New Jersey
Natural Gas

VIA ELECTRONIC MAIL (publiccomments@njcleanenergy.com)

November 7, 2011

Ms. Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

IN THE MATTER OF THE COMPREHENSIVE
ENERGY EFFICIENCY AND RENEWABLE
ENERGY RESOURCE ANALYSIS FOR THE
2013 -2016 CLEAN ENERGY PROGRAM
DOCKET NO. EO11050324V

Dear Ms. Izzo:

New Jersey Natural Gas ("NJNG") has reviewed the October 7, 2011 Order ("October 7 Order") issued by the Board of Public Utilities ("BPU") to establish the procedural schedule and issues to be addressed in the upcoming proceeding for the 2013-2016 Clean Energy Program, BPU Docket No EO11050324V ("CRA Proceeding"). NJNG appreciates the Board's efforts to obtain stakeholder input at the outset on how New Jersey's Clean Energy Program ("NJCEP") can support the proposed objectives of the Draft Energy Master Plan ("Draft EMP") along with potential changes to programs and funding levels needed to achieve those objectives. After reviewing the questions posed within the October 7 Order, NJNG is submitting comments on the following seven key areas.

**Consideration of Funding Levels**

At this time, NJNG is not proposing either specific funding levels or detailed allocations among the noted market segments but strongly encourages the Board to continue providing program options for all classes of customers subject to the Societal Benefits Charge ("SBC").

Furthermore, NJNG encourages the Board to conduct additional analyses of potential aggregate benefits achievable through programs while considering funding levels for program years 2013 to 2016. The Draft EMP includes a focus on reducing energy costs for businesses and properly structured NJCEP programs provide one method of achieving that objective. As noted in the report of the EMP Clean Energy Funding Working Group ("CEF Working Group Report"), New Jersey has the opportunity to access no-cost technical assistance in this area through the State Energy Efficiency Action (SEE) Network. The information available through the SEE Network can provide data to ensure that the State is considering the true net impact of program costs while also assessing overall program benefits.

Consideration of funding levels should also address the potential for cross impacts to other SBC programs, primarily the NJCEP-funded Comfort Partners program. The electric and natural gas utilities use the Comfort Partners program to target weatherization improvements at the homes of low income customers with the highest energy burdens. As such, this program provides an opportunity to generate significant on-going savings for all customers by reducing the level of recurring financial assistance provided to low income customers through the SBC-funded Universal Service Fund ("USF"). NJNG believes there may be further opportunities to reduce USF costs by helping electric heat USF customers convert their heating systems to natural gas, a heating source recognized in the Draft EMP as more affordable.

**Other funding mechanisms**

Evaluation of the potential value of PJM capacity payments generated by the NJCEP program should be considered by the entity selected as the NJCEP Program Administrator, assuming the structure envisioned in the Board's recently issued Request for Information ("RFI") on NJCEP Program Management Services is pursued. Such evaluation should include the level of revenue generated, any "ownership" issues associated with rights to bid the energy savings, the potential costs associated with meeting the standards for PJM measurement and verification, and any possible risks of participation.

NJNG also urges that serious analysis be given to the implementation of an Energy Efficiency Portfolio Standard ("EEPS"). Since an EEPS, of necessity, relies on trying to measure energy that is not used, it is considerably harder to implement than a Renewable Portfolio Standard ("RPS") which meters actual renewable energy generated. Adequately measuring avoided energy usage is likely to require significant energy modeling, a process that is cost prohibitive for all but large commercial and industrial energy-efficiency projects. Given the strong focus in the Draft EMP on minimizing administrative costs, an EEPS is not a preferred approach for programs serving residential and small commercial market segments.

