

## Discussion Points

### Energy Master Plan

1. The New Jersey Board of Public Utilities is an independent regulatory authority allocated in but not of the Department of Treasury with a statutory mandate to ensure safe, adequate, and proper utility services at reasonable rates for customers. Pursuant to Executive Order No. 28 of 2018, the board, in partnership with other State agencies, was directed to develop a new Energy Master Plan to fulfill the Governor's goal of the total conversion of the State's energy production profile to clean energy sources by January 1, 2050. The board serves as the State agency leading the development of the Energy Master Plan, the most recent version of which was promulgated in 2019.

On August 17, 2022, the board voted to accept an Energy Master Plan Ratepayer Impact Study, which was produced by The Brattle Group and examined the impact of the 2019 Energy Master Plan through 2030. In part, the study found that 2030 energy costs for low-income and non-low-income customers taking advantage of the energy efficiency programs enabled by the Energy Master Plan are expected to be lower than current costs. The report also indicates that energy assistance programs targeting low-income customers may be key to reduce the upfront costs of electrification and energy efficiency improvements. While the impact study researches the effect of implementing energy efficiency programs on ratepayers' total energy costs in 2030 compared to 2020, critics of the study have stated that it does not include analyses of other potential costs to consumers, such as the installation of various infrastructure and residential equipment necessary to retrofit buildings for clean energy consumption.

- **Questions:** Please provide an overview of the findings of the Energy Master Plan Ratepayer Impact Study. Please comment on the scope of the study and the extent to which it does and does not capture the full range of costs that may be borne by ratepayers as a result of achieving the clean energy milestones laid out in the 2019 Energy Master Plan. Why are certain potential costs not included in the study and what is the rationale for not including those costs?

***BPU Response:***

The Board entered into an engagement with The Brattle Group to conduct the Energy Master Plan Ratepayer Impact Study. The comprehensive, yearlong review showed that encouraging customers to reduce consumption of electricity and natural gas and implement energy efficiency strategies lowers customer costs and is vital to achieving clean energy goals. If customers reduce their energy consumption and invest in electrification of buildings and transportation, average bills in 2030 will fall below energy costs in 2020 by between 10-20 percent for most customers.

The study did include the full range of ratepayer-funded incentives required by New Jersey Statutes, using estimated costs for the study time period. Any additional costs related to individual consumer choices and preferences were not modeled because they are not borne by ratepayers. The study did not capture capital costs for the adoption of electric technologies, nor did it account for the state and federal incentives, rebates and programs available to ratepayers to defray these costs.

The study revealed that there are a range of outcomes. Customers are expected to experience a reduction in costs if they electrify and adopt energy efficiency measures as part of their home and daily lifestyle. The energy burden becomes significantly higher for

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customers who continue to use fossil fuel technology through 2030. Adoption of energy efficiency measures along with electrification results in significant cost savings for most customers. The report also indicates that enhanced energy assistance programs may be necessary for low-income customers to help in the clean energy transition. An important part of customers transitioning to clean energy consumption will include incentives for customer participation and appropriate policymaking. The report also indicates that enhanced energy assistance programs may be necessary for low-income customers to help in the clean energy transition.

The Report also found that the annual benefit of reduced greenhouse gas emissions from implementing the State's clean energy programs is about \$1.75 billion a year in 2030. All the scenarios studied result in New Jersey meeting its 50% reduction of greenhouse gas targets by 2030. This is equivalent to avoiding emissions from 3.4 million homes' energy use for one year or up to 5.8 million gasoline vehicles driven for one year.

- **Please discuss any feedback the board received prior to, and after, the release of the ratepayer impact study.**

***BPU Response:***

BPU Staff held two virtual stakeholder meetings during the study, the first to solicit input on the proposed study design and key assumptions and the second to present a mid-study update on assumptions and adjustments made in response to stakeholder feedback received through the first stakeholder meeting. Both meetings were well attended with over 170 and 140 participants, respectively. In total, 63 stakeholders provided verbal comments during the meetings and 55 submitted written comments.

A broad range of comments were received, both supportive and critical of the scope of the study objective. Many comments suggested expanding the study to address the health impacts and property damage of climate change and to include alternate clean fuels such as green hydrogen and low-emission natural gas in the analysis. Other stakeholders commented on the study assumptions suggesting an increase in assumed grid infrastructure costs and suggesting the study results include a presentation of separate total energy costs for low and moderate income (LMI) customers and non-LMI customers.

Feedback received after the release of the study mirrored the topics received during the stakeholder meetings.

- **Does the board plan on conducting an updated ratepayer impact study prior to the adoption of the next Energy Master Plan? If so, does the board expect that the study will be similar in nature and scope to the impact study released in August 2022? In what ways does the board believe a future study should differ from the August 2022 impact study?**

***BPU Response:***

The Administration has elected to forgo the 2022 update in favor of a rewrite of the Energy Master Plan to more accurately represent the advancement in clean energy policy and programs that has happened since the 2019 EMP was released. The Board expects the EMP will memorialize the successful efforts of the agencies tasked with advancing initiatives and continue to set targets to help reach the 100% by 2035 goal. The new EMP

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process will include ratepayer impact analysis evaluating the costs of recommended strategies.

2. Under current State law, the Energy Master Plan is required to be updated at least once every three years. In December 2022, the board announced that the 2019 Energy Master Plan would undergo an update to address various strategies enumerated in the Energy Master Plan and to provide an overview of the State's progress toward achieving 100 percent clean energy. The board announced a series of public hearing dates to provide an opportunity for various Executive Branch members to provide insights concerning the State's progress toward its clean energy goals and for stakeholders and the public to offer feedback. All of the public hearings were to take place between January and March of 2023. However, the board has since canceled the series of public hearings, with the Governor indicating that a new Energy Master Plan will be unveiled in 2024.

- **Questions:** Please provide an explanation concerning the delay in the update of the State's Energy Master Plan. What are the benefits of pushing back the plan's update until 2024 rather than providing a 2022 update? What are the drawbacks of doing so?

***BPU Response:***

The 2019 EMP set a strategic vision to comprehensively address New Jersey's energy system and its associated greenhouse gas emissions and air pollutants while building a world-leading innovation economy that invests in communities, vulnerable ecosystems, and public health. The 2024 EMP will reflect New Jersey's updated climate goals and the impacts of recent state and federal policies that will help accelerate the state's transition to a 100% clean energy economy. Due to swift policy and program development and implementation since the release of the 2019 EMP, as well as the new clean energy goals set out for the State, a full and comprehensive analysis and new plan are necessary. An update would not sufficiently capture the efforts and new goals necessary to combat climate change and to memorialize the rapid advancement and adoption of clean energy policy. The 2024 EMP will update and expand upon our updated pathway with new information on recent state and federal policies and how federal funding through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act will provide additional support to further the advancement of critical clean energy policies. To ensure the EMP demonstrates the full economic and environmental impacts of clean energy policies, additional time is needed to focus on data-driven modeling.

- **Does the board have concerns that pushing back the Energy Master Plan update will hinder the State's ability to achieve the goal of 100 percent clean energy production by 2050? Please discuss the items or issue areas that the board believes would need to be addressed in the updated Energy Master Plan, compared to the items and issue areas that are in the current version of the plan.**

***BPU Response:***

The 2024 EMP will update and expand upon the 2019 EMP to chart the pathway to 100% clean energy by 2035 with new information on recent state and federal policies and how federal funding through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act will provide additional support to further the advancement of critical clean energy policies across all strategies in the current EMP. To ensure the EMP demonstrates

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the full economic and environmental impacts of clean energy policies, additional time is needed to focus on data-driven modeling.

- **To date, what is the State's progress in achieving its 100 percent clean energy goal? Does the board expect that there will be updated goals for the production of clean energy under the prospective 2024 version of the Energy Master Plan?**

### ***BPU Response:***

In 2021, natural gas accounted for 46% of the state's total electricity generation, and nuclear power provided 44%. Nuclear power declined in recent years following the permanent shutdown of the state's Oyster Creek single reactor nuclear power plant in 2018, which was the nation's oldest operating power reactor at the time. Renewables, mostly solar energy, at both utility-scale (1 megawatt or larger) and small-scale (less than 1 megawatt) facilities accounted for about 8% of New Jersey's total in-state electricity generation in 2021, about double their 2015 share. Coal generated less than 2% of the state's total net generation, about half the share from 2015. New Jersey's last two coal-fired power plants shut down in 2022.

The State has made tremendous progress in meeting our clean energy goals. We are on the heels of a banner year for our solar program, with more installed solar capacity coming online than any other year. In 2021, solar energy provided more than four-fifths of the electricity generated from renewable resources in New Jersey. New Jersey ranked ninth among the states in total installed solar photovoltaic (PV) generating capacity, eighth in total solar power generation, and third in generation from small-scale solar power systems. By mid-2022, solar power capacity in New Jersey totaled almost 3,300 megawatts, and about two-thirds of it was from small-scale generating systems, such as rooftop solar arrays. The state's largest solar farm, with 21 megawatts of generating capacity, began operating in mid-2021. New Jersey has a community solar program that allows groups of households, such as multifamily buildings, to connect to remotely located solar arrays of up to 5 megawatts within their utility service territory. They receive a credit on their power bills for the electricity that is generated.

In 2018, the state set a goal to obtain 3,500 megawatts of offshore wind power by 2030. The goal was increased to 7,500 megawatts by 2035. The state further increased the wind power goal again in September 2022 to 11,000 megawatts by 2040. By June 2021, the New Jersey Board of Public Utilities had approved 3,700 megawatts of offshore wind capacity and opened another solicitation for 1,200-4,000 megawatts in the first quarter of 2023. The 1,100-megawatt Ocean Wind 1 project, the first to be awarded, will be located about 15 miles off the coast of southern New Jersey.

### **Offshore Wind Development**

3. P.L.2010, c.57, designated as the Offshore Wind Economic Development Act, established an offshore wind renewable energy certificate program and authorized the New Jersey Economic Development Authority to provide tax credits for qualified wind energy facilities in wind energy zones, among other requirements. On June 21, 2019, the board granted the State's first award of offshore wind generation to the Ocean Wind 1,100 megawatt project proposed by Ørsted and PSEG Renewable Generation LLC. Ørsted announced on January 18,

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2023 that it signed an agreement to purchase PSEG's equity stake, giving it 100 percent ownership of the Ocean Wind project. The project is anticipated to begin operating in three phases, with the first phase starting on May 1, 2024.

Following the opening of a second application period for 1,200 to 2,400 megawatts of offshore wind generation, the board, on June 30, 2021, approved applications for a 1,510 megawatt project submitted by Atlantic Shores Offshore Wind Project and a 1,148 megawatt project submitted by Ocean Wind II. Atlantic Shores and Ocean Wind II are both expected to begin generating power in 2028. In March 2023, the board opened up a third application period for between 1,200 and 4,000 megawatts of offshore wind generation. Interested parties are required to submit applications to the board by June 23, 2023.

While the State previously set out the goal of generating 7,500 megawatts of offshore wind energy by 2035, the Governor has since updated that goal to 11,000 megawatts by 2040 pursuant to Executive Order No. 307 of 2022. The board has also updated its overall solicitation schedule to accommodate this goal.

- **Questions:** Please provide an update regarding the Ocean Wind project. Is the project on schedule to be complete by its initial commercial operation date of May 1, 2024? If not, why not? How has the federal permitting process progressed and has it pushed back the commercial operation date? To what extent have economic conditions, including inflationary pressures and supply chain shortages, contributed to any interruptions in the progress of the project?

***BPU Response:***

The Ocean Wind 1 project is progressing. The project recently received permits from NJDEP. There is a petition pending with the Board for an extension of time due to federal permitting delays, but the project recently indicated that it would be reviewing and updating the petition if necessary. Macroeconomic pressures have impacted this project as well as other offshore wind projects in the region. Further action may be needed to address current economic conditions and prevent project interruptions, which could impact New Jersey's role as a regional offshore wind supply chain hub.

- **How many new, permanent, full-time jobs have been created due to the Ocean Wind project to date? How many jobs are expected to be created over the life of the project? Please discuss any training and workforce development initiatives that Ørsted has implemented, or will implement, as part of Ocean Wind I, including any efforts to provide jobs to local communities surrounding the project.**

***BPU Response:***

Ocean Wind 1 reports that the total number of full-time employees currently working in NJ associated with the Ocean Wind 1 project is 420. Of those, 235 are permanent. The total number of jobs expected to be created over the lifetime of the Ocean Wind 1 project is greater than 1,500. These figures do not include the significant amount of indirect jobs that will be created in support of these projects and the offshore wind industry in NJ. In addition, approximately 100 jobs have been created at the foundation manufacturing facility at the Port of Paulsboro as a result of Ocean Wind 1's investment in that facility.

Ocean Wind 1 also reports the following relative to workforce development:

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- They are partnering with Rowan College of South Jersey to establish the Wind Power Ready (WPR): Atlantic City, a first-of-its-kind training program aimed at training and placing residents from the greater Atlantic City area in careers as wind farm technicians. The program is seeking to recruit 24 candidates this year to complete the 22-week program, which is expected to conclude in December 2023. Orsted has set a goal of hiring at least 9 WPR graduates for the Ocean Wind 1 project in early 2024, as aligned with the White House's environmental justice principles.
- At Paulsboro, EEW American Offshore Structures (AOS) will support workforce development through development and training programs at local colleges and, through an on-site training program at the Port of Paulsboro. EEW AOS will continue to develop training programs and partnerships with Gloucester County Institute of Technology, Camden Community College & Camden County Technical School, Rowan University, Cumberland County College, and Salem County Vocational Tech School for skills such as coating and sub arc welding. EEW AOS will develop the skillsets of its employees in welding, coating / corrosion protection, steel fab, and equipment operations/handling.
- Ocean Wind 1 has committed to contributing \$15 million to the Pro-NJ Grantor Trust, which will be used to enable MBE/WBE or small business entry into the offshore wind industry. It will also advance port-development and to enable coastal resiliency and reliability.
- **Please provide an update on the progress of the Atlantic Shores and Ocean Wind II projects to date. What is the current timeline for the completion of each project, including the timelines for the completion of each project milestone and each component of the projects' permitting timetables? How many new, permanent, full-time jobs have been created due to the projects? How many jobs are expected to be created over the life of each project? Please discuss any training and workforce development initiatives that have been implemented, or will be implemented, as part of each project, including any efforts to provide jobs to local communities surrounding the project.**

### ***BPU Response:***

There have been no changes to the timelines described in the project Applications or the Board award orders for either project.

