NJUA
NEW JERSEY UTILITIES ASSOCIATION

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November 8, 2017

Board of Public Utilities
NJ Office of Clean Energy
Anne-Marie McShea, Clean Energy Program Administrator
ATTN: NJCEP – Protocols to Measure Resource Savings
44 S. Clinton Ave., 7th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: NJCEP – Protocols to Measure Resource Savings

Dear Ms. McShea:

On October 25, 2017, the NJ Board of Public Utilities, Office of Clean Energy ("OCE"), issued a request for comments regarding changes to the New Jersey's Clean Energy Program ("NJCEP"), Protocols to Measure Resource Savings, (NJCEP Protocols), with a deadline of 5 p.m. on November 9, 2017. I am writing on behalf of the electric and natural gas companies ("the utilities") that are members of the New Jersey Utilities Association ("NJUA")[1] to request a postponement of the comment period. NJUA is the New Jersey statewide trade association for investor-owned utilities that provide essential water, wastewater, electric, natural gas, and telecommunications services 24 hours a day, 7 days a week, 365 days a year.

In June 2017, ERS was engaged by Rutgers University to evaluate and update the NJCEP Protocols. OCE informed the utilities about this pending study at the June 23, 2017 Utility Work Group meeting. At the same meeting, the utilities expressed interest in being engaged in this effort. The following week OCE provided the opportunity for the utilities to learn more about the study and offer suggestions regarding specific measures to be reviewed. Numerous utility representatives participated in a conference call with ERS and OCE staff and appreciated the efforts to listen to our suggestions and leverage our insights. Unfortunately, this collaborative effort did not continue as the study evolved over the course of the summer.

It is our understanding that the initial draft of the ERS Memo summarizing the proposed changes to the NJCEP Protocols was issued on September 5, 2017, and updated twice – on October 11 and October 18. As you know, the ERS Memo presented findings of a comparative measure life study ERS completed as

[1]The seven NJUA member companies participating in this submission include: Atlantic City Electric Company, Elizabethtown Gas, Jersey Central Power & Light, New Jersey Natural Gas, Public Service Electric & Gas Company, Rockland Electric Company, and South Jersey Gas Company.

part of its review of the NJCEP Protocols. While other interested parties, such as TRC and Rutgers were given the first draft of the Memo, along with the updates, NJUA member companies were not made aware of its existence until October 25 when the request for comments was issued. Further, there is reference in the Memo to the Center for Energy, Economic, and Environmental Policy (CEEEP), memo, entitled "Estimation of Freeridership and Spillovers (Free Drivers) in NJCEP Protocols" which, as of the date of this writing, has not yet been provided to our member companies.

We also note that, the comprehensive review period for evaluation of the proposed changes could not begin in earnest until November 3, 2017, when representatives from ERS were available to present the full context of their approach and answer clarifying questions from stakeholders, the answers to which are critical to our approach on the review of the proposed changes.

Many of the proposed changes to the NJCEP Protocols have the potential to significantly impact future Energy Efficiency programs as well as the value that may be applied to a particular savings measure. Among other things, there are significant decreases proposed in the HVAC category that could have major implications for NJCEP programs, as well as utility energy efficiency programs. While there may be a basis to refresh some elements of the NJCEP protocols, any adjustments should be based on a comprehensive study that includes the potential for utility data when available. Without broader input from the utilities during the fieldwork stage, it is not possible to conclude whether these proposed changes reflect the best data available for New Jersey.

Further while the utilities appreciate the Board's interest in ensuring that ratepayer funded energy efficiency programs are being properly valued, we believe modifications should be considered as part of a more comprehensive effort that also considers the approach to cost effectiveness screening, including non-energy impacts. At the same June UWG meeting, OCE invited a national expert to share insights into how other states are refining their approach to screening efficiency programs. Chris Neme, from Energy Futures Group, provided an excellent overview of the efforts of the National Efficiency Screening Project and their new National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources. That document provides comprehensive guidance on developing a jurisdiction's primary cost-effectiveness test using the Resource Value Framework, as well as other guiding principles. We encourage the Board to consider whether potential revisions to protocols should be addressed as part of a more comprehensive effort with broader stakeholder input.

As such, we respectfully request that the submission of comments be postponed so that the protocols be considered as part of a more comprehensive effort with broader stakeholder input.

Thank you again for the opportunity to participate in this process. We appreciate your consideration of our request to postpone the comment period and look forward to an ongoing collaborative effort.

Sincerely,

Thomas R. Churchelow, Esq.

Senior Director, Government and Public Affairs
New Jersey Utilties Association