**Soliciting input regarding funding levels and program development**

NJNG commends the Board Staff for its on-going efforts to include stakeholder input through informal channels such as the NJCEP Energy Efficiency and Renewable Energy Committees and in formal proceedings such as this. NJNG further believes that the long term interests of NJCEP will be best served if there is a stronger focus on reviewing program models in other jurisdictions and leveraging resources available through the Federal government and collaborative initiatives like the SEE Action Network. Resuming membership in the Consortium for Energy Efficiency ("CEE"), a leading non-profit advocate for advancing energy efficiency, may provide the best opportunity through which NJCEP can assess on-going clean energy initiatives in other jurisdictions, as well as the potential market impacts of new technologies. The SEE Action initiative has engaged diverse stakeholders in the development and implementation of eight energy-efficiency roadmaps across the residential, commercial, and industrial sectors. The organization provides up-to-date information on such key topics as: evaluation, measurement and verification; financing; building codes; consumer information and behavior; and, utility motivation and energy efficiency. SEE Action's work groups provide a variety of resources to help support and advance energy efficiency in the noted topic areas, many of which may assist in the Board's consideration of various program approaches and policy alternatives.

NJNG agrees with the emphasis placed on the role of evaluation in the CEF Working Group Report to assess the performance of programs and inform their future refinement. To the extent that the State is continuing to analyze NJCEP program data to determine the success in reducing greenhouse gas ("GHG") emissions as legislatively mandated through the Global Warming Response Act ("GWRA"), it is important to ensure that future evaluations consider the full-fuel cycle impact. An August 18, 2011 policy statement of the Department of Energy noted their intention to work collaboratively with the Federal Trade Commission to ensure that full-fuel cycle energy and GHG emissions data are available to the public. In that way, cross-class comparisons of product energy usage and emissions are possible. Further, the September 15, 2011 National Petroleum Council Report also recommended reliance on a full-fuel cycle analysis. It is likely that the scope of previous NJCEP evaluations may not have considered the full-fuel impact and, instead, focused on the traditional site-measurement of emissions only. While NJNG is not suggesting that site-measurement be eliminated, future program evaluations must also consider full-fuel cycle impacts to properly assess the GHG emission reductions.

**Rebates vs. Financing**

As an entity that is currently offering an energy-efficiency financing alternative to our residential customers through an On-Bill Repayment Program ("OBRP"), NJNG supports the expansion of such options as a way to encourage participation in energy-efficiency activities. Such options eliminate the up-front costs that often deter customers from making an initial investment. However, NJNG believes that the New Jersey market is not yet ready for such an aggressive approach as the total elimination of NJCEP rebates. Programs that encourage customers to proactively address the energy efficiency of their homes and businesses and, importantly, to undertake comprehensive 'whole-house' or 'whole-business' improvements still necessitate the availability of some combination of financing and rebates to encourage customer action. Further, elimination of rebates could influence customer decisions in emergency replacement situations. Restructuring programs too quickly, with a focus on financing, may have an adverse economic impact on many small- and mid-size contractors, many of whom frequently serve customers needing a greater incentive than financing. Any transition away from rebates should be gradual and include the development of both contractor training and customer education materials to demonstrate how financing provides the opportunity to make cost effective investments in energy efficiency.

Further, there are some market segments and program approaches important to achieving cost effective energy efficiency that are not adequately served through a financing approach alone. Those areas include, but are not limited to, the following:

- Programs for lower cost items that provide significant energy savings (such as CFL and LED lighting, set-top boxes) may provide an opportunity to reach a broad segment of customers. These simple product changes have energy savings great enough to offset a customer's annual SBC contribution. From a longer term perspective, these initial investments in rebates also help to transform the market, reducing costs for all without additional program costs.

- Programs that serve low-income households unable to make any financial investment in energy efficiency.

- Programs for commercial and industrial customers for distributed generation technologies, such as combined heat and power installations and fuel cells, still need some level of incentive payment to encourage customer investments. As discussed below, the initial cost of investing in these developing markets may become a barrier to customer participation, preventing both individual customers and the State as a whole from receiving the benefits of lower energy costs and less demand on the State's electric infrastructure.