Ocean Wind 2 reports that the number of NJ-based FTEs associated with the Ocean Wind 2 project is 25, of which 10 are permanent. The total number of jobs expected to be created over the lifetime of the Ocean Wind 2 project is greater than 1,700. These figures do not include the significant amount of indirect jobs that will be created in support of these projects and the offshore wind industry in NJ.

Ocean Wind 2 also reports the following relative to workforce development:

- Ocean Wind 2 has committed to contributing \$8 million to the Pro-NJ Grantor Trust 2, which will be used to support education and training of the workforce, supporting

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environmental justice initiatives and empowering minority, women, and veteran-owned, and small business entry into the OSW industry.

- \$2 million will be provided to the New Jersey WIND Institute to support the Institute's programs in OSW workforce development, research, and innovation.
- A comprehensive training program will be developed in collaboration with Zeem to further the use of electric vehicles in and around Port Newark. Through this program, local hires will receive all of the necessary training to operate Zeem's electric vehicle depot, including education on high voltage componentry, assembly, and vehicle operation. Upon completion, participants will be equipped to attain certification as electric vehicle technicians.
- Ocean Wind 2 also supports the EEW AOS' workforce development program mentioned above.
- Atlantic Shores reports that jobs created during the Planning and Development phase so far are only tracked at the Atlantic Shores staff level. 131 staff members are located in the US and 14 are located in NJ. Additionally, Atlantic Shores has created 3 NJ-based FTE (5 contractors) as Fisheries Liaisons and Community Liaisons based in NJ. As forecasted in the ASOW bid, they are expecting a total of 18,550 direct, NJ-based jobs. Most of these jobs will be created by their suppliers localizing their manufacturing facilities in NJ, by marshalling at the New Jersey Wind Port and by their Operations & Management activities located in Atlantic City. The Atlantic Shores Project expects 88 permanent, NJ-based jobs guaranteed during the 30-year Operations and Maintenance period.

Atlantic Shores also reports the following relative to workforce development:

- Atlantic Shores is highly engaged in training and developing the OSW workforce in the US, and particularly in NJ, with a target to build this workforce inclusively. Efforts span all levels of education, including K-12 programs, STEM programming, university education, and career transition programs to the renewable sector.
- Atlantic Shores committed to over \$15 million for training and workforce development initiatives, including:
- Over \$10 million in funding of the Wind Institute Workforce training and innovation program and sponsoring for their events.
- Over \$1 million in funding for various local college programs including Rowan's, Rutgers; as well as funding of the Boys & Girls Club of Atlantic City, community and education grants, and Chambers of Commerce.
- \$4 million seed for a training fund, to be developed with local NJ entities
- Co-organizing and co-hosting career expo events at university campuses
- Chambers of commerce funding

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- Launching the OffshoreWind4Kids program in Atlantic City providing hands-on STEM activities about offshore wind
- Acting as Advisory Panel participant in the KidWind – New Jersey K-12 Offshore Wind Energy Education Project
- **Please describe the timeline for the selection of projects under the third solicitation period for offshore wind generation. What steps will the board take after the application window closes and when does the board expect to approve project applications? How many projects does the board expect to approve? In what ways, if any, will the evaluation and approval process under the third solicitation differ from those implemented under the first two solicitations?**

***BPU Response:***

The third solicitation was issued in March of 2023. Applications are due on June 23, 2023. The Board has a requirement to act on Applications within 180 days of receiving an administratively complete application. As a result, a decision on solicitation 3 applications is expected in December of 2023.

After the Application window closes, Board staff along with its consultant will review all applications received in accordance with Offshore Wind Economic Development Act rules at NJAC 14:8-6 et seq, and the Solicitation Guidance Document. The Solicitation Guidance Document for solicitation 3 included more specific requirements regarding economic benefits commitments and environmental and fisheries protection. It also included, for the first time, an inflation adjustment mechanism and performance guarantees.

The Board cannot determine at this point how many projects may be approved.

- **Please discuss the State's progress in meeting the goal of 11,000 megawatts of offshore wind energy generation by 2040.**

***BPU Response:***

To date, the first and second solicitations resulted in project awards totaling 3,758 MW. Solicitation 3 is targeting 1,200 to 4,000 MW. A solicitation schedule has been developed and published showing a solicitation approximately every 2 years in order to achieve the goal of 11,000 MW installed by 2040.

4. On November 18, 2020, the board approved an order formally requesting that the State's offshore wind transmission goals be integrated with the regional grid's planning and development process through the State Agreement Approach. The board, in coordination with PJM Interconnection (the State's regional grid operator), sought solicitations to implement coordinated offshore wind transmission solutions such that energy generated by offshore wind projects in the State can reach New Jersey consumers in the most cost-effective, efficient, and environmentally sensitive manner. On October 26, 2022, the board announced it had selected Larrabee Tri-Collector Solution, which was jointly submitted by Mid-Atlantic Offshore Development, LLC, and Jersey Central Power & Light Company. While the board anticipates that ratepayers will save \$900.0 million compared to the cost of transmission without utilizing



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the State Agreement Approach, the Larrabee Tri-Collector Solution is estimated to cost a total of \$1.08 billion, resulting in an additional \$1.03 per month for the average residential customer.

- **Questions:** Please discuss the advantages of utilizing the State Agreement Approach in the State's transmission of offshore wind energy. For what reasons did the board select the Larrabee Tri-Collector Solution over other submitted proposals?

***BPU Response:***

In utilizing the State Agreement Approach to support the State's offshore wind goal (versus utilizing the existing approach), New Jersey will minimize environmental, community, permitting, and fishing impacts, encourage competition among the generation developers, decrease the costs and risk of offshore wind development, maximize transmission developer experience, lower Offshore Wind Renewable Energy Certificate prices, and ensure offshore wind energy can be brought to New Jersey customers as cost efficiently as possible while maintaining safe and reliable electric service.

After a thorough evaluation, the Larrabee Tri-Collector Solution and upgrades to the larger PJM transmission grid were determined to best meet New Jersey's stated State Agreement Approach goals of reducing community disruption, environmental impacts, and customer costs, while minimizing risks. Ultimately, the Larrabee Tri-Collector Solution results in an innovative transmission solution, creating a single onshore point of interconnection while leveraging existing rights of ways, an outcome that would not have been possible without coordinated planning and a competitive solicitation.

- **In what ways does the State Agreement Approach change the manner in which offshore wind developers will apply for project approvals under the board's third offshore wind solicitation and future solicitations?**

***BPU Response:***

The Board's selection of the Larrabee Tri-Collector Solution, which predominately includes a single, new substation, will allow offshore wind developers in the Board's third offshore wind solicitation to interconnect to the single point of interconnection into the grid. Each developer in their bid must propose to interconnect to the new substation, which will be constructed and ready for those projects to utilize. Previously, each bidder would have to determine which point of interconnection to utilize, which includes extensive and expensive modeling and resources. The bidder would also have to develop their individual point of interconnection as well, which includes substantial risk of unknown costs and risks.

5. In 2021, the State joined the National Offshore Wind Research and Development Consortium (NOWRDC). As the State's named agency member of NOWRDC, the board will contribute \$1.0 million from January 1, 2022 through December 31, 2025 to support research initiatives in offshore wind and coordinate NOWRDC activities with the proposed Wind Innovation and New Development Institute and the New Jersey Economic Development Authority.

- **Questions:** Please describe the initiatives that, to date, have been supported through the moneys distributed by the board as the State's lead agency under

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**NOWRDC. Please describe any intended uses of funds that are planned to be distributed in the remainder of FY 2023 and in FY 2024. In what ways will these initiatives support the development of offshore wind in the State?**

***BPU Response:***

Thus far, the BPU as the State's lead agency under NOWRDC has distributed \$200,000 to co-fund (along with Massachusetts and Maryland) a multi-institution study lead by researchers at Northeastern University in collaboration with researchers from Johns Hopkins University, University of Massachusetts Amherst, Clemson University, The University of Colorado at Boulder, and Tufts University to assess the potential impact of hurricanes on offshore wind farms along the eastern seaboard. This study, entitled "Ensuring Long-Term Availability and Bankability of Offshore Wind Through Hurricane Risk Assessment and Mitigation," is a two-year study which commenced in March of 2022. This project will benefit offshore wind (OSW) development in New Jersey by assessing the risks posed by hurricanes and developing methods to improve wind farm resiliency to the potential impacts of hurricanes.

The BPU has also indicated it is willing to allocate up to \$400,000 of funding to support proposals that confer clear benefits to New Jersey through NOWRDC/Innovate UK's joint offshore wind innovation grant solicitation that will commence in fall 2023. In collaboration with colleagues in sister state agencies, BPU staff has developed a list of topical areas in which innovation could benefit development of OSW in New Jersey, which NOWRDC will use to inform the challenge areas for the solicitation.

6. On April 19, 2023, the board and the Department of Environmental Protection announced the award of \$2.0 million in funding for studies to provide enhanced scientific information on the impact of offshore wind development in New Jersey. According to the joint announcement, the studies will seek to research the impacts of offshore wind development specifically on wildlife and fisheries. The projects will be funded by the Offshore Wind Research and Monitoring Initiative. The initiative is currently funded by Atlantic Shores Offshore Wind, LLC, and Ørsted, both of which committed funds for research and ecological monitoring as part of their offshore wind project approvals.

- **Questions:** To date, how many studies have been funded by the Offshore Wind Research and Monitoring Initiative? Please provide an overview of the primary research topics of the studies that have received funding and, if available, overviews of the results of those studies.

***BPU Response:***

To date, New Jersey's Offshore Wind Research and Monitoring Initiative (RMI) authorized funding for 12 projects. Ten of these awards are to fund scientific research and two are to support the efforts of new non-profit regional science entities whose missions are focused on regional coordination of research to assess the impacts of offshore wind development on the marine resources. The awards to fund scientific projects address a set of initial high-priority research topics that were developed by the RMI team based on a literature review and input from subject matter experts and relevant stakeholders. These initial projects on fisheries (4), marine mammals (3), avian and bat species (1), and environmental conditions (2) are directed at establishing pre-construction

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baseline datasets that will facilitate the assessment of impacts during subsequent phases of offshore wind development.

Results are available from a project that fabricated a novel surfclam dredge, which is small enough to operate effectively within offshore wind farms once they have been installed and can be used to more effectively characterize surfclam population dynamics and stock assessments and thus facilitate adaptive management efforts. The dredge was successfully fabricated last spring/summer and deployed in August 2022 in coordination with a federal survey that is used for stock assessments. The successful deployment of this new dredge provides an effective approach to ensure that decades long surfclam stock surveys can continue despite the development of offshore wind farms in regions that overlap some of their sampling area. This project has also produced preliminary results on the carbonate chemistry and shell strength of surfclams that were recovered during the August survey. Initial results from autonomous gliders are available in real-time from the gliders' first mission which commenced in April 2023. The glider project will characterize environmental and biological conditions in the waters along New Jersey's coastline along a path that extends from Sandy Hook to Cape May. Finally, a project that seeks to assess the impact of OSW development on the recreational fishing industry has completed their draft survey for anglers.

- **Please discuss the board's current view concerning the impact that the development and construction of offshore wind facilities along the State's coastline will have on marine wildlife and the fishing industry. With respect to offshore wind projects that have already received approval from the board, in what ways do the projects seek to limit potentially negative impacts on marine life and the fishing industry? In what ways does the board evaluate potential impacts when reviewing applications for offshore wind projects? In this regard, what has been the experience of other states that have constructed offshore wind facilities?**

***BPU Response:***

There has been no offshore wind construction activity off New Jersey's coast as of this time. Thus far, projects have engaged in geotechnical and geophysical surveying and the collection of baseline environmental and fisheries data required to comply with NEPA (National Environmental Policy Act).

These types of development activities are not thought by scientific experts to have the potential to injure marine mammals. Baleen whales are most sensitive to high intensity, low-frequency sounds like those created by military sonar and seismic surveying conducted by the oil and gas industry, not the type of acoustic survey used in offshore wind development. The Marine Mammal Commission, an independent government agency that oversees the conservation of marine mammals and their environment, said in February that "there is no evidence to link these strandings to offshore wind energy development." It added, "Although these strandings have generated media interest and public scrutiny, humpback whale strandings are not new nor are they unique to the U.S. Atlantic coast. The strandings along the Atlantic coast this winter "are part of the Humpback Whale Unusual Mortality Event (UME) declared by the National Marine Fisheries Service that began in 2016." The start of this UME predates any offshore wind development activities along New Jersey's coastline.

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The offshore wind development projects that the Board has awarded are required to submit detailed environmental and fisheries protection plans and are subjected to an extensive environmental review process by the BOEM (Bureau of Ocean Energy Management) as required by NEPA (National Environmental Policy Act), all of which require that OSW developers work to avoid, minimize, and mitigate impacts on marine resources and the fishing industry. Staff from BPU and DEP are in regular communication with OSW developers about implementation of their plans to protect marine resources including their implementation of best management practices that are emerging from subject matter experts in the scientific community.

