



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY FOR )  
APPROVAL OF AN EXTENSION OF A SOLAR )  
GENERATION INVESTMENT PROGRAM AND )  
ASSOCIATED COST RECOVERY MECHANISM AND )  
FOR CHANGES IN THE TARIFF FOR ELECTRIC )  
SERVICE, B.P.U.N.J. NO 15 ELECTRIC PURSUANT )  
TO N.J.S.A. 48:2-21, 48:2-21.1 AND N.J.S.A. 48:3-98.1 ) DOCKET NO. EO12080721

**Parties of Record:**

- Matthew M. Weissman, Esq.**, Attorney for Petitioner, Public Service Electric and Gas Company
- Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel
- Steven S. Goldenberg, Esq.**, on behalf of the New Jersey Large Energy Users Coalition
- James E. McGuire, Esq.**, on behalf of WattLotts, LLC
- Michael A. Gruin, Esq.**, on behalf of The Solar Energy Industries Association
- William Potter, Esq.**, on behalf of the Mid-Atlantic Solar Energy Industries Association
- Cynthia L. M. Holland, Esq.**, on behalf of Petra Solar
- Robert F. Shapiro, Esq.**, on behalf of Prologis
- Hani Khoury, Esq.**, on behalf of the New Jersey Solar Industry Manufacturers Association
- Robert T. Lawless, Esq.**, on behalf of SunDurance Energy
- Michael R. Yellin, Esq.**, on behalf of KDC solar LLC
- Gary Weisman, Esq.**, on behalf of the New Jersey Solar Energy Coalition
- Pamela J. Scott, Esq.**, Atlantic City Electric Company

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation

measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

### **August 2012 Filing**

On August 1, 2012, Public Service Electric and Gas Company ("PSE&G" or "Company") filed the instant petition with the Board. By letter dated August 31, 2012, Board Staff notified PSE&G that the filing was administratively incomplete. On September 12, 2012, PSE&G submitted a supplemental filing to address the deficiencies outlined in the August 31 letter from Staff. Subsequently, Board Staff notified PSE&G that with the information submitted in the September 12 supplemental filing, the filing was administratively complete.<sup>1</sup>

In the petition, PSE&G seeks approval to extend its current Solar 4 All Program through the addition of four distinct segments ("S4A Extension Program"). Under the proposal, PSE&G would develop an additional 136 megawatt dc of solar photovoltaic systems. It is estimated that the S4A Extension Program's capital investment will be approximately \$690 million over a five year period. PSE&G proposes to recover all S4A Extension Program costs through a new component of the Regional Greenhouse Gas Initiative Recovery Charge.

By Order dated October 23, 2012, the Board retained this matter for review and hearing as authorized by N.J.S.A. 48:2-32 and designated President Robert M. Hanna as the presiding officer in this proceeding. Subsequently, by Order dated November 19, 2012, President Hanna approved a procedural schedule in this matter. By Order dated November 29, 2012, President Hanna ruled on motions to intervene that had been filed as of that date. By various Orders since then, additional parties have been added to this proceeding with each new party agreeing to adhere to that schedule. By Order dated January 15, 2013, President Hanna approved a

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<sup>1</sup> N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. In 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, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination commenced on September 12, 2012 and absent waiver by the Company would expire on March 11, 2013.

revised procedural schedule. By Order dated January 23, 2013, the Board approved a stipulation between the Parties that extended the 180 day review period through April 1, 2013.

Intervenors, including the Division of Rate Counsel ("Rate Counsel"), filed testimony on January 18, 2013. On February 6, 2013, PSE&G filed rebuttal testimony which included a cost of equity study and extensive financial analysis. On February 8, 2013, Rate Counsel filed a motion in limine to strike this testimony and that of Company witness Jorge Cardenas or, in the alternative, to extend by sixty days the time for Rate Counsel to issue discovery on the rebuttal testimony and to present written surrebuttal testimony. On February 13, 2013, PSE&G filed its response to Rate Counsel's motion maintaining that the challenged testimony was properly submitted under the schedule and responsive to Rate Counsel's testimony.

On February 15, 2013, following discussions among the parties on February 14, 2013 and February 15, 2013, a revised schedule allowing time for written surrebuttal and limited discovery thereon was developed, dependent on a further extension of the 180-day time for a final decision. No party objected to the revised schedule after circulation to the e-service list. By Order dated February 21, 2013, President Hanna approved a revised procedural schedule. Pursuant to the modified procedural schedule, on March 1, 2013, Rate Counsel submitted the surrebuttal testimony of Andrea C. Crane, David E. Dismukes, Ph.D., and Matthew I. Kahal.

Hearings are scheduled for the week of March 18, 2013.

### **STIPULATION**

The Parties have met to discuss the filing. On March 6, 2013, the Parties entered into the attached stipulation of settlement ("Stipulation") whereby the Parties agreed to a further extension of the 180 day review period.

The Signatory Parties have agreed to the following key term<sup>2</sup>:

8. By Order dated January 23, 2013, the Board approved the Stipulation to extend the deadline for Board action on the Petition to April 1, 2013. In order to provide for the filing of written surrebuttal testimony, and discovery thereon, and in order to provide the Board with additional time to complete the processing of the Petition and issue a final determination in this matter, the undersigned parties have subsequently agreed to request an extension of May 1, 2013.