Accordingly, NJNG agrees that incentive or rebate payments may be decreased over time; however, it is important that any changes be made gradually with the needs and finances of all customer groups and the impacts on trade allies in mind. Additionally, as noted above, there are some market segments that will continue to need SBC funding and should not be considered for such transition.

**Role of Utility Programs**

NJNG strongly believes that the Board should allow utility programs approved through N.J.S.A. 48: 2-98.1 ("RGGI programs") to continue. The Draft EMP "recognizes the value" in having the utilities deliver energy-efficiency and conservation programs. It references the frequent and unique contact that utilities have with consumers through monthly bills, customer call center functions, on-line resources and web-sites, field offices, and field activities. Additionally, those channels can be leveraged to highlight conservation and energy-efficiency programs at the time when customers, seeing their bills, are directly aware of the cost of energy in their homes or businesses. Further, nearly all respondents to the above-mentioned RFI on NJCEP management noted the potential benefits of working with utilities in the delivery of such programs. Based on their varied types and levels of industry experience, these nationally involved respondents characterized the importance of continued utility involvement with statements such as: "...partnering with utilities provides the best outcome.", "the benefit of utility involvement is added credibility for the end user.", "the most successful models include utility involvement", and "... the utility remains a very important market actor and engaging utilities is critical." Support for utility involvement is also documented in many national studies conducted by energy-efficiency advocacy organizations such as the Alliance to Save Energy, the American Council for an Energy Efficient Economy and the Regulatory Assistance Project, as well as through collaborative policy initiatives from the National Action Plan for Energy Efficiency and the SEE Action Network. As a provider of such programs, NJNG stands confident that our efforts are helping to advance energy-efficiency within the residential market. For example, in a two-year period, our energy-efficiency program completed over 11,000 Home Performance with Energy Star audits and is actively engaged with more than 900 contractors. The approximately $28 million invested in NJNG programs alone represents over $73 million in economic activity for our state.

The combination of extensive minimum filing requirements, including a cost benefit analysis and specific comparison to NJCEP programming, along with the rigorous review process conducted in a RGGI proceeding ensure that programs are not duplicative of NJCEP, enhance the energy-efficiency features and functions of the NJCEP offerings and strengthen the overall marketplace. Through this structure, utilities seeking to offer energy-efficiency and renewable energy programs must justify all proposals, showing that participants and trade allies are benefited. Additionally, through the mandated review process, both the Board and the New Jersey Division of Rate Counsel ("Rate Counsel") have the opportunity to avoid programs that are unnecessarily duplicative of NJCEP or deemed not cost-effective.

NJNG does not believe it is practical to require the utilities to consolidate their RGGI submissions into a single filing, given the service territory, programs distinctions and underlying cost structure differences, but acknowledges that it may be beneficial for the Board to standardize the timing of the filings. This could be similar to the processes currently followed for the annual Basic Gas Supply Service and Basic Generation Service filings. All such submissions are filed by a pre-established date and include standard elements but, then, all cases are reviewed individually to take into consideration the underlying differences unique to each company. Further, it may be beneficial for the BPU's Office of Clean Energy to hold informal discussions with interested utilities, the NJCEP Program Coordinator and Market Managers, and Rate Counsel Staff to seek alignment on the key features desired in utility programming. NJNG urges caution in limiting utility offerings to only features or programs that all companies are willing to implement. The utility programs provide a cost effective way for the State to pilot different programs or approaches and NJNG wishes to ensure that customer offerings are not limited to the lowest common denominator of what can or will be provided. For example, technical limitations of a particular utility to offer an on-bill repayment plan should not preclude others from offering a program with that feature.