In its evaluation of proposed projects' potential impacts on marine resources during the application review process, Board staff, with input from DEP staff, evaluates the plans to avoid, minimize, and mitigate potential impacts against a rigorous suite of requirements and recommendations that are included in the solicitation guidance document. The environmental requirements and recommendations included in the guidance document are based on New Jersey's existing statutes and rules and on best management practices that are informed by the scientific community. While several other states are in the process of developing offshore wind facilities similar in size and scope to those under development in New Jersey, none have currently been constructed. New Jersey's process for review applications and efforts to assess the potential impacts of offshore wind development on marine resources are among the most rigorous and extensive of any of the states who are developing offshore wind projects.

### Solar Energy

7. New Jersey is required to expand its solar energy generation capacity to meet the targets of the Renewable Portfolio Standard prescribed by P.L.1999, c.23. According to this standard, solar energy must comprise 5.1 percent of New Jersey's electricity sales in energy years 2021, 2022, and 2023 and 4.9 percent in energy year 2024.

P.L.2021, c.169 directed the board to develop a new solar renewable energy certificates (SREC II) program to incentivize the development of at least 3,750 megawatts of new solar energy by 2026. On July 28, 2021, the board approved the creation of the Solar Successor Incentive Program, consisting of the Administratively Determined Incentive Program and the Competitive Solar Incentive Program. The Administratively Determined Incentive Program, which implements the small solar facilities incentives program required under P.L.2021, c.169, awards energy certificates to community solar facilities and net metered solar facilities that are less than five megawatts in size. Specifically, the board awards energy certificates to the following categories of projects: net metered projects serving residential customers, net metered projects serving commercial and industrial projects of five megawatts or less, and community solar projects. The program opened on August 28, 2021. To provide an opportunity to examine whether the program is reasonably on track to meet its targets, the board directed staff to conduct a one-year review of the Administratively Determined Incentive Program. As part of the review, the board issued notice of a public stakeholder meeting, which was held on December 2, 2022.

The Competitive Solar Incentive Program, meanwhile, implements the second component of the SREC II program required under P.L.2021, c.169 and covers all grid supply solar projects (i.e., those selling into the wholesale markets) as well as net metered, non-residential projects that are

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above five megawatts in size. This program will award energy certificates through a competitive solicitation, with separate solicitations for four market segments: basic grid supply, the built environment, contaminated lands, and net metered projects over five megawatts. An additional fifth tranche will award storage in combination with a grid supply solar award. The total procurement from the first solicitation is 300 megawatts. All projects seeking to compete in the solicitation are required to prequalify, providing evidence that they meet specific tranche eligibility criteria and certain other project maturity requirements. The Competitive Solar Incentive Program solicitation opened to pre-qualification applications on February 1, 2023, with the application window closing on March 31, 2023.

- **Questions:** Please provide an update concerning the State's progress in meeting the goal of developing at least 3,750 megawatts of new solar power generation by 2026.

***BPU Response:***

New Jersey set a record of solar installations in the state in 2022, with over 450 MW of new solar coming online. This was achieved despite reductions in incentive levels offered to new installations and represents strong performance in the residential and commercial segments, as well marking the first wave of Community Solar projects coming online. These reductions in incentive levels were necessary and critical to ensuring the long-term viability of the industry in addition to affordability for ratepayers.

With the new Competitive Solar Incentive Program, the anticipated dual use pilot program, and the expected implementation of the permanent Community Solar Energy Program, the Board remains committed to awarding at least 3,750 megawatts of new solar power by 2026.

The Board will continue to monitor challenges to interconnection and deployment of new generation at the State and Regional level. Interconnecting new solar installations to the electric grid still occurs at a record level on the New Jersey distribution system despite some circuits being closed due to high penetration of renewable energy. New Jersey is not alone in these challenges. In addition to the need for growth in local grid capacities around the state, New Jersey is part of the PJM Regional Energy Grid, which commenced reform of its heavily-delayed interconnection process in 2021. However over 137,650 MW of large-scale renewable energy projects (including New Jersey projects) remain in the queue for interconnection approval. To plan for and minimize impacts to NJ, the Board is running grid modernization proceedings, for which we accepted comments until April 24. Staff is currently reviewing these comments and anticipates recommendations on reforms thereafter.

- **What was the cost to the average residential, commercial, and industrial ratepayer of meeting energy 2021 and 2022 solar targets? What are the estimated costs for 2023 and 2024?**

***BPU Response:***

The total cost of incentives in the solar programs in energy years 2021 and 2022 were \$896 million and \$873 million, respectively. For energy years 2023 and 2024, the estimated costs will be \$986 million and \$981 million, respectively. These costs do not include savings in reduced electricity prices and environmental benefits, or the cost of net metering. The cost of net metering is a challenge to calculate as it involves numerous

## Discussion Points (Cont'd)

assumptions including the scope of costs included and how the avoided contribution to transmission, distribution and societal benefit charges are shifted from net metering participants to non-participants.

- **Does the board currently detect an acceleration or slowdown in the construction of new solar generation capacity? To what extent have economic pressures, such as inflation and supply chain disruptions, affected the construction of solar energy projects in the State?**

***BPU Response:***

The Board is seeing an acceleration of solar capacity installation. The total installed capacity increased from 323 MW in 2020 and 338 MW in 2021 to 455 MW in 2022, setting a new annual record. The rate of project completions in 2023 and the current pipeline suggests this number could be surpassed by the end of the year. Inflation and supply chain disruptions have posed issues for a number of projects, resulting in delays and higher costs for some projects affected, but the solar industry as a whole remains strong. Supply chain disruptions disproportionately affected the commercial sector, which requires larger components and sometimes roofing issues as well, but non-residential installations were at near-record levels, and new registrations in the program remain strong. At the same time, we see favorable impact from the increased solar Investment Tax Credit levels under the Inflation Reduction Act, which, according to our modeling, largely offset the negative inflationary impacts.

- **Please provide an overview of the board's observations concerning the Administratively Determined Incentive Program to date, including findings from board staff's one-year review of the program. What is the current status of the one-year review and what feedback did the board receive from stakeholders concerning the program? In which market segments is program subscription the highest and for what reasons? What tools does the board have at its disposal to adjust incentive levels under the program and to incentivize higher levels of demand among market segments that demonstrate a low level of demand?**

***BPU Response:***

To date, the ADI Program has allowed for sustained strong performance in the residential solar market. After initial low registration rates for the commercial sector, which we believe was predominantly caused by demand pull from more generous incentives under the Transition Incentive program, the registration rate for commercial projects had stabilized at a little under the target for this segment. At the same time, registration for the residential market has been exceptionally strong. Based on this performance, and stakeholder feedback, the Board has elected to slightly increase incentive levels for the commercial segments and slightly decrease the incentive for the residential segment. It's still early to estimate the effects of that adjustment, but we remain optimistic that performance of the commercial segment will stabilize at a level in line with the targets, while performance in the residential segment is showing continued strength.

- **Please discuss the results of the board's solicitation for pre-qualification applications under the Competitive Solar Program. When does the board expect that it will make a decision concerning the projects that are approved for prequalification and how many projects does the board expect will be prequalified in each market segment? To what**

## Discussion Points (Cont'd)

extent has the board observed a low level of demand to participate in the program, given the relatively specific eligibility and project maturity requirements? What plans does the board have in place in the event that there is a low level of demand to participate in the program?

***BPU Response:***

The Board has concluded the initial solicitation for bids into the Competitive Solar Program and expects to make a decision on awards within the next two months.

- **What are the costs of the Administratively Determined Incentive Program and the Competitive Solar Program? How do the programs affect ratepayers?**

***BPU Response:***

Like the Solar Renewable Energy Credit (SREC) Program and the Transition Incentive Program before it, the Successor Solar Incentive or SuSI Program, and its two parts, the ADI and CSI Program, are financed through the electricity providers' mandatory procurement of Renewable Energy Certificates generated by participating facilities. These costs affect ratepayers as the electricity providers recover these costs in rates. At this time, the first competitive solicitation under the CSI Program just closed, and no projects have been awarded yet. The impacts will not start until the first projects come online. After an award by the Board, these large-scale projects have 3 years to come online. In the ADI Program, from program inception on August 28, 2021 through March 31, 2023, close to 210 MW of capacity has been installed, at a cost to ratepayers that is less than half of the costs of legacy SRECs and still substantially below the cost of the Transition Incentives.

8. P.L.2021, c.170 established the Dual-Use Solar Energy Pilot Program, to permit the construction, installation, and operation of dual-use solar energy projects that are connected to the distribution or transmission systems of public utilities or local government units and located on unpreserved farmland, while maintaining the affected land in active agricultural or horticultural use. The pilot program is to last for three years and allow up to 200 megawatts of solar projects on unpreserved farmland. On March 2, 2022, the board indicated that a staff straw proposal would be developed in the summer 2022 and that a solicitation for projects would occur prior to the end of 2022.

- **Questions: Please provide a status update concerning the implementation of the Dual-Use Solar Energy Pilot Program. Has a straw proposal been developed and when does the board expect that the first solicitation for the program will begin, if it has not already?**

***BPU Response:***

BPU has recently entered into a Memorandum of Understanding with Rutgers University, which will provide necessary expertise to develop the Dual-Use pilot program. We believe that it is of great importance to use this pilot to develop understanding about the viability of the widest possible range of agricultural production in combination with solar. The pilot should enable scientifically rigorous evaluation of the yield and other effects of various solar technologies on agricultural production. We look forward to releasing a straw proposal in the summer of 2023 and continuing to evaluate this program which as enhancing agricultural viability with solar will be a great help in maintaining our character as the Garden State while reaching clean energy goals.

## Discussion Points (Cont'd)

9. P.L.2018, c.17 established a Community Solar Energy Pilot Program to permit customers to participate in a solar energy project that is remotely located from their properties, but is within their electric public utility service territory, to allow for a credit to the customer's utility bill equal to the electricity generated that is attributed to the customer's participation in the solar energy project. The board established the pilot program in early 2019 and, in Year One of the program, selected 45 project applications from 252 applications submitted through a competitive solicitation. In Year Two of the pilot program, the board selected 105 community solar projects from a total of 412 submissions. In total, projects selected under the pilot program represent 240 megawatts of solar energy capacity, with 165 megawatts coming from projects approved in Year Two. According to board orders concerning the pilot program, the board waived its rules authorizing capacity for a third program year.

P.L.2018, c.17 requires the board to convert the Community Solar Energy Pilot Program to a permanent program no later than 36 months after the adoption of rules and regulations for the pilot program, which were adopted on January 17, 2019. While the permanent program has not yet been established, board staff developed a straw proposal with draft rules for the permanent program, with a stakeholder meeting to be held on April 24, 2023 and a written comment submission deadline of May 15, 2023.

- **Questions:** Please describe the process for the selection of community solar projects under the Community Solar Energy Pilot Program. What criteria and metrics were employed in the selection of projects? In what ways did the board focus on low- and middle-income customers when reviewing and selecting projects? Please detail any revisions to the pilot program that were made between Year One and Year Two. In what ways, if any, did program changes from Year One to Year Two affect the demand for, and participation in, the pilot program?

***BPU Response:***

The Pilot Program employed a rubric-based scoring process for selection of projects. These criteria included whether a project served low- and moderate-income customers, the project's siting location, the developer's engagement with the municipality and local communities, product offering to subscribers, and other project benefits. By heavily weighting the low- and moderate-income criterion, the Board saw all 150 of the awarded projects in the Pilot Program reserve 51% of their capacity for LMI households and affordable housing. The Board also preferred projects that provided subscribers including LMI customers, larger discounts. Year 1 and Year 2 had similar formats and scoring criteria, though Year 2 included a preference for more mature projects, so participating projects should be more likely to complete construction.

- **For what reasons were a relatively low number of application submissions approved in Year One and Year Two of the pilot program? To date, how many projects from each program year have been completed and are in operation? What is the impact to ratepayers of all approved projects under the pilot program?**

***BPU Response:***

The number of projects approved was based on the capacity available in the Pilot Program. In Year 1, 75 MW of capacity was initially available, and 78 MW was awarded, and in Year 2, 150 MW was made available, with flexibility to increase by 10%, and 165



## Discussion Points (Cont'd)

MW was awarded. The overwhelming response from applicants meant that only about one-fourth of proposed projects could be approved. To date, 20 projects from Year 1 and 5 projects from Year 2 are in operation. The remaining 100 projects from Year 2 have a deadline of November 4, 2023 to begin operation. These projects receive incentives in the Transition Incentive Program at a rate of \$129 per MWh. Should all remaining Year 2 projects reach completion, the cost to ratepayers of these incentives will be approximately \$31 million per year.

- **Please detail the reasons for not conducting a third year of the pilot program. Given that the permanent program will not be established within the 36-month timeframe envisioned in P.L.2018, c.17, what accounts for the delay in the implementation of the permanent community solar program? Please provide a timeline for the establishment of the permanent program.**

***BPU Response:***

The evaluation process for the Pilot Program took much longer than expected due to the complexity of the program evaluation and the large number of applications that had to be reviewed. This posed a substantial administrative burden, and the Board found that the time needed to conduct a third round would likely delay the implementation of the permanent program and therefore elected to prioritize putting the permanent program in place. The Board felt that there was sufficient experience garnered from the first two pilot years so as not to necessitate an additional pilot program. Additionally, with the closure of the SREC and TREC programs, the numerous mandates and petitions from developers and the development of several new programs, staff capacity was significantly constrained.

BPU is currently accepting comments on the Community Solar permanent program straw proposal, which was issued March 30 of this year. Based on the comments, the Board expects to take action to establish the permanent program in the coming months.

