



Agenda Date: 1/27/21
Agenda Item: 8F

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 VERIFIED PETITION)
OF ROCKLAND ELECTRIC COMPANY FOR)
APPROVAL OF AN ENERGY EFFICIENCY)
STIMULUS PROGRAM AND ASSOCIATED RATE)
RECOVERY – REQUEST FOR EXTENSION OF)
THE LOW INCOME AUDIT AND DIRECT)
INSTALL ENERGY EFFICIENCY III PROGRAM) DOCKET NO. EO20120751

Parties of Record:

Margaret Comes, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers a stipulation of settlement (“Stipulation”) executed by Rockland Electric Company (“RECO” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), that resolves the above-captioned matter.

BACKGROUND AND PROCEDURAL HISTORY

On August 9, 2017, RECO filed a petition with the New Jersey Board of Public Utilities (“Board”) for approval of a Low Income Audit and Direct Install Energy Efficiency III Program (“Low Income Audit III Program” or “Program”) (“August 2017 Petition”). In the August 2017 Petition, RECO requested approval of a two (2) year Program designed to provide eligible RECO customers with energy efficiency (“EE”) measures based on results of an energy audit, including health and safety testing, at no charge. Cost effective energy savings measures could include air sealing measures and thermal barriers, LED lightbulbs, programmable thermostats, insulation and refrigerator and room air conditioner replacement. By Order dated March 26, 2018, the Board approved the Program for two (2) years with a projected cost of approximately \$225,800 in Year 1 and \$229,600 in Year 2, or \$455,400 over the two (2) year program period, consisting of program investments of \$323,400 and administrative, marketing, measurement and verification and other expenses of

\$132,000.¹ Program costs are recovered through the Company's Regional Greenhouse Gas Initiative Surcharge ("RGGI Surcharge"), a non-bypassable surcharge applicable to all distribution customers, which was initially set at \$0.000062 per kWh, including Sales and Use Tax ("SUT"). Based on the stipulation agreed to in the March 26 Order, the two-year Low Income Audit III Program would commence upon execution of an agreement extending RECO's contract with its current vendor. By letter dated February 20, 2019, RECO informed Staff and Rate Counsel that the contract with its current vendor was extended on February 8, 2019 with a Program start date of February 1, 2019.

December 2020 Petition

On December 4, 2020, RECO filed the instant petition requesting an extension that would allow the Company to continue to offer the Low Income Audit III Program through June 30, 2021, or until all budgeted funds have been expended, whichever occurs first ("December 2020 Petition"). The Company asserted that the extension would not require any change in the Company's RGGI Surcharge and did not request any additional funding beyond what was approved in the March 26 Order. The Company provided data in the December 2020 Petition which indicated that in 2019 and 2020 the Company spent \$119,528 and is committed to spend an additional \$188,250, based upon thirty-three customers in progress and thirty-eight new applications to be processed which results in an unexpended amount of \$147,621 in the Program.

The Company asserted that extension of the Program would be in the public interest. Pursuant to the schedule in the Board's June 10, 2020 Order, the co-managed Comfort Partners program will begin in July 2021.² By approving an extension of the Company's Low Income Audit III Program, low-income customers in RECO's service territory would be able to continue accessing an EE program from February 1, 2021 through June 30, 2021. Additionally, the Company noted that Program activities were paused as a result of the COVID-19 pandemic and an extension would allow the Company continue Program activities delayed by the pandemic.

In response to discovery, RECO indicated that approximately \$137,608 remains in the Program budget, due in part to the constraints imposed by the COVID-19 pandemic and resulting public health and safety measures. From program inception through September 30, 2021, Program expenditures totaled \$317,792. Accordingly, in the December 2020 Petition, RECO requested authorization to continue the Program through June 30, 2021 or until all funds have been expended. The December 2020 Petition did not propose to modify the existing Low Income Audit III Program component of the Company's RGGI Surcharge or to revise the rate proposed in the Company's annual 2019 Annual True-up, filed with the Board on January 31, 2020.³

¹ In re the Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018 ("March 26 Order").

² In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Program, In re the Matter of the Clean Energy Act of 2018 – Utility Demographic Analysis, and In re the matter of Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1 – Minimum Filing Requirements, BPU Docket Nos. QO19010040, QO19060748 and QO17091004, Order dated June 10, 2020.

