law is irrelevant to the requested intervention this proceeding. Opposition at 6. The Clean Energy Law mandates that the Board conduct a study on energy storage. N.J.S.A. 48:3-87.8. The mandated study is to include various stakeholders, including third party suppliers such as Direct Energy, as well as providers of energy storage services in the private market such as Centrica Business Solutions. N.J.S.A. 48:3-87.8. The fact that PSE&G proposes to use ratepayer funds for an energy storage program (outside its function as a regulated utility) prior to completion of the study by the Board demonstrates PSE&G's disregard for ratepayer funds and its desire to rush to the market to reinforce its historical utility-customer monopoly relationship. The Clean Energy Law is key to this Board understanding the nature of Direct Energy and Centrica Business Solutions' interest in the outcome of this proceeding as a ratepayer and market participants.

15. Contrary to PSE&G's claims, Direct Energy and Centrica Business Solutions' intervention would not delay this proceeding or confuse matters. Rather, Direct Energy's intervention would ensure that a more complete record is developed about matters affecting the competitive market and Direct Energy and Centrica Business Solutions in particular. As outlined

herein and in the Motion to Intervene, Direct Energy and Centrica Business Solutions' interests in this proceeding justify full intervention status.

16. A grant of participant status is inadequate in that it would limit Direct Energy and Centrica Business Solutions to (i) the right to argue orally, (ii) the right to file a statement or brief, and (iii) the right to file exceptions to the initial decision with the agency head. N.J.A.C. 1:1-16.5. Because participant status would prevent Direct Energy and Centrica Business Solutions from actively participating in all aspects of this proceeding, including discovery, submitting testimony and cross-examining witnesses during the evidentiary hearings, they would be deprived of an opportunity to fully develop the record on the issues they have identified and to protect their direct and substantial interest in the outcome of this proceeding

17. In conclusion, Direct Energy and Centrica Business Solutions submit that PSE&G's opposition to the intervention of parties who are not aligned with its views should not be condoned and respectfully requests that Direct Energy and Centrica Business Solutions be granted full intervenor status.

V. CONCLUSION

On the basis of the foregoing, Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, and Centrica Business Solutions respectfully request that the Office of Administrative Law disregard PSE&G's claims and grant Direct Energy and Centrica Business Solutions' Motion to Intervene so that they may have full party status as an intervenor in this proceeding. As explained more fully in their Motion to Intervene, Direct Energy and Centrica Business Solutions have interests in this proceeding that will be substantially and directly affected by the outcome of this proceeding, their interests are sufficiently different from that of any party so as to add measurably and constructively

to the scope of the case, and the grant of their Motion will not delay or otherwise disrupt the adjudication of this proceeding.

Respectfully Submitted,



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Corporation and Centrica Business Solutions

Dated: November 30, 2018

CERTIFICATION OF FILING AND SERVICE

The undersigned hereby certifies that on the date set forth below an original and ten copies of the within Response to the opposition of Public Service Electric and Gas Company ("PSE&G") to the Motion to Intervene, was sent for filing via hand delivery to the State of New Jersey, Board of Public Utilities as follows:

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
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and that two copies of each of the aforementioned documents were served via email and FedEx upon counsel of record as follows:

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and that copies of each of the aforementioned documents were served via electronic mail to the parties identified on the attached service list.



Christopher E. Torkelson, Esq.

Dated: November 30, 2018