- **Please describe the contents of the staff straw proposal for a permanent community solar energy program. How many projects can reasonably be expected to receive approval on an annual basis under the permanent program? What level of capacity would be provided annually? How would the proposed permanent program focus on the delivery of solar energy to low- and moderate-income households? In what ways will the administration of the permanent program differ from that of the pilot program? In what ways did trends noticed in the pilot program inform the envisioned administration of the permanent program, as laid out in the straw proposal?**

***BPU Response:***

The Board has not finalized the permanent program. Staff's proposal for the permanent program, if finalized, will place the program on a sustainable track for continued implementation and industry growth. Based upon the average project size, with the recommended capacity of the program being 225 MW in each of the first two years, we can expect to see at least 300 projects approved by the end of 2024. Subsequent years would have 150 MW available, resulting in an estimated 100 projects per year. Access to community solar by low- to moderate-income or LMI households is critically

## Discussion Points (Cont'd)

important; staff recommends at least 51% of all capacity would be reserved for LMI subscribers, and staff has recommended making the sign-up process easier by permitting self-attestation of their eligibility. Integrated billing, where the subscription fee will be built into utility bills, without the need to pay a separate community solar bill, will also help to increase trust in the program, and allow more people to enroll.

The pilot program was key in gaining experience to inform the design of the permanent CSEP, as laid out in the straw proposal. The overwhelming interest and high quality of the proposed projects have made us confident that it is possible to set a high standard for community solar in New Jersey. The proposed draft standards include the requirement to reserve at least 51% of capacity for LMI subscribers, limit community solar to preferred siting such as rooftops and landfills, and impose certain maturity requirements, which will have to be met by all projects wishing to participate in the program. The proposed program would also move to a first-come, first-served registration process, rather than a competitively scored rubric, which would allow for more efficient acceptance of mature projects.

### Electric Vehicle Incentive Programs

10. P.L.2019, c.362 established two new initiatives to support the State's goals for the widespread use of electric vehicles in New Jersey: (1) an electric vehicle incentive to encourage the purchase of light-duty plug-in electric vehicles; and (2) an electric vehicle charging incentive to encourage the purchase and installation of in-home electric vehicle service equipment. The law requires the board to annually fund these programs with \$30.0 million from the societal benefits charge.

The board established the Charge Up New Jersey program to implement the electric vehicle incentive program. While P.L.2019, c.362 permits a maximum incentive of \$5,000 per eligible vehicle under this program, the FY 2023 program budget allows for a \$4,000 maximum incentive after the consideration of stakeholder input. During Year Two of the Charge Up New Jersey program, the State launched point-of-sale incentives at showrooms and dealerships in July 2021 and expended all funds ahead of schedule. The State similarly committed all available program funding ahead of schedule during Year Three of Charge Up New Jersey and closed the point-of-sale incentive on April 17, 2023.

While P.L.2019, c.362 permits the electric vehicle charging incentive program to provide a \$500 maximum incentive for the purchase and installation of residential charging equipment, the FY 2023 program budget allows for a maximum incentive amount of \$250.

- **Questions:** Please provide an update regarding the continuation of the electric vehicle incentive program. Please provide an accounting of the total amount expended for the electric vehicle program, delineating administrative expenditures and the total amount of rebates paid through each phase of the incentive program.

***BPU Response:***

Since the start of the program, over \$90 million in incentives have been paid or reserved for over 25,000 vehicles. Administrative costs for the first 3 years were \$2.1 million, including FY 23 expenses which were thus far \$311,000, full breakdown is below:

## Discussion Points (Cont'd)

- Post purchase program (FY20 & FY21)
    - \$40 million, 8434 vehicles
    - Admin. costs \$1,057,299
  - Point of sale program (FY22)
    - \$21 million, 4101 vehicles
    - Admin costs \$832,502
  - Point of sale program (FY23)
    - \$37,075,735, 12,684 vehicles
  - Home Chargers (FY23)
    - \$475,750, 1,902 home chargers
    - Thus far in FY23 the administrative costs for both the point of sale and home charger program are \$311,000.
- **Based on the number of incentives provided to date, is the State on course to achieve its goal of having 330,000 registered light duty plug-in electric vehicles in use by December 31, 2025?**

***BPU Response:***

In 2022, EVs made up 5 percent of new vehicle sales in New Jersey and are poised to exceed 8 percent in 2023, exceeding national trends. The incentive, combined with the added investment in charging infrastructure from utilities, the state and federal government, has led to rapid increases in adoption.

In 2020, when the program began there were 34,038 EVs in New Jersey. In 2021 when the point of sale program launched, there were 48,871 EVs in NJ. When the FY 23 program opened there were 80,583 EVs and at the end of 2022 there were 91,538 EVs on the road in New Jersey. This increased adoption in New Jersey, combined with the commitment from EV manufacturers to increase production, will propel the state towards our EV goals.

- **Please comment on the board's view concerning the extent to which monetary incentives are driving the purchase of electric vehicles in the State. In other words, to what extent are the incentives the deciding factor in an individual's decision to purchase an electric vehicle and to what extent would individuals still purchase electric vehicles in the absence of the electric vehicle incentive program?**

***BPU Response:***

In setting the incentive, we focused on providing funding to "incentive essential" purchases, that is, providing support to residents who would not purchase an EV without the financial incentive. To comply with the legislative requirements and ensure that our funding reached as many people, staff developed a tiered program that provided a larger incentive to vehicles that were under \$45,000. The change in the incentive program has resulted in the intended result with significant growth in the purchase of more moderately priced vehicles. Analysis indicates that for those customers, the financial incentive is a big piece of their purchase decision.

## Discussion Points (Cont'd)

Over the last 2 years we have seen exponential growth in EV adoption. This happened at the same time that we saw a significant investment in EV charging by the state and utilities. It is difficult to determine which of those factors is driving adoption increases, it is likely an "all of the above approach."

While the last two years of the program have been challenged by supply chain issues which caused 6-12 month delays in vehicle deliveries, we do know that there is a significant uptick in orders and purchases when the program opens, as well as when federal rules which impact the credit are changing. At the start of 2022, New Jersey hit 5% EV market share and by the end of 2022 we had reached 8% of the market share.

- **Given that applications for point-of-sale incentives have closed ahead of schedule due to the high demand, has the board considered reallocating societal benefits charge revenues to other clean energy programs? Conversely, has the board considered reallocating societal benefits charge revenues from other programs to support additional point-of-sale incentives?**

***BPU Response:***

In evaluating EV incentives, nearly all states see a similar pattern of opening and closing, as the nascent EV market continues to be unpredictable.

Board staff and the Program Administrator continue to try to find a balance between providing an incentive level that will create price parity with a traditional vehicle and the appropriate amount of funding for the year. In FY21 and FY23, we not only saw record supply chain delays, but we also saw an ever fluctuating market, where vehicles changed MSRPs multiple times, impacting incentive eligibility, and federal tax credit rules drove buying spikes.

The incentive has incentivized an increasing number of EVs each year, and we have also seen indications that the impact of the incentive extends beyond those that are eligible to receive funds and beyond the time that funds are available. The availability of the incentive brings attention to the importance of making the switch to an electric vehicle, as well as all the benefits including the lower long-term costs.

Board staff continues to evaluate how to structure the FY24 program to be most impactful.

- **Please provide an update regarding the continuation of the electric vehicle charging incentive program. Please provide an accounting of the total amount expended for the electric vehicle program, delineating administrative expenditures and the total amount of rebates paid under the program.**

***BPU Response:***

Since the start of the program, over \$90 million in incentives have been paid or reserved for over 25,000 vehicles. Administrative costs for the first 3 years were \$2.1 million, including FY 23 expenses which were thus far \$311,000, full breakdown is below:

- Post purchase program (FY20 & FY21)
  - \$40 million, 8434 vehicles
  - Admin. costs \$1,057,299
- Point of sale program (FY22)

**Discussion Points (Cont'd)**

- \$21 million, 4101 vehicles
  - Admin costs \$832,502
- Point of sale program (FY23)
  - \$37,075,735, 12,684 vehicles
- Home Chargers (FY23)
  - \$475,750, 1,902 home chargers
  - Thus far in FY23 the administrative costs for both the point of sale and home charger program are \$311,000.
  
- **For both programs, does the board collect information concerning the sociodemographic profile of individuals who receive incentives? If so, please provide a breakdown of available information, by program. Has the board found that the electric vehicle and electric vehicle charging incentives are distributed equitably? Do certain sociodemographic groups tend to receive a higher volume of available incentive payments compared to others?**

***BPU Response:***

The Program Administrator sends out post-incentive surveys at the end of each year. Year Two’s surveys results have not been compiled yet, due to long supply chain delays that had thousands of incentivized vehicles ordered in 2022 delivered in 2023.

The data collected from Year One, the post-purchase incentive are below. Full details and mapping showing where incentives are received by county can be found at <https://chargeup.njcleanenergy.com/incentive-statistics>

Q40 - What is your current annual gross household income from all sources (i.e., before taxes)?

	<b>All</b>	
	Frequency	%
<b>\$0 to \$24,999</b>	105	5%
<b>\$25,000 to \$49,999</b>	31	2%
<b>\$50,000 to \$74,999</b>	112	5%
<b>\$75,000 to \$99,999</b>	137	7%
<b>\$100,000 to \$124,999</b>	240	12%
<b>\$125,000 to \$149,999</b>	120	6%
<b>\$150,000 to \$174,999</b>	257	13%
<b>\$175,000 to \$199,999</b>	113	6%
<b>\$200,000 to \$249,999</b>	293	14%
<b>\$250,000 to \$299,999</b>	184	9%

## Discussion Points (Cont'd)

\$300,000 to \$349,999	149	7%
\$350,000 to \$399,999	76	4%
\$400,000 to \$449,999	86	4%
\$450,000 to \$499,999	20	1%
\$500,000 or more	117	6%
<b>Total</b>	<b>2,038</b>	<b>100%</b>

Q47 - Are you Hispanic or Latino/a?

	All	
	Frequency	%
Yes	152	6%
No	2,315	94%
<b>Total</b>	<b>2,467</b>	<b>100%</b>

Note: Excludes 179 "Prefer not to answer" responses

Q48 - How do you prefer to describe your racial identity? (select all that apply)

	All	
	Frequency	%
Black or African American	79	3%
East Asian	242	10%
Middle Eastern or North African	30	1%
Indigenous, Native American, or Alaskan Native	2	0%
Native Hawaiian or other Pacific Islander	2	0%
South Asian	303	13%
Southeast Asian	140	6%
White or Caucasian	1,445	61%
More than one race	65	3%
Other, please specify	54	2%
	<b>2,361</b>	

Note: "More than one race" captures all respondents with multiple selections, thereby preventing double-counting

Note: Excludes 285 "Prefer not to answer" responses

- **For both programs, please explain the rationale behind offering FY 2023 maximum incentive amounts that are less than the maximum amounts authorized under P.L.2019, c.362. Assuming that both programs continue in FY 2024, what maximum amounts does the board expect it will offer under each incentive program?**

**BPU Response:**

BPU staff and the Program administrator look at a variety of projections and models to determine the appropriate incentive. In setting the incentive levels, we focused on providing funding to incentive essential purchases to those residents who would not purchase an EV without the financial incentive. To comply with the legislative requirements and ensure that our funding reached as many people as possible, staff developed a tiered program that provided a larger incentive to vehicles that were under \$45,000. As a result of this targeted approach, we have seen significant growth in those lower priced vehicles in our program. In addition, the adjustment to the incentive levels allowed us to provide more incentives with the available funding.

## Discussion Points (Cont'd)

The Program Administrator and staff are currently developing the FY24 program, which will be released with the Clean Energy Compliance Filing.

### Energy Storage and Grid Modernization

11. The Clean Energy Act established energy storage goals for the State of 600 megawatts by 2021 and 2,000 megawatts by 2030. The board was to receive public comment on these goals in the straw proposal issued concerning a solar successor program. Further, the board is required to investigate, with stakeholder involvement, where storage can provide the most benefit to the electric transmission and distribution system at the least cost to ratepayers.

While the State did not achieve the goal of 600 megawatts of installed energy storage by 2021, the board released a straw proposal for the creation of the New Jersey Storage Incentive Program. The straw proposal states that the program is designed to provide New Jersey ratepayers with a variety of benefits while driving cost declines in certain areas. The program would create two energy storage programs for “Front-of-Meter” (grid supply) and “Behind-the-Meter” (distributed or customer-level) energy storage incentives. According to the proposal, at least 30 percent of incentives will be structured as a fixed annual incentive based on installed kilowatt-hours of capacity. The remaining incentive will be provided through a pay-for-performance mechanism. For grid supply incentives, this payment would be based on the amount of carbon emissions abated through the operation of the energy storage device. For the distributed or customer-level incentives, payment would be based on the successful injection of power into the distribution system.

In releasing the straw proposal for the New Jersey Storage Incentive Program, the board also announced a series of stakeholder meetings to discuss various aspects of the proposal. The meetings were held between October 21, 2022 and November 14, 2022.

- **Questions:** Is the State on track to meet the energy storage goals established by the Clean Energy Act? In what ways does an accelerated timeline for the achievement of the State’s energy storage goals potentially affect ratepayers in the short-term? Given the goals for the greater deployment of clean energy, are the State’s energy storage infrastructure and power grid currently sufficient to handle increasing demand for clean energy?

***BPU Response:***

The interim goal of 600 megawatts of energy storage by 2021 was not met. However, the Board has issued a straw proposal for the New Jersey Storage Incentive Program (NJSIP), designed to meet the 2,000 megawatts of energy storage by 2030 goal. Staff conducted three online stakeholder workshop sessions on the straw proposal, solicited verbal and written comments, opened an online portal to receive comments, and has received 56 comment letters, totaling 344 pages. Staff is reviewing the comments and expects to issue a Request for Information in the second or third quarter of 2023 regarding those areas of the program that will need further study and stakeholder input.

As proposed in the straw proposal, the NJSIP is designed to reduce short-term impacts on ratepayers with a “fixed” incentive structure that provides incentives spread out over the

## Discussion Points (Cont'd)

useful life of the energy storage asset (ten to fifteen years). Such an incentive structure avoids the ratepayer impact of an “upfront” incentive. The program is also designed to 1) leverage the benefits of energy storage and value stacking to help offset costs and 2) make annual adjustments, if needed, to minimize incentives while still driving the market at a rate to meet the State’s goals.