³ In re the Matter of the Recovery of Rockland Electric Company's RGGI Surcharge True-Up Filing for 2019, BPU Docket No. ER20010090 ("2019 Annual True-up").

STIPULATION

Following review of the December 2020 Petition and discovery responses, the Parties executed the Stipulation, which provides for the following:⁴

10. The current Low Income Audit III Program Rate including Sales and Use Tax ("SUT") is 0.0062 cents per kWh, which was established in BPU Docket No. ER17080869. The Parties acknowledge that this rate may be modified as a result of the pending RGGI Surcharge true-up filing in BPU Docket No. ER20010090, and in subsequent annual RGGI Surcharge true-up filings.⁵
11. With regard to the Low Income Audit III Program, the Company will continue this program through June 30, 2021 or until the remaining budgeted funds have been expended, whichever occurs first. The Company will complete any close-out activities by September 15, 2021.
12. As shown in Exhibit A attached to the Stipulation, the Company's Low Income Audit III Program actual expenditures in 2019 and 2020 totaled approximately \$133,792 with estimated expenditures for January through September 2021 of \$184,000. Therefore, the Company's total actual and estimated expenditures through September 2021 are \$317,792. Pursuant to the Board Order in Docket No. ER17080869, the Company's approved Low Income Audit III Program budget was \$455,400. The Company's remaining Low Income Audit III Program budget is \$137,608. The Parties agree that all Low Income Audit III Program costs and recoveries remains subject to a prudency review in future RGGI Surcharge true up filings.
13. The Company will refund to ratepayers any unspent funds and/or over collected amounts from customers through the RGGI Surcharge relating to the Low Income Audit III Program.
14. The Company is authorized to continue to recover, subject to review, reconciliation, and refund, all reasonable and prudent Low Income Audit III Program costs in accordance with the same terms and conditions as approved in the March 26 Order. The Parties agree that, except to the extent modified by this Stipulation, the terms and conditions of the Low Income Audit III Stipulation, as approved by the Board's March 26 Order, remain in effect.

DISCUSSION AND FINDING

The Board carefully reviewed the record, including the March 26 Order, December 2020 Petition and the attached Stipulation. The Board **NOTES** the continuation of the Low Income Audit III Program will not result in a modification of the existing RGGI Surcharge or revise the rate proposed in the 2019 Annual True-up as the Company has not proposed any Program changes in the December 2020 Petition. The Company reports expenditures for the Program which supports its claim of being below the budgeted amount. In addition, the Company reports that full

⁴ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finds and conclusions in this Order. Paragraphs are numbered to coincide with the stipulation.

⁵ The Low Income Audit III Program rate is a component of the Company's RGGI Surcharge, which RECO files a petition to true-up annually on February 1.

Program implementation was delayed due to the COVID-19 pandemic and that the extension would give it the opportunity to recoup some of the time lost. Therefore, the Board **FINDS** that an extension of the Program until June 30, 2021 or until the budgeted funding has been expended is reasonable.

Therefore, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues in this matter, is in the public interest, and is in accordance with the law. The Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.

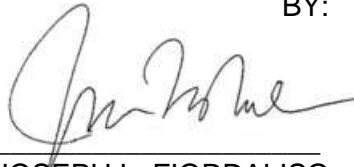
As a result of the Stipulation, RECO's customers will not experience any change in their rates.

The Company's rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

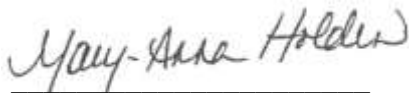
The effective date of this Order is January 31, 2021.

DATED: January 27, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER




UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED
RATE RECOVERY – EXTENSION REQUEST LOW INCOME AUDIT AND DIRECT INSTALL
ENERGY EFFICIENCY III PROGRAM**

BPU DOCKET NO. EO20120751

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In the Matter of the Verified Petition of
Rockland Electric Company for Approval of
an Energy Efficiency Stimulus Program and
Associated Rate Recovery – Request for
Extension of the Low Income Audit and
Direct Install Energy Efficiency III Program**

STIPULATION OF SETTLEMENT

BPU Docket No. EO20120751

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

**Brian O. Lipman, Litigation Manager, Felicia Thomas-Friel, Deputy Rate Counsel and
Maura Caroselli, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A.
Brand, Director)**

**Matko Ilic, Deputy Attorney General, for Staff of the New Jersey Board of Public Utilities
(Gurbir S. Grewal, Attorney General of New Jersey)**

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of the dates below, by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) to execute this Stipulation of Settlement (“Stipulation”) extending the Company’s Low Income Audit and Direct Install Energy Efficiency III Program (“Low Income Audit III Program”) as set forth below.