**Distributed Generation**

Distributed Generation ("DG"), including Combined Heat and Power ("CHP") and fuel cell systems, are generating facilities located at or near the structure using the power generated. CHP systems capture and use heat energy that is normally wasted through venting into the air or discharging into water streams. Studies have shown that almost two-thirds of the energy used to generate electricity in the United States is wasted. By developing a system that uses excess or wasted energy from power generation, integrated heating, cooling and power system efficiencies can be as high as 85 percent. As noted in the Draft EMP, an expanded focus on DG, including CHP and fuel cells, can improve overall system reliability by generating fuel more efficiently. However, there is a high cost associated with developing DG facilities, necessitating the continuation of financial incentives, grants and permitting assistance. The Board has also recently taken action to establish incentives for the type of fuel cells that do not utilize waste heat recovery in the facility. Given the importance of DG from both reliability and cost perspective, NJNG believes that it is important for the State to continue incentives in this area in order to gain more practical customer experience with the developing technology. Financial support can significantly expand the number of commercial customers willing to invest in various DG technologies.

In 2010, New Jersey industrial electric prices were 71 percent higher than the national average while prices for natural gas used to generate electricity were only 7.7 percent higher than the national average. Since many commercial locations require electricity on a 24/7 basis, the benefits available from the installation of an on-site DG system are numerous: carbon dioxide emissions are reduced, increasing energy efficiency; line losses can also be lessened, especially during times of peak demand; the increased efficiency provides competitive business solutions that reduce costs and increase job creation; energy security is enhanced while power quality and reliability is increased; and, local grid congestion can be ameliorated through increased capacity being available. Despite those conclusive benefits, the amount of power generated in New Jersey from CHP installations alone has been declining drastically since 2007. NJNG believes that the proposed changes for the 2012 NJCEP program offerings, including a significant commitment for DG funding and the elimination of the requirement to participate in the Pay for Performance Program, should stimulate some activity in the marketplace. Based on experience, NJNG has found that some of the stronger candidates for CHP installations, for example, would never have been able to meet the mandated threshold of 15 percent energy savings to access the available CHP incentives. This was often the result of a company having already been diligent about investing in previous energy-efficiency upgrades. By limiting the required connection to Pay for Performance, those companies are no longer penalized for earlier pro-active energy-efficiency efforts. Since these proposed improvements have not been approved yet, it is too early to conclude whether these changes will be sufficient to realize the significant benefits of distributed generation that the EMP envisioned.

**Consideration of Special Treatment for Some Market Sectors**

NJNG believes that it is appropriate for the Board to consider whether certain market segments should be granted higher incentive levels within a particular NJCEP program. The schools and municipalities serve as a great example of a market segment that may merit higher incentive levels as a result of their inability to access special tax benefits or due to the fact that the cost reductions they will experience benefit a broad number of New Jersey residents and businesses. While we support this approach, the entity proposing any enhanced treatment for a particular market segment should be required to identify the rationale for the enhanced level of incentives, as well as provide the expected number of participants, anticipated benefits and the incremental cost to the program.

**Request for Data on Legacy Programs**

Per discussions with staff of the Office of Clean Energy, NJNG understands that the request for utility data within the October 7 Order is limited to legacy programs. This letter confirms that NJNG has no legacy programming and, therefore, no corresponding data to provide.

In closing, NJNG appreciates having the opportunity to provide comments on these issues and looks forward to collaborating with the Board and all interested stakeholders in establishing the NJCEP budget and foundation for the 2013 to 2016 period.

Sincerely,
Anne-Marie Peracchio

Anne-Marie Peracchio
Director- Conservation and Clean Energy Policy

Cc: Michael Winka, BPU
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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

| | | |
|---|---|---|
| In The Matter Of The Comprehensive Energy Efficiency And Renewable Energy Resource Analysis For The 2013 -2016 Clean Energy Program | ) ) ) ) | Docket No. EO11050324V |

**COMMENTS OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

In response to the Order in this docket dated October 7, 2011 ("October 2011 Order"), Public Service Electric and Gas Company ("PSE&G or "Public Service") appreciates the opportunity to submit these comments in response to the set of questions posed by the Board of Public Utilities ("Board").

