

Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
Email: danielle.lopez@pseg.com



September 23, 2021

VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: *In The Matter Of The Implementation of L. 2021, C. 200 Regarding Establishment of the School and Small Business Energy Efficiency Stimulus Program, BPU Docket No. QO21081073*

Dear Secretary Camacho-Welch:

Please accept these comments on behalf of Public Service Electric and Gas Company ("PSE&G" or the "Company") in response to the September 9, 2021 Notice of the New Jersey Board of Public Utilities ("Board" or "BPU") soliciting comments regarding the establishment of the School and Small Business Energy Efficiency Stimulus Program. We thank the Board for the opportunity to present these comments on behalf of PSE&G in this proceeding.

PSE&G appreciates the BPU's timely implementation of the Stimulus Funding program, which will provide important funding to help school districts and small businesses improve indoor air quality, public health and safety, as well as encourage energy efficiency and cost savings. In particular, PSE&G commends the emphasis placed on providing funding to schools and businesses in underserved communities.

The Company fully supports that the draft guidelines for both programs require applicants utilize the incentives available to them through utility energy efficiency programs. The inclusion of this detail is important, as it will encourage applicants to seek support from all existing resources and maximize the benefit to participating schools and businesses. Furthermore, by utilizing existing energy efficiency programs, schools and small businesses in underserved communities will be able to leverage this stimulus funding to pursue comprehensive, whole building solutions that will achieve even greater savings and cost efficiencies than what the stimulus funding would otherwise be able to achieve on its own.

However, PSE&G recommends that Staff reconsider its proposed requirement that program grant funding be applied after the value of any utility energy efficiency program incentive is deducted from the project costs, as detailed in the SSBVEEVR Draft Program Guide, Section 2.3, item number 5 (page 10) and the SSBNPFA Draft Program Guide, Section 3.5.

PSE&G notes that Section 2(a) of the Law requires the Board to establish and administer a fund to support grants under the Stimulus Program, to be used only to support the School and Small Business Ventilation and Energy Efficiency Verification and Repair Program, and the School and Small Business Noncompliant Plumbing Fixture and Appliance Program. In addition, Section 2(d) states that the program fund shall be funded by “monies provided to the State from the federal government under the ‘American Rescue Plan Act of 2021,’ Pub. L. 117-2.” Section 2(f) of the Law further specifies, “Program grants made pursuant to this section shall provide no more than 75 percent of the costs of projects approved by the board, with the remaining 25 percent covered by non-SSBVEEVR or non-SSBNPFA funding sources.” PSE&G believes that this section of the Law intends for the program fund to be funded by the American Rescue Plan and for other monies not specifically in the fund (such as funding from utility energy efficiency programs) to be used towards the other 25% of project costs and not first subtracted from the total project costs before grant funding is applied. As such, PSE&G believes that utility incentives should offset the 25% of project costs not eligible for Stimulus Program funding.

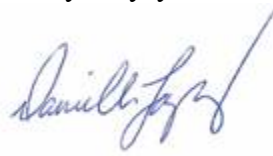
PSE&G also encourages Board Staff to work with the utilities to develop marketing for each of these programs to ensure that underrepresented communities are aware of these programs and more importantly understand how they can benefit from the incentives and stimulus funding. Awareness and ease of access to these programs will significantly lower the barriers to participation, especially for underserved communities that may have limited resources.

Finally, consistent with Section 4(c)(2), which states “If a certified energy auditor identifies cost-effective energy efficiency upgrades or repairs that would exceed the additional 20 percent awarded, a board of education or small business may apply for additional funding for the cost-effective energy efficiency upgrades or repairs through the Board's existing energy efficiency programs, which shall receive priority treatment”, the Company encourages the BPU to prioritize applications and funding for projects that will utilize the stimulus funding as part of comprehensive, whole-building energy efficiency improvements. Projects that seek to complete comprehensive energy efficiency projects will achieve more cost-effective, longer-term energy savings and provide more environmental benefits. By this approach, the stimulus funding will be used on projects that will have the greatest impact on school districts and small businesses in underserved communities.

PSE&G commends the BPU’s efforts to expeditiously and prudently establish these programs and continues to encourage Staff to work with the utilities to promote these programs and prioritize project applications with the most comprehensive energy efficiency proposals, in order to maximize the cost-effectiveness and long-term benefits of this program. Finally, PSE&G strongly recommends that Staff revise the program plans to better align with the law so that participants in the Stimulus Program may utilize the incentives from utility energy efficiency programs to offset the 25% of project costs that are not eligible for Stimulus Program funding.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically with the Secretary of the Board and Rate Counsel. No paper copies will follow.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", with a long, sweeping flourish extending from the end.

Danielle Lopez

cc: Bob Brabston
Stacy Peterson
David Brown
Ryan Moran
Heather Weisband
Matko Ilic
Brian Lipman
David Wand
Maura Caroselli
Debora Layugan