The increasing demand for clean energy will necessitate upgrades to the State’s power grid. Further study is planned to identify the necessary upgrades, costs, and funding sources. Energy storage plays a unique, strategic, and beneficial role in the clean energy transition. Energy storage has many valuable “use cases”. Key among these use cases is “firming” the variable energy output of renewable energy sources such as solar power. This firming attribute of energy storage will allow a greater quantity of renewable energy to be connected to the grid while also providing an array of other services that strengthen the grid and render it more resilient. Energy storage can also serve a “Non-Wires Alternative” to traditional electric utility grid upgrade projects.

- **Please provide an update regarding the board’s efforts to achieve the State’s energy storage goals, including a summary of the State’s current energy storage initiatives. Please describe how the New Jersey Storage Incentive Program would bolster existing efforts and for what reasons the board believes the program design will assist the State in achieving its energy storage goals. What is the cost to ratepayers of implementing the incentive program?**

### ***BPU Response:***

Board staff are creating two energy storage programs for energy storage incentives, both patterned after the solar-plus-storage program proposed in the Board’s Competitive Solar Incentive (“CSI”) Program. The solar plus storage component of the CSI Program already includes a targeted storage procurement of 160 MWhs (40 MW) per year. The board is further working to achieve the State’s energy storage goals by developing the NJSIP discussed above. The draft NJSIP’s current incentive structure, which has not been adopted by the Board but is under review, consists of:

- Grid supply and distributed (customer level) incentives;
- Fixed incentives and performance-based incentives; and,
- Specialized incentives for overburdened communities

Staff has established a docket (IN THE MATTER OF THE NEW JERSEY ENERGY STORAGE INCENTIVE PROGRAM, DOCKET NO. Q022080504) issued the NJSIP as a straw proposal, conducted three online stakeholder workshop sessions, solicited verbal and written comments, opened an online portal to receive comments, and has received 56 comment letters, totaling 344 pages. Staff is reviewing the comments.

Large-scale energy storage is a new and emerging field. Neither New Jersey nor any other state had energy storage programs until relatively recently. As such, the CSI program and the NJSIP are New Jersey’s first large-scale efforts to advance energy storage. The Board believes that together the programs will allow the State to achieve its energy storage goals. The NJSIP is similar to the Board’s successful solar program and electric vehicle program in that it takes a clean energy technology that has not been fully commercialized and provides incentives designed to advance the technology in the marketplace. The NJSIP provides a detailed analysis of the energy storage state of play



## Discussion Points (Cont'd)

in New Jersey and nationally, evaluates programs in other states, discusses technical considerations, establishes goals, identifies utility roles, emphasizes carbon reduction, supports overburdened communities, and proposes an incentive structure and a deployment timeline. As such, the Board is confident that the State's 2030 energy storage goals will be met by implementing the program.

The cost to ratepayers of implementing the incentive program has not yet been established.

- **How many megawatts of energy storage have been captured to date?**

***BPU Response:***

NJBPU maintains a Storage Scorecard that tracks the development of energy storage in New Jersey. At present, the scorecard shows 499 MW of installed energy storage, including the 420 MW Yards Creek pumped storage facility in Blairstown. BPU is not counting these existing projects towards the State's energy storage goal.

- **Please summarize the feedback that the board received through the stakeholder meetings held between October and November 2022. Does the board expect that it will change any parameters of the program to incorporate stakeholder feedback, prior to its operation?**

***BPU Response:***

The feedback that the board received consisted of 56 comment letters, totaling 344 pages. Significant comments included:

- Key disagreements among stakeholders were:
  - Whether electric utilities or private parties should own energy storage. The predominant, but not universal, opinion was that electric utilities should have a major role in energy storage, including ownership.
  - Many commenters felt that the program is too "back-loaded" (the program starts small and scales up over time). Other commenters pointed out that supply chain problems and interconnection challenges, particularly those associated with PJM, will necessarily protract the date by which energy storage systems may be placed into service.
- Multiple commenters agreed that that:
  - The program size and its capacity blocks are too small;
  - The "distributed" energy storage element of the program was too small relative to the size of the grid-supplied element of the program. The program should direct more resources towards the distributed side of the program;
  - A "carve out" should be provided for the residential sector;
  - For overburdened communities, stakeholders agreed with either a carve-out or enhanced incentive;
  - Energy storage costs have risen due to current supply chain issues;
  - Stakeholders broadly agreed with the Board's definition of energy storage ;
  - The program is overly complex and should be simplified; and,
  - The SIP-proposed mechanisms for directly measuring greenhouse gas reductions attributable to the use of energy storage systems as a basis for performance incentives may be too complex and unworkable. A "peak shaving" approach is a reasonable surrogate for incentives.

## Discussion Points (Cont'd)

Staff is currently evaluating the feedback and developing recommendations for program parameters. Staff expects to issue a Request for Information in the second or third quarter of 2023 regarding those areas of the program that will need further study and stakeholder input.

12. On November 10, 2022, the board formally accepted a “Grid Modernization Study,” which was prepared by a consulting group called Guidehouse. The report outlines a framework for modifying certain interconnection standards to enable greater adoption of clean energy resources needed to meet the State’s clean energy goals. The report provides nine total recommendations, the first four of which are near-term recommendations to modify various portions of the State’s interconnection rules. Accordingly, board staff released for public comment a draft of the proposed rule changes necessary to implement the near-term recommendations. Staff was additionally directed to initiate the analysis and stakeholder input process necessary to begin the rulemaking process for the remaining report recommendations, all of which are long-term in nature.

- **Questions:** Please provide an overview of the pertinent findings and recommendations from the Grid Modernization Study. To date, what actions has the board taken to implement both the near-term and long-term recommendations of the study? What is the current status of the proposed changes to the State’s interconnection rules? To what extent have the State’s interconnection rules been modified to reflect the recommendations of the report?

***BPU Response:***

The initial consultant report developed and published in 2022 was the culmination of a substantial research effort on other state programs, collection of publications from key industry thought leaders, electric distribution company input, and an extensive structured stakeholder engagement with 5 online sessions and several public comment windows. Nine key findings were consolidated into four “rules ready” recommendations, and five “working group topical” recommendations that would be focused at subsequent rulemaking.

The Board has authorized a rulemaking proceeding for the near-term recommendations. This is currently advancing through stakeholder comment. These proposed revisions are designed to improve the interconnection process and could be collectively characterized as “reducing friction and improving visibility and communication” for legacy processes. The Board has also approved a contract extension for the BPU consultant author of the Report for advisory services on advancing the longer-term recommendations in a collaborative and balanced working group forum. The intention of this forum is to advance the more impactful structural changes needed to transition to a fundamentally modernized distribution grid capable of absorbing, utilizing, and compensating significantly higher penetrations of privately owned Distributed Energy Resources (DER).

Board staff are reviewing and summarizing the significant public comments received on the closing date of 4/24, which will inform a possible revision to the proposal.

Staff anticipates the first set of rule modifications to be completed by the end of 2023. The longer term working group structure (named the “Grid Modernization Forum”) is

## Discussion Points (Cont'd)

being launched, including the establishment of an “Innovation Pilot” program for rapid activation of tactical pilot programs within these working groups.

### Clean Energy and Energy Efficiency Initiatives - General

13. Under P.L.1999, c.23, designated as the Electric Discount and Energy Competition Act, a portion of the proceeds of the societal benefits charge is deposited into the Clean Energy Fund. In general, these monies are used to support the New Jersey Clean Energy Program, which includes various energy efficiency and renewable energy programs. The table below shows the actual or estimated amounts of financial resources, program expenditures, net transfers, and year-end fund balances for FY 2020 to FY 2024 as those amounts are displayed in the Governor’s annual budget proposals.

Clean Energy Fund Calculation of Year-End Fund Balances FY 2020 – FY 2024				
Fiscal Year	Resources	Clean Energy Program Expenditures	Net Transfers	Year-End Fund Balance
2020	\$530,074,429	\$187,769,416	(\$89,748,707)	\$252,556,306
2021	\$576,886,692	\$195,112,658	(\$124,496,677)	\$257,277,357
2022	\$582,177,181	\$184,570,784	(\$85,474,614)	\$312,131,783
2023 est.	\$644,030,214	\$197,063,721	(\$88,774,000)	\$358,192,493
2024 est.	\$698,728,032	\$197,063,721	(\$76,774,000)	\$424,890,311

As illustrated above, the Clean Energy Program regularly produces surplus balances. In the past, the board has explained that these surplus balances are due to the board allocating specific dollar amounts to new programs that may take months or years to materialize. In addition, the board typically sets aside funding for 100 percent of financing commitments made to individual approved projects.

- Questions:** Given that the Clean Energy Fund’s total resources have steadily increased since FY 2020 and that transfers out of the fund to the State General Fund are estimated to be \$12.0 million less in FY 2024, for what reasons are the amount of expenditures from the fund proposed to be the same?

**BPU Response:**

The Clean Energy Program expenditures are based on prior year commitments along with current year needs. Due to the COVID pandemic and supply chain issues, many projects were delayed, particularly larger energy efficiency projects that typically span multiple fiscal years. Furthermore, on February 15, 2023, Governor Phil Murphy signed Executive Orders Nos. 315, 316, and 317, which seek to accelerate New Jersey’s clean energy goal of annually matching 100% the state’s energy consumption with clean energy by 2035, coordinate and expand access to building energy efficiency programs and achieve a target of creating 420,000 residential and commercial buildings with electric heating systems, and initiating a proceeding to plan for the future of the state’s natural gas utilities

## Discussion Points (Cont'd)

as we reduce reliance on fossil fuels. In order to meet these accelerated clean energy goals, the Board will continue to build upon successful decarbonization efforts by exploring innovative pilot programs and supporting other ongoing efforts in FY 2024.

- **Please provide an update regarding the board's efforts to improve customer experience and increase participation in the board's energy efficiency programs.**

***BPU Response:***

The Board oversees energy efficiency programs run by both New Jersey's Clean Energy Program (NJCEP) and all of the investor-owned utilities in the state. Board staff facilitates working group meetings with the program administrators and New Jersey Division of Rate Counsel on a weekly or bi-weekly basis with the goal of continually improving the effective and efficient administration of the programs, which includes focus on the customer experience and participation in the programs.

In addition, Board staff facilitates monthly energy efficiency public stakeholder meetings to solicit feedback on the administration of the programs. In response to some of this feedback, Board staff is working with the New Jersey Institute of Technology and program administrators to develop a "Find a Program" tool designed to help customers navigate to the programs that best fit their needs.

Board staff has also issued a straw proposal on the administration of these programs for the next three-year program cycle that would require the utility companies to develop coordinated program elements for core programs, including the following:

- Processes to engage with customers, including a streamlined process to the greatest extent possible so that customers have a clear understanding of program offerings and are able to efficiently and effectively participate in the programs;
  - Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for LMI customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
  - Common data elements on forms for use by customers; and
  - Incentive payment processes and timeframes.
- **What new programs or initiatives, supported by the Clean Energy Fund, has the board undertaken in FY 2022 and FY 2023? What new programs or initiatives, supported by the Clean Energy Fund, does the board intend to undertake in FY 2024?**

***BPU Response:***

New programs or initiatives supported by the Clean Energy Fund in FY 2022 and FY 2023:

**FY 2022**

On July 28, 2021, the Board established a new Successor Solar Incentive ("SuSI") Program, which implements the Clean Energy Act of 2018 (L. 2018, c. 17) and the Solar of Act of 2021 (L. 2021, c. 169) by providing incentives to eligible solar facilities to enable the continued efficient and orderly development of solar renewable energy generating sources throughout the state. The SuSI Program replaced the SREC Registration Program ("SRP"), which was closed to new registration on April 30, 2020, pursuant to the Clean Energy Act, and the Transition Incentive ("TI") Program, which

## Discussion Points (Cont'd)

provided a bridge between the legacy SRP and the SuSI Program. The SuSI Program is comprised of two sub-programs: the Administratively Determined Incentive (“ADI”) Program – which provides administratively set incentives for net metered residential projects, net metered non-residential projects of 5 MW or less, all community solar projects, and, for an interim period, projects previously eligible to seek conditional certification from the Board under Subsection (t) of the Solar Act – and the Competitive Solar Incentive (“CSI”) Program, which provides competitively set incentives for grid supply projects and net metered non-residential projects greater than 5 MW.

In FY 2022, the Office of Clean Energy Equity (“OCEE”) launched a redesigned Community Energy Plan Grant Program, which supports the development of local energy master plans and prioritizes low- and moderate-income and overburdened communities by removing barriers to participation and providing more financial and technical support to those communities that are most in need of these grants through partnership with Sustainable Jersey.

Also, in FY 2022, the Board established several new electric vehicle (“EV”) programs to encourage the electrification of the state’s transportation sector. They include the Clean Fleet Programs, which provides incentives for State and local governments to assist them with transitioning their vehicle fleets; and the Charge Up Residential Charger Program that provides residents funding for the purchase of an eligible home EV charger.

### **FY 2023**

In FY 2023, staff anticipates releasing a straw proposal that examines the benefits of assisting municipalities with LED streetlights replacement. This proposed program would allocate grant funding for municipalities to meet the upfront costs of the changeover, with a portion of the funding dedicated to assist overburdened communities.

The Board also approved funding for several new EV programs, including the Multi Unit Dwelling EV Charger Incentive and EV Tourism. These programs aim to provide incentives for the installation of EV chargers at public and private locations to ensure that all residents can take full advantage of this transition.

The Board and Green and Healthy Homes Initiative designed and launched New Jersey’s Whole House Pilot Program (“WHPP”) in Trenton. This program expands EE offerings and addresses long-term health impacts for low-income residents through development of a collaborative, interagency approach to addressing a broader array of residential health and safety concerns than had previously been addressed through the Comfort Partners Program and the Weatherization Assistance Program in a limited capacity.

Lastly, funding was provided to the Office of Clean Energy Equity to undertake a pilot project that seeks to address the impacts of the heat island effect. This pilot would involve interagency coordination with the goal of offering incentives to address several of the underlying factors that contribute to the heat island effect and will also have the benefit of increasing EE and resilience.