PSE&G notes that answers to many of the questions posed in the October 2011 Order regarding the future funding and administration of the Clean Energy Program were addressed in the comprehensive report dated October 10, 2011 submitted by the Board's Clean Energy Funding Work Group ("CEWG Report"), to be evaluated and considered by the Board as it finalizes the draft Energy Master Plan ("EMP"). In comments submitted November 4, 2011 ("November 4th Comments"), PSE&G supported the recommendations of the CEWG Report, while expressing a concern with respect to a minority opinion presented in the Report regarding solar development and providing a single technical clarification with respect to the CEWG Report's description of PSE&G's on-bill repayment plan. A copy of PSE&G's November 4$^{th}$ Comments are attached and incorporated herein by reference.

In particular, and in response to item 16 on page 8 of the October 2011 Order, Public Service agrees with the conclusions of the CEWG Report that support continued voluntary direct utility involvement to promote attainment of the goals of the EMP. Maintaining voluntary utility programs as part of the energy efficiency and renewable energy equation will, as the CEWG Report indicates, "enable the State to leverage utility strengths, including customer relationships, billing and messaging systems, and energy technologies to, among other things, conduct targeted energy efficiency programs in congested areas and for so-called 'hard to reach' customers." CEWG Report at 26. With respect to solar programs, Public Service remains in a position to help ensure the current and future development of solar resources and jobs in this State, in particular by developing projects in challenging market segments that are considered attractive from a public policy standpoint but that might not otherwise be able to participate.

The CEWG Report further notes that certain utilities have invested in Energy Efficiency ("EE") and solar renewable energy resources on a regulated basis in good faith reliance on N.J.S.A. 48:3-98.1, which explicitly authorizes utility investment in and provides the utilities the right to pursue rate recovery for such investments. CEWG Report at 28. The Report states that it would be unfair to deny the utilities the ability to invest in such meritorious programs. *Id.* PSE&G agrees that it would be unfair, and it would also be poor public policy. PSE&G has successfully served the state and especially its environment and job market by making such investments, and urges the Board to continue to encourage such investments.

**CONCLUSION**

PSE&G appreciates the opportunity to provide these comments and looks forward to a continuing dialogue with OCE Staff and other stakeholders as the CRA process continues.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

*Original Signed by*
*Martin C. Rothfelder, Esq.*

By __________________________________

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DATED: November 7, 2011

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November 4, 2011

**BY ELECTRONIC DELIVERY**

Ms. Hope Grobels
New Jersey Board of Public Utilities
Division of Economic Development and Energy Policy
44 South Clinton Ave, PO Box 350
Trenton, NJ 08625-0350

Re: **Draft Energy Master Plan Work Group Recommendations -- Clean Energy Funding Work Group**

Comments of Public Service Electric and Gas Company

Dear Ms. Grobels:

Please accept the following written comments on behalf of Public Service Electric and Gas Company ("Public Service" or "PSE&G") regarding the Clean Energy Funding Work Group recommendation report ("Report") to be evaluated and considered by the Board as it finalizes the draft Energy Master Plan ("EMP").

Public Service commends Governor Christie for his vision and commitment to achieving a secure energy future, a sustainable environment and healthy economy. Individually, these are no small feats, and collectively, they present unprecedented challenges. PSE&G applauds the hard work of the Board of Public Utilities ("Board"), its Staff, the Governor's staff and specifically, the Clean Energy Funding Work Group ("Work Group") for providing a thoughtful report that provides meaningful recommendations that will undoubtedly be of value as the Board finalizes the EMP and develops the future structure for the state's Clean Energy Program

("NJCEP"). With that said, as discussed more fully below, Public Service supports the central tenets of the Report, but has one limited concern about two sentences in the Report related to solar development, and one technical clarification.

Prior to and from the outset of the current revisiting of the 2008 EMP, Public Service has worked to ensure that New Jersey has clean, reliable and competitively priced power. It has been a strong and vital New Jersey utility for more than 100 years. Central to its success has been its efforts to champion policies that are aligned with the economic and environmental goals of the State. In that context, while serving the electric and natural gas needs of its customers, Public Service has also had a history of working closely with the Board, the State, our customers and unions to sustain New Jersey's economy with reliable energy service and enhance the quality of life of the people of New Jersey wherever possible.