BACKGROUND

1. In 2009, the Board approved an Energy Efficiency Stimulus (“EES”) Program in its Decision and Order Approving Stipulation dated November 23, 2009 in BPU Docket Nos. EO09010056 and EO09010061 (“November 2009 Order”). The 2009 EES Program included three

(3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program; 2) an On-Line Energy Audit Sub-Program; and 3) a Low Income Audit and Install Sub-Program (“Low Income Audit I Program”). As part of the Low Income Audit I Program, the Company selected a vendor to provide its low-income customers with an energy audit and energy efficiency (“EE”) measures at no cost to the customer.

2. The EES Program expired, and on June 21, 2013, the Company filed a Verified Petition in BPU Docket No. ER13060535 seeking Board approval to administer a new EE program, the Low Income Audit and Direct Install Program Energy Efficiency II Program (“Low Income Audit II Program”), which was similar in most respects to the Low Income Audit I program. The Low Income Audit II Program was approved by the Board.¹

3. The Low Income Audit II Program expired, and on August 9, 2017, the Company filed a petition with the Board for approval of a Low Income Audit III Program, which is similar in most respects to the Low Income Audit I and II programs. The Low Income Audit III Program provides the Company’s low-income customers a home energy survey, health and safety testing and the installation of cost effective EE measures at no cost to the resident.

4. By Order dated March 26, 2018, the Board approved the Low Income Audit III Program for a two (2)-year term, which expires on January 31, 2021.²

5. On June 10, 2020, the Board issued an Order directing the New Jersey utilities to establish EE and Peak Demand reduction (“PDR”) programs.³

¹ See Decision and Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER13060535 (April 23, 2014).

² See Decision and Order Approving Stipulation (“Low Income III Stipulation”), *IMO Verified Petition of Rockland Electric Company for Approval of An Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER17080869 (March 26, 2018) (“Low Income III Order”).

³ Order Directing the Utilities to Establish Energy Efficiency and Peak Demand Reduction Programs, *In the Matter of the Implementation of P.L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs et al*, Docket No. QO19010040 (June 10, 2020) (“June 10 Order”).

6. Pursuant to the June 10 Order, the Company is required to participate in a co-managed Comfort Partners low income program rather than continue its Low Income Audit III Program. Pursuant to the June 10 Order, the Board directed the electric and gas utilities to file for three (3)-year programs to be implemented July 1, 2021.

7. On December 4, 2020, the Company filed a Letter Petition in this docket, requesting authority to extend its Low Income Audit III Program from January 31, 2021 to June 30, 2021, or until the budgeted funds have been expended, whichever occurs first.⁴ The extension would not require any change in the Company's Regional Greenhouse Gas Initiative ("RGGI") Surcharge and did not request additional funding beyond what was approved in the Low Income III Order.

8. The Company's Letter Petition asserted that the extension would be in the public interest as the Low Income Audit III Program is scheduled to terminate on January 31, 2021, and the co-managed Comfort Partner Program would not begin until July 1, 2021. Therefore, unless the Low Income Audit III Program is extended, the Company's low-income customers will be without access to an EE program, from February 1, 2021 through June 30, 2021. Additionally, as the Company's program activities were paused as a result of the COVID-19 pandemic, the extension would allow the Company to make up for program activities delayed by the pandemic.

9. The Parties hereby STIPULATE AND AGREE as follows:

STIPULATED MATTERS

10. The current Low Income Audit III Program Rate including Sales and Use Tax ("SUT") is 0.0062 cents per kWh, which was established in BPU Docket No. ER17080869. The Parties acknowledge that this rate may be modified as a result of the pending RGGI Surcharge true-up

⁴ The Company would complete any close-out activities by September 15, 2021.

filing in BPU Docket No. ER20010090, and in subsequent annual RGGI Surcharge true-up filings.⁵

11. With regard to the Low Income Audit III Program, the Company will continue this program through June 30, 2021 or until the remaining budgeted funds have been expended, whichever occurs first. The Company will complete any close-out activities by September 15, 2021.