### **New programs or initiatives supported by the Clean Energy Fund planned for FY 2024**

## Discussion Points (Cont'd)

In September 2022, Staff issued a straw proposal for an energy storage program, the New Jersey Storage Incentive Program (“NJ SIP”). Three stakeholder meetings were held and written comments received on the Straw Proposal and in 2023, staff, together with a consultant to be retained, will issue the final NJ SIP in FY 2024.

The Board anticipates advancing two new solar programs in the upcoming year: the Dual Use Pilot Program and the permanent Community Solar Program.

In FY 2024, the Board anticipates making a determination on a possible award in the State’s third offshore wind solicitation.

The Board anticipates new programs funded through the Inflation Reduction Act (IRA), and Regional Greenhouse Gas Initiative (RGGI) proceeds that will complement existing programs and impact buildings energy efficiency, electrification and workforce development.

Also, Board staff, with assistance from the Clean Energy Fund Program Administrator, have been working on developing several new energy efficiency pilot programs, with input from the public, which they hope to present to the Board for review and consideration for FY 2024.

- **Please describe how these new programs and initiatives will allow the State to achieve its goal of 100 percent clean energy by 2050.**

***BPU Response:***

As explained in detail in the Division of Clean Energy Compliance Filing, all of the programs and initiatives funded through the Clean Energy Fund stem from the seven key strategies enumerated in the 2019 Energy Master Plan (“EMP”), which has served as the State’s blueprint to achieve 100% clean energy by 2050. The new programs and initiatives will continue to build upon the Board’s efforts to help meet the Governor’s updated climate goals and accelerate the state’s transition to a 100% clean energy economy.

14. On June 10, 2020, the President of the Board of Public Utilities announced that the board intended to create an Office of Clean Energy Equity that would be responsible for overseeing the equitable deployment of clean energy technologies and energy efficiency programs in New Jersey’s low- to moderate-income communities. The Deputy Director for Clean Energy Equity will manage the development and implementation of clean energy policies, technologies, and programs to better serve New Jersey’s overburdened communities to ensure equitable participation in clean energy programs and the equitable distribution of related benefits; work with board staff to incorporate equity considerations into program development; lead the board’s Equity Working Group; and engage with community-based organizations to ensure the efficacy of board programs.

- **Questions:** In FY 2023, what programs have the Office of Clean Energy Equity established to meet its mandate? Please provide a summary of the office’s planned activities for FY 2024. Please identify the board divisions and other State departments or agencies, and the number of employees from each, providing staff support to the office. How many employees have been hired to work directly within the office?

## Discussion Points (Cont'd)

**Please provide an FY 2024 spending plan and a detailed organizational chart, which outlines the hierarchy for the office. What additional initiatives does the Office of Clean Energy Equity plan to undertake in FY 2024?**

***BPU Response:***

The Office of Clean Energy Equity re-launched the Community Energy Plan Grant program with Sustainable Jersey in FY 2022, with grants awarded to 46 municipalities, including 24 overburdened municipalities, in late FY 2022, in an effort to align with New Jersey's Energy Master Plan. In FY 2023, one municipality withdrew from the program. Of the remaining 45 municipalities, including 24 overburdened municipalities, 39 municipalities have signed grant agreements. As of April 2023, Prospect Park became the first overburdened municipality and first municipality overall to adopt its community energy plan, which identifies more than two dozen initiatives that Prospect Park will implement within a five-year period.

As noted above, the Whole House Pilot Program ("WHPP") is an initiative established by BPU in partnership with Green and Healthy Homes Initiative ("GHHI") for FY23. The pilot was designed for income-eligible residents who do not qualify for the Comfort Partners program due to health and safety issues that prohibit weatherization work from being conducted. Through this program, eligible residents will receive the necessary health and safety work that would allow for proper weatherization improvements to be made. The pilot program is currently underway in Trenton, and a report outlining the potential benefits gained from this work will be completed at the end of the pilot. In addition, GHHI is developing a decarbonization pilot in conjunction with Staff that would provide a select amount of households participating in the WHPP with electrification services, with the intention that their energy burden would not increase.

Also as noted above, initiatives planned for FY24 include an Urban Heat Island pilot that is being developed by BPU in partnership with NJDEP and other state agencies. The program is expected to be located in an overburdened community within the state. The goal of the pilot is to address the causes for Urban Heat Islands and reduce the negative effects that come from excessive heat.

A workforce development program is also being developed in conjunction with state utilities and the NJ Department of Labor on providing complementary assistance such as wrap-around services for workforce in LMI communities. The program will help increase work opportunities in the clean energy economy, with an emphasis on recruiting residents from overburdened communities in north, central, and south Jersey.

The Office of Clean Energy Equity is currently supported by time from two staff members as needed from the Board's Division of Clean Energy following the departure in FY 2022 and FY 2023 of two people hired to work directly within the office. The Division of Clean Energy has been actively recruiting prospective employees to re-staff the Office of Clean Energy Equity.

Since the Office of Clean Energy Equity is funded within the New Jersey Clean Energy Program, their spending is based upon the Board's approval of the FY 2024 Budget. Staff closely monitor spending throughout the fiscal year to determine the Office of Clean Energy Equity's needs. Therefore, expected funding needs will be provided for each of

## Discussion Points (Cont'd)

the programs the Office of Clean Energy Equity administers as part of this budget process. As noted above, Staff anticipates continuing to build upon existing programs in FY 2024 in order to reach a larger number of residents and municipalities.

15. In August 2021, the State enacted P.L.2021, c.200, which required the board to establish two distinct programs: (1) the School and Small Business Ventilation and Energy Efficiency Verification and Repair (SSBVEEVR) Program, which would award grants to school districts and certain small businesses to install energy-efficient HVAC systems; and (2) the School and Small Business Noncompliant Plumbing Fixture and Appliance (SSBNPFA) Program, which would award grants to school districts and certain small businesses to replace noncompliant plumbing fixtures that fail to meet water efficiency standards.

Under the law, the board is required to solicit applications by October 1, 2021 and to begin approving applications by December 1, 2021. Under the law, these programs would be funded through the School and Small Business Energy Efficiency Stimulus Program Fund, which would be supported by federal funds provided to the State under the federal American Rescue Plan Act of 2021. Notably, the law provides that 75 percent of such funds would be dedicated to the SSBVEEVR Program and 25 percent would be dedicated to the SSBNPFA Program. Under the FY 2022 Appropriations Act, the State made available \$180.0 million in federal funds to support these programs. The American Rescue Plan Act funds, which come from the Coronavirus State Fiscal Recovery Fund, must be obligated by December 31, 2024 and expended by December 31, 2026.

In response to an FY 2023 Discussion Point, the board indicated funding for the SSBVEEVR was nearly exhausted when considering projects that were in the pipeline as of April 2022 and that the SSBNPFA was in less demand. On April 18, 2023, the board announced that it fully committed the \$180.0 million that was budgeted for the two programs.

- **Questions:** Please detail the number of applications that were submitted for the SSBNPFA and SSBVEEVR programs, respectively. For each program, how many grants have been provided to school districts and small businesses, respectively, and in what amounts? In the board's view, what factors drove demand for the SSBNPFA since April 2022 such that funds became committed earlier than anticipated?

**BPU Response:**

SSBVEEVR & SSBNPFA Information as of April 18, 2023

Project Type	Total Applications	Approved Applications	Total Funding Obligated	Total Funding Expended
<b>SSBVEEVR</b>	<b>371</b>	<b>194</b>	<b>\$171,066,972.23</b>	<b>\$8,183,379.48</b>
Underserved School	113	68	\$75,510,192.49	\$767,185.25
Other School	187	83	\$88,145,320.69	\$3,926,669.61
Underserved Small Business	18	11	\$1,507,531.50	\$740,287.50
Other Small Business	53	32	\$5,903,925.75	\$2,749,237.12
<b>SSBNPFA</b>	<b>226</b>	<b>158</b>	<b>\$8,311,709.44</b>	<b>\$2,078,262.96</b>



**Discussion Points (Cont'd)**

Underserved School	117	86	\$3,642,517.63	\$146,607.00
Other School	81	62	\$3,613,364.69	\$1,612,629.20
Underserved Small Business	6	2	\$264,227.82	\$192,590.25
Other Small Business	22	8	\$791,609.30	\$126,434.51
<b>TOTAL:</b>	<b>597</b>	<b>352</b>	<b>\$179,378,681.67</b>	<b>\$10,261,640.44</b>

- **While available funds have been committed under the programs, how will the board ensure that funds allocated to school districts and small businesses are expended prior to December 31, 2026? Does the board anticipate that additional grant funds will become available for the SSBVEER and the SBNPFA?**

***BPU Response:***

Staff and the program administrator, TRC, are working with recipients to ensure that the work will be done on time. Projects are initially approved with a one-year time frame for completion, to stress the importance of completing the projects in a timely fashion. Currently two additional six-month extensions are available to projects upon request. Since all projects were approved during or before March 2023, the current two-year time period is still short of the December 31, 2026 deadline.

At this time Staff does not anticipate that additional grant funding will become available under the SSBVEER and SBNPFA programs.

**Energy Assistance Programs**

16. Imposed under P.L.1999, c.23, the societal benefits charge is included in customer bills for electric and gas service. The proceeds of the charge are used to finance energy assistance programs administered through the Universal Service Fund (USF), energy demand management programs (e.g., the Clean Energy Program), energy consumer education programs, and various other purposes (e.g., nuclear plant decommissioning and manufactured gas plant remediation).

- **Questions: Please indicate the amount of revenue raised from the societal benefits charge in calendar years 2021 and 2022, respectively, and the amounts used to finance each program supported by the charge in each year. Please list, by utility and by societal benefits charge component, the 2021 and 2022 rates of change and provide reasons for any increase. What percentage of the average residential ratepayer's annual electric and gas bills did the societal benefits charge represent in calendar years 2021 and 2022?**

***BPU Response:***

## Discussion Points (Cont'd)

CY2021 SBC Revenues, including SUT (\$million)									
	ACE	JCP&L	PSE&G (Electric)	RECO	SJG	PSE&G (Gas)	NJNG	ETG	Total
Consumer Education									\$0.000
DSM/Clean Energy*	\$31.198	\$69.215	\$158.100	\$4.824	\$15.591	\$65.500	\$17.313	\$13.752	\$375.493
USF	\$14.482	\$31.963	\$68.900	\$2.552	\$6.535	\$20.900	\$5.448	\$3.677	\$154.457
Lifeline	\$6.675	\$14.820	\$30.700	\$1.169	\$2.869	\$14.900	\$3.910	\$2.782	\$77.825
Uncollectible	\$10.297	\$7.281							\$17.578
Nuclear Decommissioning									\$0.000
RAC		\$15.073	\$29.200		\$25.704	\$41.300	\$10.524	\$5.182	\$126.983
Social Programs			\$68.300						\$68.300
<b>Total Amount Billed</b>	<b>\$62.652</b>	<b>\$138.352</b>	<b>\$355.200</b>	<b>\$8.545</b>	<b>\$50.699</b>	<b>\$142.600</b>	<b>\$37.195</b>	<b>\$25.394</b>	<b>\$820.637</b>

\* Collection rates are established based on program budgets and energy volume assumptions; annual revenue collections may differ from budgeted amounts due to variation in actual volumes and are subject to annual true-up.

CY2022 SBC Revenues, including SUT (\$million)									
	ACE	JCP&L	PSE&G (Electric)	RECO	SJG	PSE&G (Gas)	NJNG	ETG	Total
Consumer Education									\$0.000
DSM/Clean Energy*	\$30.006	\$72.241	\$150.800	\$4.138	\$11.535	\$56.900	\$19.974	\$13.758	\$359.352
USF	\$22.924	\$53.471	\$109.500	\$3.395	\$3.718	\$34.500	\$9.045	\$6.454	\$243.007
Lifeline	\$6.880	\$16.083	\$32.100	\$1.000	\$2.826	\$15.400	\$4.039	\$2.841	\$81.169
Uncollectible	\$15.165	\$7.672		\$0.385					\$23.222
Nuclear Decommissioning									\$0.000
RAC		\$15.906	\$26.400		\$25.217	\$32.000	\$12.131	(\$4.127)	\$107.527
Social Programs			\$79.300						\$79.300
<b>Total Amount Billed</b>	<b>\$74.975</b>	<b>\$165.373</b>	<b>\$398.100</b>	<b>\$8.918</b>	<b>\$43.296</b>	<b>\$138.800</b>	<b>\$45.189</b>	<b>\$18.926</b>	<b>\$893.577</b>

\* Collection rates are established based on program budgets and energy volume assumptions; annual revenue collections may differ from budgeted amounts due to variation in actual volumes and are subject to annual true-up.