With the exception of one small passage in the Report discussed more fully below, PSE&G supports and appreciates the Work Group recommendations. Most notably, PSE&G supports the Work Group's conclusion that direct utility involvement in the provision of Clean Energy Programs should continue and its specific recommendations that:

- any administrative structure adopted by the Board should allow the utilities that have energy efficiency capabilities to continue to provide such programs when found to be appropriate and cost-effective (Report at 27-28);
- since certain utilities have invested in these programs and relied in good faith on N.J.S.A. 48:3-98.1, it would be unfair to deny them the ability to continue to invest in and offer meritorious energy efficiency programs (Report at 28);
- endorse the Draft EMPs recognition of the value and benefits of having utilities support the delivery of energy efficiency and conservation programs in light of "the frequent and unique access utilities have to customers through monthly bills, customer call center functions, on-line resources and web-sites, field offices, and field activities" (Report at 19);
- utilities that wish to provide these programs be allowed to do so, subject to Board approval (Report at iii);
- note the considerable number of national studies from government agencies, energy efficiency advocate organizations and collaborative policy networks that support utility involvement in energy efficiency (Report at 28); and

- "[k]eeping the utilities as part of the energy efficiency equation would enable the State to leverage utility strengths, including customer relationships, billing and messaging systems, and energy technologies to, among other things, conduct targeted energy efficiency programs in congested areas and for so-called 'hard to reach' customers" (Report at 26).

Notwithstanding its support of the Report, Public Service notes that late in its process the Work Group was tasked with providing recommendations regarding the current solar energy market structure in addition to its primary charge to provide recommendations related to the future structure of the State's Clean Energy Program. Although not taking issue with the majority of the recommendations provided in the "solar" portion of the Report, PSE&G respectfully disagrees with the minority opinion reflected in the following two sentences:

> [S]ome members of the Work Group recommend that if utilities wish to promote solar renewable energy projects, they should do so through their unregulated generation affiliates, a move that would end ratepayer subsidies and transfer generation-related risk to the generation affiliates. Some Work Group members also believe that although utility-sponsored projects may have been beneficial in jump-starting the solar market, the market has matured to a point at which utility-sponsored investment is no longer required.
>
> (Report at 28).

Particularly mindful that (i) the Board has an ongoing generic proceeding to specifically analyze this issue and presumably render a determination;[1] (ii) the Work Group did not even reach consensus itself on this point; and (iii) it is unclear even how many members of the Work Group supported this position, it would be appropriate to remove this minority opinion from consideration as part of a final EMP. It is respectfully recommended that the Board allow its generic process to continue forward untainted by a minority opinion expressed on this issue during the Work Group's performance of its primary duties.

In this context, it should also be noted that at the public hearing, the Board heard from a broad cross-section of stakeholders from the solar development community, governmental

[1] *I/M/O Review of Utility Supported Solar Programs*, BPU Docket No. EO11050311V.

policy experts, residential customers and environmental interest groups. All expressed support for continued EDC involvement in solar development. Therefore, it is respectfully submitted that it would be appropriate to remove the two sentences quoted above from the Report and also from consideration for inclusion in a final EMP document, and to allow the Board's generic proceeding to run its course, rather than creating further uncertainty in the solar community and risk unnecessarily "erod[ing] confidence in the long-term viability of the New Jersey solar industry" -- another concern expressed by members of the Working Group (Report at 64).