12. As shown in Exhibit A attached to this Stipulation, the Company's Low Income Audit III Program actual expenditures in 2019 and 2020 totaled approximately \$133,792 with estimated expenditures for January through September 2021 of \$184,000. Therefore, the Company's total actual and estimated expenditures through September 2021 are \$317,792. Pursuant to the Board Order in Docket No. ER17080869, the Company's approved Low Income Audit III Program budget was \$455,400. The Company's remaining Low Income Audit III Program budget is \$137,608. The Parties agree that all Low Income III Program costs and recoveries remain subject to a prudency review in future RGGI Surcharge true up filings.

13. The Company will refund to ratepayers any unspent funds and/or over collected amounts from customers through the RGGI Surcharge relating to the Low Income Audit III Program.

14. The Company is authorized to continue to recover, subject to review, reconciliation, and refund, all reasonable and prudent Low Income Audit III Program costs in accordance with the same terms and conditions as approved in the Low Income III Order. The Parties agree that, except to the extent modified by this Stipulation, the terms and conditions of the Low Income III Stipulation, as approved by the Board's Low Income III Order, remain in effect.

CONCLUSION

⁵ The Low Income Audit III Program rate is a component of the Company's RGGI Surcharge, which RECO files a petition to true-up annually on February 1.

15. 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.

16. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, 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. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item.

17. The Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

Date: January 25, 2021

DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

By: Maura Caroselli
Maura Caroselli, Esq.
Asst. Deputy Rate Counsel EO20120751

Date: January 25, 2021

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

By: Matko Ilic
Matko Ilic
Deputy Attorney General

Date: January 25, 2021

Exhibit A

2019	Number of Participants	Program Implementation	Incentives & Services	Marketing/ Admin Support	Total Expenditure
February	0	\$ -	\$ -	157.09	\$ 157.09
March	0	\$ -	\$ -	185	\$ 185.00
April	0	\$ -	\$ -	2320.05	\$ 2,320.05
May	0	\$ -	\$ -	989.25	\$ 989.25
June	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
July	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
August	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
September	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
October	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
November	4	\$ 2,750.00	\$ 4,531.56	\$ -	\$ 7,281.56
December	5	\$ 2,750.00	\$ 8,835.72	1800	\$ 13,385.72
Total	9				\$ 38,068.67
2020	Number of Participants	Program Implementation	Incentives & Services	Marketing/ Admin Support	Total Expenditure
January	8	\$ 2,750.00	\$ 17,488.47		\$ 20,238.47
February	2	\$ 2,750.00	\$ 9,619.38	544.26	\$ 12,913.64
March	2	\$ 2,750.00	\$ 6,218.20	\$ -	\$ 8,968.20
April	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
May	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
June	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
July	7	\$ 2,750.00	\$ 7,359.24	\$ -	\$ 10,109.24
August	1	\$ 2,750.00	\$ 334.40	\$ -	\$ 3,084.40
September	1	\$ 2,750.00	\$ 7,258.30	\$ -	\$ 10,008.30
October	0	\$ 2,750.00	\$ -	\$ -	\$ 2,750.00
November	5	\$ 2,750.00	\$ 4,852.36	5091.09	\$ 12,693.45
December	5	\$ 2,750.00	\$ 3,958.06	\$ -	\$ 6,708.06
Total	31	\$ 33,000.00	\$ 57,088.41	\$ 5,635.35	\$ 95,723.76
2021 (Estimated)*	Number of Participants	Program Implementation	Incentives & Services	Marketing/ Admin Support	Total Expenditure
January	10	\$ 2,750.00	\$ 25,000.00	\$ 275.00	\$ 28,025.00
February	10	\$ 2,750.00	\$ 25,000.00	\$ 275.00	\$ 28,025.00
March	12	\$ 2,750.00	\$ 30,000.00	\$ 275.00	\$ 33,025.00
April	12	\$ 2,750.00	\$ 30,000.00	\$ 275.00	\$ 33,025.00
May	12	\$ 2,750.00	\$ 30,000.00	\$ 275.00	\$ 33,025.00
June	10	\$ 2,750.00	\$ 25,000.00	\$ 275.00	\$ 28,025.00
July		\$ -	\$ -	\$ 275.00	\$ 275.00
August		\$ -	\$ -	\$ 275.00	\$ 275.00
September		\$ -	\$ -	\$ 300.00	\$ 300.00
Total	66	\$ 16,500.00	\$ 165,000.00	\$ 2,500.00	\$ 184,000.00
Program Total					\$ 317,792.43