Discussion Points (Cont'd)

Societal Benefits Charge (SBC) Rates - April 2022								
SBC Components	Electric (\$/kWh)				Gas (\$/Therm)			
	PSE&G	JCP&L	ACE	RECO	PSE&G	NJNG	SJG	ETG
Clean Energy Program/ Demand Side Management	0.003287	0.003280	0.003445	0.003051	0.019520	0.024291	0.026706	0.025885
Manufactured Gas Plant Remediation	0.000607	0.000704	0.000000	0.000000	0.011977	0.016319	0.047480	-0.007784
Universal Service Fund w/ Lifeline	0.003053	0.003053	0.003053	0.003053	0.017800	0.017800	0.017800	0.017800
Uncollectibles/Social Programs	0.001728	0.000352	0.001653	0.000284	0.000000	0.000000	0.000000	0.000000
<b>TOTAL (without Sales and Use Tax)</b>	<b>\$0.009023</b>	<b>\$0.007389</b>	<b>\$0.008150</b>	<b>\$0.006388</b>	<b>\$0.049297</b>	<b>\$0.058410</b>	<b>\$0.091986</b>	<b>\$0.035901</b>
<b>TOTAL (w Sales and Use Tax)</b>	<b>\$0.009621</b>	<b>\$0.007878</b>	<b>\$0.008690</b>	<b>\$0.006811</b>	<b>\$0.052563</b>	<b>\$0.062300</b>	<b>\$0.098101</b>	<b>\$0.038300</b>

Societal Benefits Charge (SBC) Rates - April 2023								
SBC Components	Electric (\$/kWh)				Gas (\$/Therm)			
	PSE&G	JCP&L	ACE	RECO	PSE&G	NJNG	SJG	ETG
Clean Energy Program/ Demand Side Management	0.003287	0.003280	0.003049	0.003051	0.019520	0.024291	0.030855	0.024385
Manufactured Gas Plant Remediation	0.000471	0.000806	0.000000	0.000000	0.008753	0.016319	0.044935	0.002157
Universal Service Fund w/ Lifeline	0.003940	0.003940	0.003940	0.003940	0.015600	0.015600	0.015600	0.015600
Uncollectibles/Social Programs	0.001728	0.000352	0.001606	0.000284	0.000000	0.000000	0.000000	0.000000
<b>TOTAL (without Sales and Use Tax)</b>	<b>\$0.009766</b>	<b>\$0.008378</b>	<b>\$0.008595</b>	<b>\$0.007275</b>	<b>\$0.043873</b>	<b>\$0.056210</b>	<b>\$0.091390</b>	<b>\$0.042142</b>
<b>TOTAL (w Sales and Use Tax)</b>	<b>\$0.010413</b>	<b>\$0.008933</b>	<b>\$0.009164</b>	<b>\$0.007757</b>	<b>\$0.046780</b>	<b>\$0.059900</b>	<b>\$0.097411</b>	<b>\$0.044900</b>

**Definitions:**  
**Clean Energy Program/ Demand Side Management:** Includes costs for the Clean Energy Program, as approved by the BPU in the Comprehensive Resource Analysis, as well as other Board-approved demand side management programs.  
**Manufactured Gas Plant Remediation:** Includes the costs for investigations, testing, land acquisition, remediation and/or litigation expenses. Also includes third party claims.  
**Universal Service Fund w/ Lifeline:** Low income energy assistance  
**Uncollectibles:** Includes costs associated with uncollectible accounts

\*Note: Some utilities may not have a rate for a certain component because that component is not applicable to them. For example, JCP&L and PSE&G are the only electric companies that have Manufactured Gas Plant Remediation costs. This is because they held interests in this type of plant at some point, whereas ACE and RECO did not.

Annual Impact of SBC Rates

Electric {1}	Apr-21	Apr-22	Apr-23	Gas {2}	Apr-21	Apr-22	Apr-23
<b>ACE</b>				<b>ETG</b>			
SBC Portion of Annual Bill	\$ 48.17	\$ 67.78	<b>\$ 71.48</b>	SBC Portion of Annual Bill	\$ 47.80	\$ 38.30	<b>\$ 44.90</b>
Average Annual Bill	\$ 1,549.79	\$ 1,639.30	<b>\$ 1,632.18</b>	Average Annual Bill	\$ 1,026.11	\$ 1,141.41	<b>\$ 1,058.70</b>
SBC% of Annual Bill	3.11%	4.13%	<b>4.38%</b>	SBC% of Annual Bill	4.66%	3.36%	<b>4.24%</b>
<b>JCP&amp;L</b>				<b>NJNG</b>			
SBC Portion of Annual Bill	\$ 53.63	\$ 61.45	<b>\$ 69.67</b>	SBC Portion of Annual Bill	\$ 47.40	\$ 62.30	<b>\$ 59.90</b>
Average Annual Bill	\$ 1,057.98	\$ 1,104.67	<b>\$ 1,074.08</b>	Average Annual Bill	\$ 1,107.93	\$ 1,384.10	<b>\$ 1,529.80</b>
SBC% of Annual Bill	5.07%	5.56%	<b>6.49%</b>	SBC% of Annual Bill	4.28%	4.50%	<b>3.92%</b>
<b>PSE&amp;G- Electric</b>				<b>PSE&amp;G- Gas</b>			
SBC Portion of Annual Bill	\$ 67.81	\$ 75.04	<b>\$ 81.22</b>	SBC Portion of Annual Bill	\$ 54.91	\$ 52.56	<b>\$ 46.78</b>
Average Annual Bill	\$ 1,442.77	\$ 1,478.43	<b>\$ 1,496.68</b>	Average Annual Bill	\$ 856.67	\$ 1,002.11	<b>\$ 1,135.54</b>
SBC% of Annual Bill	4.70%	5.08%	<b>5.43%</b>	SBC% of Annual Bill	6.41%	5.24%	<b>4.12%</b>
<b>RECO</b>				<b>SJG</b>			
SBC Portion of Annual Bill	\$ 42.00	\$ 53.13	<b>\$ 60.50</b>	SBC Portion of Annual Bill	\$ 79.68	\$ 98.10	<b>\$ 97.41</b>
Average Annual Bill	\$ 1,243.29	\$ 1,531.46	<b>\$ 1,476.04</b>	Average Annual Bill	\$ 1,454.01	\$ 1,713.66	<b>\$ 1,927.57</b>
SBC% of Annual Bill	3.38%	3.47%	<b>4.10%</b>	SBC% of Annual Bill	5.48%	5.72%	<b>5.05%</b>

\*NOTE: The rates and bill impacts include Sales and Use Tax of 6.625% for 2021 - 2023.

{1}- The following usage was used: Residential- 7,800 kWh per year.

{2}- The following usage was used: Residential- 1,000 therms per year.

17. New Jersey ratepayers fund the USF via the societal benefits charge included in their electric and natural gas bills. The USF finances certain State energy assistance programs, including the USF Credit Program, the Fresh Start Program, the Lifeline Credit Program, the Tenants' Assistance Rebate Program, and energy assistance payments provided under the Temporary Assistance for Needy Families Program. The proposed FY 2024 Budget expects

## Discussion Points (Cont'd)

\$269.2 million to be deposited into the USF in FY 2024, representing a \$508,009 decrease from the FY 2023 estimate. Of this total, the Governor anticipates \$189.8 million in expenditures, which is unchanged from the FY 2023 estimate. Meanwhile, the Executive expects \$85.7 million to be transferred from the USF in FY 2024, representing a \$2.6 million increase from the FY 2023 estimate. The amount of this increase is dedicated to the Department of Community Affairs for the administration of the USF Credit Program and the Fresh Start Program.

Although the Department of Community Affairs administers the USF Credit Program and the Fresh Start Credit Program, the board is responsible for financing these programs. Notably, the USF Credit Program provides assistance to ensure that eligible utility customers do not pay more than six percent of their annual income toward gas and electric service. The Fresh Start Credit Program allows first-time USF credit recipients with at least \$60 in utility bill arrearages to retire their outstanding balances after paying an adjusted utility bill for 12 consecutive months following program admittance.

In June 2021, the board approved temporary changes to the USF Credit Program, which among other things includes an increase in the program's income limits from 185 percent of the federal poverty level to 400 percent and an increase in the monthly benefit cap from \$150 to \$180. The board also approved changes to the Fresh Start Credit Program, which among other things included automatic screening of any USF beneficiary with an overdue balance of \$60 or more for eligibility under the Fresh Start Credit Program. These changes for both programs took effect on October 1, 2021 and will end on September 30, 2023.

- Questions:** For the USF Credit Program and the Fresh Start Credit Program, respectively, please provide actual expenditures for the 2021-2022 program year and estimated expenditures for the 2022-2023 program year. How much of these expenditures were on program benefits and administrative expenses, respectively? In each year, how many customers have received assistance under these programs, and in what average amounts?

### **BPU Response:**

	10/1/21-9/30/22 Actual	10/1/22-9/30/23 Estimated
<b>USF</b>		
USF Benefits	\$146,431,260	\$146,189,398
USF Admin	\$8,005,013 <sup>1</sup>	\$9,875,034
Avg Accounts Assisted Monthly	286,883	321,611
Average Monthly Gas Credit	\$23	\$26
Average Monthly Electric Credit	\$53	\$63
<b>Fresh Start</b>		
Fresh Start Benefits	\$51,039,219	\$77,019,622
Fresh Start Admin <sup>2</sup>	\$7,549	\$13,743

<sup>1</sup> This is the approved budget. Department of Community Affairs has not yet reported actual USF administrative costs to the Board for Fiscal Year 2022.

<sup>2</sup> Fresh Start is administered by the utility companies with oversight by the Board. USF is administered by the Department of Community Affairs.

## Discussion Points (Cont'd)

Avg Accounts Assisted Monthly <sup>3</sup>	61,789	63,928
Average Monthly Gas Credit	\$57	\$55
Average Monthly Electric Credit	\$50	\$39

- For the 2021-2022 and 2022-2023 program years, how many individuals under the USF Credit Program and the Fresh Start Credit Program were able to receive benefits as a result of the program expansions put in place in October 2021? Please discuss the extent to which these program expansions increased utilization of the programs.

**BPU Response:**

Per the Department of Community Affairs, enrollment doubled during the first year of program expansions to approximately 290,000 households. Eleven percent of those enrolled were above the pre-pandemic USF income limits of 185 percent (185%) of the Federal Poverty Guidelines (“FPG”) up to 400 percent (400% FPG).

USF Enrollment	Households
10/1/20-9/30/21	147,139
10/1/21-9/30/22	289,788
10/1/22-4/24/23	185,440

USF Program Year	Households Over 185% FPG
10/1/20-9/30/21	0
10/1/21-9/30/22	30,533
10/1/22-4/27/22	21,146

Due to the program expansions, USF monthly benefit dollars increased by 38 percent during the 2021-2022 program year:

USF Benefits	Dollars
10/1/20-9/30/21	\$105,808,543
10/1/21-9/30/22	\$146,431,260
10/1/22-3/31/23	\$81,117,586

Additionally, prior to October 2021, only first time USF participants could access the Fresh Start forgiveness program. When Fresh Start was made available to any USF participant, and all income eligible USF applicants were deemed eligible, USF Fresh Start forgiveness dollars increased by 1,247 percent during the 2021-2022 program year:

Fresh Start Benefits	Dollars
10/1/20-9/30/21	\$3,788,641
10/1/21-9/30/22	\$51,039,219
10/1/22-3/31/23	\$21,440,657

- In what ways is the board ensuring that individuals, who are currently receiving benefits under the temporary program expansions are informed of, and prepared for, the ending of the expansions established under the USF Credit Program and Fresh Start Credit Program?

<sup>3</sup> Some utilities report all accounts enrolled in Fresh Start, other utilities (including PSE&G, the largest utility company) report accounts earning Fresh Start forgiveness.

## Discussion Points (Cont'd)

### **BPU Response:**

The utility companies, which administer the Fresh Start program on the Board's behalf, send Fresh Start reminder letters through the 15-month Fresh Start program informing the customer of their status in the program and what they need to do to earn forgiveness. The utility companies regularly advertise all of the assistance programs to customers in arrears including the Board's PAGE program, which is for higher income households. The Board is in the middle of a public comment period regarding the future of the USF and Fresh Start programs, however initial public comments received support keeping most program expansions in place for at least one more year.

18. The Unclaimed Utility Deposits Trust Fund holds unclaimed electric and natural gas utility customer deposits that escheat to the State. Every year, a contracted non-profit organization receives 75 percent of the fund's balances to provide utility assistance to certain customers who have fallen behind on their electric or gas bills. Accordingly, the Affordable Housing Alliance has administered the Payment Assistance for Gas and Electric (PAGE) Program since FY 2014. Specifically, the PAGE Program provides utility assistance to low- and moderate-income customers whose incomes are too high to qualify for other energy assistance programs. This assistance is intended to prevent the discontinuation of electric and gas services and to restore such services.

In response to the COVID-19 pandemic, the State took various actions to protect residential customers from the discontinuation of utility service. One of those actions includes the enactment of P.L.2022, c.4. Under the law, if a residential customer applied to a State agency for utility assistance before June 15, 2022, utility service providers were required to continue providing electric, gas, sewer, and water service to the customer for 60 days following the initiation of a utility assistance application and until the determination of the application. The law also required utility service providers to offer repayment plans upon the termination of the shutoff protections.

- **Questions:** During program years beginning October 2020, October 2021, and October 2022, respectively, please indicate the number of applicants for the PAGE program, the number of grants applied to recipients' gas and electric accounts, and the number of households receiving program assistance. What was the program's acceptance rate during each year? What was the average benefit provided to the recipients of gas and electric assistance, respectively? Please comment on the extent to which the enactment of P.L.2022, c.4 increased the utilization of these programs.

### **BPU Response:**

It is difficult to ascertain the direct impact of P.L. 2022, c.4 on the utilization of the utility assistance programs, however it undoubtedly had a positive motivating factor and also prevented or delayed discontinuation of service.

The acceptance rate of a program is dependent on the applicant completing their application and also meeting the eligibility criteria. PAGE program data requested is below:

PAGE PROGRAM	10/2020-9/2021	10/2021- 9/2022	10/2022- 3/2023

**Discussion Points (Cont'd)**

Applications Received	12,042	16,379	7,413
Grants Approved	6,491	7,593	3,649
Acceptance Rate	54%	46%	49%
Households Assisted	6,273	6,483	3,379
Total Grant Dollars Awarded *	\$ 4,259,911	\$ 3,144,282	\$ 1,495,000
Average Gas Benefit	\$404	\$316	\$322
Average Electric Benefit	\$484	\$389	\$381

\*While applications increased during the pandemic, availability of the American Rescue Plan, USF, and Fresh Start programs reduced reliance on PAGE dollars.