Public Service has been an active participant in the development of solar projects in New Jersey and remains fully committed to the current and future development of solar in this State, as well as to tapping into challenging market segments that are considered attractive from a public policy standpoint, but might not otherwise be reachable by the competitive marketplace. It has also been able to leverage its purchasing power to develop projects at very competitive market prices. As part of its BPU-approved Solar 4 All program, PSE&G has committed to develop 80 MW of solar projects in locations across its service territory. Through its BPU-approved Solar Loan and Solar Loan II programs, PSE&G has played a critical role in helping third party developers finance and build 81 MW of solar, with 28 MW of completed installations, another 27 MW of projects with loan commitments, and 22 MW of projects under credit review so far. Through both of these programs, PSE&G has helped the BPU achieve its policy objectives of "creating green-collar jobs in the state, complying with the state's environmental goals in the short-term and enhancing the state's competitiveness and economic prospects in the long term through green technology development and innovation."[2] And by returning the value of SRECs, energy and capacity sold into the market, and tax credits back to

[2] *In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Solar Generation Investment Program and an Associated Cost Recovery Mechanism*, Docket No. EO09020125 (July 29, 2009), Order at 11.

ratepayers helping to offset the high cost of solar, these programs allow all customers to benefit from solar energy.

Public Service continues to believe there remains a vital role for PSE&G in helping achieve the EMP's solar energy objectives to target underserved markets and help support the State's sustainable land use. Continuing PSE&G's participation in the solar market will ensure that local developers continue to receive a steady, predictable work load. And because of the design of its programs, Public Service affords stability to both solar project owners, through the solar loan program, and to those employed in the solar market-place through the establishment of annual construction goals as part of Solar 4 All.

As the public comments at the Clean Energy Work Group public hearings illustrated, there continues to be broad support for utilities to voluntarily participate in New Jersey's solar market to ensure the long term stability of the New Jersey solar market, continue to drive costs down and enable continued economic development and job creation.

*Technical Concern*

In addition to the substantive comments above, PSE&G respectfully wishes to also raise a technical issue. PSE&G would like to correct a minor error in the description of its on-bill repayment plans contained in the Report at Appendix C – Current EE Financing Programs in NJ. PSE&G on-bill repayment is available to participants in its Whole House, Small Business, Municipal/Non-profit, Multifamily, Hospital, and Data Center Programs. PSE&G provides full project funding up front in combination with incentive and zero percent loans that program participants repay on their utility bill. Terms of the repayment vary by program.

**CONCLUSION**

PSE&G appreciates the opportunity to provide these comments and looks forward to a continuing dialogue as the EMP process continues.

Respectfully submitted,

By: *Alexander C. Stern*

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Dated: November 4, 2011

QUESTION:
What is the Current amount being collected in rates for each gas and electric utility: for the Clean Energy Program; for legacy programs?

ANSWER:

## ELECTRIC

| Total EE&RE Current Rates/kWh | | CEP Portion Current Rates/kWh | |
|---|---|---|---|
| RS | 0.3158 | RS | 0.2170 |
| GLP | 0.3158 | GLP | 0.2170 |
| WH/WHS/HS | 0.3158 | WH/WHS/HS | 0.2170 |
| LPLP | 0.3078 | LPLP | 0.2114 |
| LPLS | 0.3158 | LPLS | 0.2170 |
| HTS-SUB | 0.3010 | HTS-SUB | 0.2067 |
| HTS-HV | 0.2960 | HTS-HV | 0.2036 |
| PSAL/BPL | 0.3158 | PSAL/BPL | 0.2170 |

## GAS

| Total EE&RE Current Rates/therm | | CEP Portion Current Rates/therm | |
|---|---|---|---|
| RSG | 0.028520 | RSG | 0.023132 |
| GSG | 0.028520 | GSG | 0.023132 |
| LVG | 0.028520 | LVG | 0.023132 |
| TSG-F | 0.028520 | TSG-F | 0.023132 |
| TSG-NF | 0.028520 | TSG-NF | 0.023132 |
| CIG | 0.028520 | CIG | 0.023132 |
| SLG | 0.028520 | SLG | 0.023132 |

**COMPREHENSIVE RESOURCE ANALYSIS - EO11050324V**
**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
**RESPONSE TO BPU REQUEST: 2**
**PAGE 1 OF 2**

QUESTION:
How much was collected in rates for each gas and electric utility by rate class for the year 2010?