### **DISCUSSION AND FINDING**

The Board has carefully reviewed the record to date in this matter. The Board is satisfied and **HEREBY FINDS** that the Stipulation is reasonable and is in the public interest as it provides additional time for the filing of written surrebuttal and a thorough review of the proposed Solar 4 All Program, and allows for the development of a full and complete record for review by the

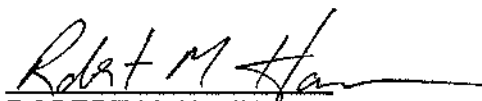
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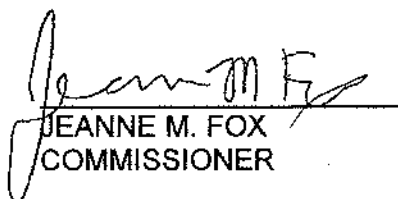
<sup>2</sup> Should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion of this Order.

Board. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as it fully set forth herein.

DATED: 3/20/13

BOARD OF PUBLIC UTILITIES  
BY:


  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

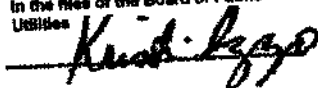
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
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



In the Matter of the Petition of Public Service Electric and Gas Company for Approval of an Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric Pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and N.J.S.A. 48:3-98.1 - DOCKET NO. EO12080721

NOTIFICATION LIST

<b>BOARD OF PUBLIC UTILITIES</b>		
Jerome May New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Elizabeth Ackerman Division of Economic Development and Energy Policy New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Tricia Caliguire, Esq. Counsel's Office New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350
Alice Bator New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Michael Winka New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Stacy Peterson New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350
Scott Hunter New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Andrea Reid New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Kristi Izzo, Secretary New Jersey Board of Public Utilities 44 S. Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350
Rachel Boylan, Esq. New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	Bethany Rocque-Romaine, Esq. New Jersey Board of Public Utilities 44 South Clinton Avenue, 9 <sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350	
<b>DIVISION OF RATE COUNSEL</b>		
Stefanie A. Brand, Esq., Director Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101	Paul Flanagan, Esq. Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101	Felicia Thomas-Friel, Esq. Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101
Kurt Lewandowski, Esq. Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101	Maria Novas-Ruiz, Esq. Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101	Sarah H. Steindel, Esq. Division of Rate Counsel 31 Clinton Street, 11 <sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101
Andrea C. Crane The Columbia Group, Inc. P.O. Box 810 Georgetown, CT 06829	David E. Dismukes, Ph.D. Acadian Consulting Group 5800 One Perkins Place Drive Building 5, Suite F Baton Rouge, LA 70808	Matthew I. Kahal 10480 Little Patuxent Parkway Suite 300 Columbia, Maryland, 21044

<b>DEPARTMENT OF LAW &amp; PUBLIC SAFETY</b>		
Caroline Vachier, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Alex Moreau, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101
David Wand, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101		
<b>PSE&amp;G</b>		
Matthew M. Weissman, Esq. PSEG Services Corporation 80 Park Plaza, T5G P.O. Box 570 Newark, NJ 07102		Sheree L. Kelly, Esq. PSEG Services Corporation 80 Park Plaza, T5G P.O. Box 570 Newark, NJ 07102
<b>OTHER PARTIES</b>		
Michael A. Guin, Esq. Stevens & Lee, P.C. 620 Freedom Business Center, Suite 200 King of Prussia, PA 19406	Susan P. LeGros, Esq. Stevens & Lee, P.C. 620 Freedom Business Center, Suite 200 King of Prussia, PA 19406	Paul F. Forshay, Esq. Sutherland Asbill & Brennan LLP 1275 Pennsylvania Avenue, N.W. Washington, DC 20004
Steven S. Goldenberg, Esq. Fox Rothschild LLP Princeton Pike Corporate Center 997 Lenox Drive, Building 3 Lawrenceville, NJ 08648-2311	Tony Shay, Vice President Sales and Government Affairs Petra Solar 300-G Corporate Court South Plainfield, NJ 07080	Matthew Davey Regulatory Manager Petra Solar 300-G Corporate Court South Plainfield, NJ 07080
James E. McGuire, Esq. Reed Smith LLP WattLotts LLC 136 Main Street Princeton, NJ 08540	Hani Khoury, Esq. Awad & Khoury, LLP 777 Terrace Avenue Suite 303 Hasbrouck Heights, NJ 07604	Drew Torbin Vice President- Renewable Energy Prologis 4545 Airport Way Denver, CO 80239
Pamela J. Scott, Esq. Atlantic City Electric Assistant General Counsel P.O. Box 6066 Newark, DE 19714-6066	Michael R. Yellin, Esq. Cole, Schotz, Meisel Forman and Leonard, P.A. Attorneys for KDC Solar LLC 25 Main Street Hackensack, New Jersey 07601	Cynthia L. M. Holland, Esq. Genova, Burns, Giantomasi and Webster Attorneys for Petra Solar 494 Broad Street Newark, NJ 07102-3230
Gary Weisman, Esq., 61 Allen Street Rumson, New Jersey 07760		
Robert F. Shapiro Partner Chadbourne & Parke, LLP 1200 New Hampshire Ave, NW Washington, DC 20036	Robert T. Lawless Hedinger & Lawless L.L.C. 147 Columbia Turnpike Florham Park, NJ 07935-2145	William Potter Potter and Dickson MSEIA 194 Nassau Street, Suite 32 Princeton, NJ 08542-7003