ANSWER:

## ELECTRIC

**Total EE&RE**

| | Rates/kWh January - May | Rates/kWh June | Rates/kWh July-December | Revenues |
|---|---|---|---|---|
| RS | 0.3172 | 0.3168 | 0.3158 | $ 44,912,652 |
| GLP | 0.3172 | 0.3168 | 0.3158 | 25,976,758 |
| WH/WHS/HS | 0.3172 | 0.3168 | 0.3158 | 77,732 |
| LPLP | 0.3091 | 0.3088 | 0.3078 | 11,711,968 |
| LPLS | 0.3172 | 0.3168 | 0.3158 | 37,750,597 |
| HTS-SUB | 0.3023 | 0.3020 | 0.3010 | 13,901,203 |
| HTS-HV | 0.2980 | 0.2970 | 0.2960 | 1,110,155 |
| PSAL/BPL | 0.3172 | 0.3168 | 0.3158 | 1,597,077 |
| | | | | $ 137,038,142 |

**CEP Portion**

| | Rates/kWh January - May | Rates/kWh June | Rates/kWh July-December | Revenues |
|---|---|---|---|---|
| RS | 0.1870 | 0.1950 | 0.2170 | $ 28,963,919 |
| GLP | 0.1870 | 0.1950 | 0.2170 | 16,680,934 |
| WH/WHS/HS | 0.1870 | 0.1950 | 0.2170 | 49,323 |
| LPLP | 0.1822 | 0.1900 | 0.2114 | 7,511,934 |
| LPLS | 0.1870 | 0.1950 | 0.2170 | 24,235,350 |
| HTS-SUB | 0.1781 | 0.1857 | 0.2067 | 8,926,675 |
| HTS-HV | 0.1755 | 0.1830 | 0.2036 | 719,094 |
| PSAL/BPL | 0.1870 | 0.1950 | 0.2170 | 1,023,596 |
| | | | | $ 88,110,826 |

**COMPREHENSIVE RESOURCE ANALYSIS - EO11050324V**
**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
**RESPONSE TO BPU REQUEST: 2**
**PAGE 2 OF 2**

## GAS

**Total EE&RE**

| | Rates/therm January - May | Rates/therm June | Rates/therm July-December | Revenues |
|---|---|---|---|---|
| RSG | 0.023483 | 0.024826 | 0.028520 | $ 34,624,304 |
| GSG | 0.023483 | 0.024826 | 0.028520 | 6,515,059 |
| LVG | 0.023483 | 0.024826 | 0.028520 | 16,226,985 |
| TSG-F | 0.023483 | 0.024826 | 0.028520 | 808,794 |
| TSG-NF | 0.023483 | 0.024826 | 0.028520 | 8,160,388 |
| CIG | 0.023483 | 0.024826 | 0.028520 | 1,566,257 |
| SLG | 0.023483 | 0.024826 | 0.028520 | 17,978 |
| | | | | $ 67,919,765 |

**CEP Portion**

| | Rates/therm January - May | Rates/therm June | Rates/therm July-December | Revenues |
|---|---|---|---|---|
| RSG | 0.018097 | 0.0194397 | 0.023132 | $ 27,315,159 |
| GSG | 0.018097 | 0.0194397 | 0.023132 | 5,136,498 |
| LVG | 0.018097 | 0.0194397 | 0.023132 | 12,807,764 |
| TSG-F | 0.018097 | 0.0194397 | 0.023132 | 640,453 |
| TSG-NF | 0.018097 | 0.0194397 | 0.023132 | 6,474,737 |
| CIG | 0.018097 | 0.0194397 | 0.023132 | 1,244,250 |
| SLG | 0.018097 | 0.0194397 | 0.023132 | 14,271 |
| | | | | $ 53,633,132 |