- **How much funding was provided to the Affordable Housing Alliance in FY 2022 and FY 2023, respectively, to administer the PAGE Program? Of this total, what amounts were provided to customers as program assistance, and what amounts were retained for administrative expenses?**

**BPU Response:**

PAGE CY	Fund Balance	Annual Budget	Funds Provided to Grantees	Admin	Operating Costs
2021	\$5,588,600 <sup>4</sup>	\$5,000,000	\$3,260,261	\$96,288	\$916,783
2022	\$5,468,184 <sup>5</sup>	\$5,000,000	\$3,122,730	\$95,042	\$958,672
2023*	\$5,162,790 <sup>6</sup>	\$5,000,000	\$677,982	\$23,760	\$231,409

\*January-March 2023

19. In response to the COVID-19 pandemic, the State took various actions to protect residential customers from the discontinuation of utility service. In June 2021, the Governor issued Executive Order No. 246 to end the moratorium on utility shutoffs effective July 1, 2021. Additionally, the executive order established a six-month grace period, ending December 31, 2021, in which certain customer protections would remain in place. During the grace period, utility service providers were prohibited from discontinuing: (1) gas, electric, sewer, or water services for any residential customer due to nonpayment; and (2) Internet service for any residential customer with one or more school-aged children who utilized the Internet for educational purposes. After the expiration of the grace period, Executive Order No. 246 also required utility service providers to allow residential customers to enroll in 12-month, interest-free payment plans before disconnecting their utility services. However, before the grace period expired, the State enacted P.L.2021, c.317 to extend certain protections provided under Executive Order No. 246 until March 15, 2022. Specifically, the law extended the shutoff

<sup>4</sup> In December 2020 PAGE had a carry-over balance of \$1,552,649; added to the January 2021 payment of \$3,670,951 from Treasury and the annual \$365,000 payment from the New Jersey Public Power Authority, PAGE had a total fund balance of \$5,588,600.

<sup>5</sup> In December 2021, PAGE had a total carry-over balance of \$1,115,480; added to the January 2022 payment of \$3,987,704 from Treasury and the annual \$365,000 payment from the New Jersey Public Power Authority, PAGE had a total fund balance of \$5,468,184.

<sup>6</sup> In December 2022 PAGE had a carry-over balance of \$833,079; added to the \$3,964,711 payments from Treasury and the annual \$365,000 payment from the New Jersey Public Power Authority, PAGE had a total 2023 fund balance of \$5,162,790 for Calendar year 2023.

## Discussion Points (Cont'd)

protections for all residential customers of water, sewer, and municipal electric service, but not Internet service. The law also extended the requirement for utility service providers to offer repayment plans before discontinuing the water, sewer, electric, or gas services of a residential customer with unpaid balances incurred before March 15, 2022. As permitted under Executive Order No. 246, the law also allowed utility service providers to offer payment forgiveness plans involving the forgiveness of at least 50 percent of the outstanding principal to residential customers. In March 2022, the State also enacted P.L.2022, c.4 to provide an additional extension of the prohibition on utility shutoffs for certain residential customers who apply for State-administered utility assistance programs. Under the law, if a residential customer applies to a State agency for utility assistance before June 15, 2022, utility service providers are required to continue providing electric, gas, sewer, and water service to the customer for 60 days following the initiation of a utility assistance application and until the determination of such application. As provided under P.L.2021, c.317, this law also requires utility service providers to offer repayment plans upon the termination of the shutoff protections.

- **Questions:** Of the total number of residential customers who owed unpaid Internet service charges and entered into a payment plan or a forgiveness plan after the expiration of Executive Order No. 246 on December 31, 2021, what is the total amount repaid under all payment plans, how many customers are behind on such payments, and what amount of unpaid Internet service charges have been forgiven?

**BPU Response:** The Board does not have regulatory authority over internet services, therefore, providers have no legal obligation to provide the Board with any data on their internet service offerings in the state. To the extent the requested data was available, several providers did provide responses to the Legislature's queries, which we are providing cumulatively, to preserve the confidentiality of the individual providers.

Total amount repaid under all payment plans: \$2,903,596.  
 Customers behind on payments: 5664  
 Unpaid Internet charges forgiven: \$17,026,385.

- **Please explain the impact of P.L.2022, c.4 on the utilization of utility assistance programs. What is the current acceptance rate for each utility assistance program funded by the board, and how do these rates compare with program averages before the enactment of P.L.2022, c.4?**

**BPU Response:**

It is difficult to ascertain the direct impact of P.L. 2022, c.4 on the utilization of the utility assistance programs, however it undoubtedly had a positive motivating factor and also prevented or delayed discontinuation of service.

The acceptance rate of a program is dependent on the applicant completing their application and also meeting the program eligibility criteria. The application and enrollment rates of the programs the Board funds are shown below:

**USF:**

USF	10/1/21-9/30/22	10/1/22-5/1/23
Applications Processed	445,760	373,100
Beneficiaries	289,788	187,662



**Discussion Points (Cont'd)**

Enrollment Rate (USF)*	65%	50%
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\*The majority of USF/LIHEAP applicants denied USF are denied due to incomplete applications or no utility account information provided. The majority of USF/LIHEAP applications come from automatic processing of clients from the Supplemental Nutritional Assistance Program, which does not always provide utility account numbers to the USF and LIHEAP programs.

Lifeline:

The Board funds the Lifeline program through the Societal Benefits Charge; however the program is administered by the Department of Human Services, Division of Aging Services, which reported the following answer regarding Lifeline acceptance rates:

It is difficult to give a simple answer regarding Lifeline acceptance rates due to two factors.

- 1) Except for the Lifeline Only cases, which account for only 1% of Lifeline beneficiaries, the other beneficiaries have been determined eligible based on their enrollment into Pharmaceutical Assistance for the Aged and Disabled (PAAD) and Medicaid, with the Lifeline unit only responsible for determining if they meet the utility/tenant requirement. Only for Lifeline Only does the Lifeline program have to determine if applicants meet the residency, age/disability, and financial requirements in addition to the utility/tenant requirement. For the Lifeline Only population, the acceptance rate is 76%. Medicaid acceptance rate is unknown. PAAD’s average is 80%. For the cases where the applicants are active on PAAD or Medicaid, and Lifeline is only verifying the utility/tenant status the Lifeline acceptance rate is 99%. All of Social Security Income (SSI) eligibility is handled by our Division of Family Development.
- 2) It is difficult to compare SFY23, which is incomplete, to prior state fiscal years, because enrollment counts are based on the six cycles and they fluctuate yearly depending on when applications are submitted, and while the first is the largest, it is not possible to be certain of any predictions for the entire fiscal year, based on the three cycles that have happened so far.

	SFY20	SFY21	SFY22	SFY23*	SFY23**
Lifeline	85,241	84,999	88,882	75,538	84,559
SSI	172,507	172,798	157,918	159,435	159,435
All Lifeline	257,748	257,797	246,800	234,973	243,994

\*These numbers reflect only the first three out of six cycles for Lifeline and the average of the SSI population for the first nine months for the fiscal year.

\*\*These numbers were recalculated by adding 9,021 to the Lifeline count as that is the average number of beneficiaries in cycles 4-6 in SFY20, SFY21 and SFY22.

As shown in the above table. Lifeline enrollment has remained mostly consistent throughout the entire time period, with the only real fluctuation being the decrease in SSI enrollment, which is not something for which we have data to explain.

## Discussion Points (Cont'd)

- **How many residential customers were subject to the utility shutoff protections of P.L.2022, c.4 by virtue of applying for utility assistance before June 15, 2022? Of this total, what was the total balance of all arrearages?**

***BPU Response:***

The utilities do not track this information, however during the months of March 2022 through June 2022, Department of Community Affairs and the Affordable Housing Alliance reported the following number of applicants to the USF and PAGE programs. It should be noted that applying for assistance does not always indicate a household has an arrearage or is in danger of shut off.

	<b>USF</b>	<b>PAGE</b>	<b>Total Households</b>
March 2022	10,757	2,575	13,332
April 2022	17,511	1,143	18,654
May 2022	14,522	792	15,314
June 2022	11,621	1,082	12,703
<b>Total</b>	<b>54,411</b>	<b>5,592</b>	<b>60,003</b>

20. In December 2021, the State also expanded the utility shutoff protections provided under the Winter Termination Program through the enactment of P.L.2021, c.317. Historically, the Winter Termination Program has protected certain residential customers from the discontinuation of electric and gas service during the period beginning November 15 and ending March 15. To qualify for the program, a customer must already participate in certain utility assistance programs (e.g., the Low Income Home Energy Assistance Program, the Universal Service Fund, etc.), or be unable to pay their utility bills because of circumstances beyond their control. Under the program, participating customers are required to make good-faith payments during the four-month protection period, provided that they have the ability to pay. Additionally, if a residential customer's electric or gas service was discontinued for nonpayment before November 15, the program allows the customer to make a down payment, up to 25 percent of the outstanding balance, as a condition for the resumption of utility service during the current protection period. However, the public utility is required to consider the customer's ability to pay when determining the amount of the required down payment.

Under P.L.2021, c.317, the board was required to expand the scope of the Winter Termination Program to include the prohibition of sewer and water service shutoffs. The law also required the Department of Community Affairs to establish a similar program governing the discontinuation of utility services by local authorities, municipal utilities, and rural electric cooperatives. Additionally, the law required utility service providers to allow customers to self-certify their ability to pay for the purposes of program eligibility.

- **Questions:** Please indicate the number of customers who participated in the Winter Termination Program during the winter seasons beginning in November 2019, November 2020, November 2021, and November 2022, respectively. Of this total, how many customers received a resumption of utility service after a prior discontinuance for nonpayment? During each year, what was the average amount paid by program participants in good-faith payments and down payments, respectively? How many participants were exempt from such payments due to an inability to pay? Has the enactment of P.L.2021, c.317 increased the utilization of the program? If so, please explain.

**Discussion Points (Cont'd)*****BPU Response:***

	2019-2020	2020-2021	2021-2022	2022-2023
Accounts participated in WTP	136,493*	252,144	301,723	363,619
Resumption of service after discontinuance**	781	0	3	174
Avg amount paid in good faith payments**	\$149.98	\$127.25	\$139.35	\$330.38
Avg amount in down payments**	\$158.15	\$143.11	\$149.29	\$160.50
Exempt from payments due to inability to pay**	46,165	42,712	54,947	2,276

\*PSEG did not track during this period.

\*\*Most utilities do not track this information.

P.L. 2021, c.317 has increased utilization of the Winter Termination Program as it has been made available to water and sewer customers of regulated utilities and municipal utilities during this past winter (2022-2023).

21. The FY 2023 Appropriations Act included a \$500,000 appropriation for a Wave and Tidal Energy Feasibility Study and Pilot Program. To date, the full amount of the appropriation is unexpended.

- **Questions:** Please detail the timeline for the expenditure of funds for the Wave and Tidal Energy Feasibility Study and Pilot Program. Will the board retain a third-party vendor to conduct the study? If so, when does the board expect that it will procure the vendor? Please describe the criteria upon which the board will rely to select a vendor for the study.

***BPU Response:***

The Board approved the release of a Request for Response (“RFR”) on April 24, 2023, for a feasibility study to assess the energy potential of New Jersey’s wave & tidal energy resources. This RFR was released to the state’s public colleges and universities. It is anticipated that the Board will make an award for this RFR this summer. The feasibility study will take up to two years to complete, and will include:

- A literature review, with a focus on prior work that assess wave and tidal energy along the Mid-Atlantic region of the East Coast of the U.S.;
- Numerical modeling studies to provide an assessment of New Jersey’s wave and tidal energy resources; and
- An additional analysis and recommendations including the specific locations along New Jersey’s shoreline that have the best resources and/or are best suited for wave energy generation and tidal energy.
  - The analysis will additionally include:
    - Which energy capture technologies may be best suited for New Jersey;
    - How the technologies can impact marine life, marine environments, and animal migration patterns based upon the literature review,
    - How these energies ay contribute to the Sate’s clean energy portfolio

## Discussion Points (Cont'd)

Upon completion of the study, the Board will consider the appropriateness of a pilot project given the results.

The Board will evaluate bids for the feasibility study based upon the bidder's: relevant qualifications and experience; overall ability to successfully complete the project; technical approach to the work; and project budget.

### Broadband Access

22. P.L.2021, c.161 established in the Board of Public Utilities the Broadband Access Study Commission, which is charged with evaluating the impediments of access to broadband service for all State residents. The board was provided \$2.8 million from the State's flexible \$6.24 billion Coronavirus State Fiscal Recovery Fund grant award under the American Rescue Plan Act for the study commission. In October 2022, the board announced a partnership with ECC Technologies, Inc., to assist in the study commission's efforts and launched a Statewide broadband survey to assess existing broadband speed and usage and to identify gaps in broadband service. The deadline for State residents to complete the survey was January 31, 2023.

- **Questions:** Please provide an overview of the research findings resulting from the Statewide broadband survey, including the overall availability of broadband across the State, observations on the main impediments to broadband access Statewide, and areas of the State that face particular challenges in accessing broadband. What is the anticipated timeline for the release of the Broadband Access Study Commission's report containing the study commission's findings, conclusions, and recommendations?

#### ***BPU Response:***

- (1) Current findings - Statewide broadband survey result highlights:
  - a. The geographic distribution of the responses is divided into three segments. 60% of the responses identified as suburban, 30.1% identified as rural, and 9.9% identified as urban.
  - b. One third of respondents indicated that monthly cost was the primary reason for not having access and another 15.7% reported using their cell phones to access the internet.
  - c. For respondents indicating no broadband service available, 40.9% reported issues relating to schoolwork, 53.5% have reported issues working from home and 76% indicated they have been asked by a healthcare provider to participate in a virtual office visit.
  - d. Over half of respondents reported paying more than \$75 per month for access, with an additional 30.2% of respondents indicating that they had subscription rates of more the \$100 per month.
  - e. 15% of respondents reported being unable to purchase the speed they require, with another 26.1% indicating they did not know if they could purchase the bandwidth they required.
  - f. 81% of respondents indicated that it is important or very important to have a

## Discussion Points (Cont'd)

choice of providers.

- (2) Availability – The current analysis of address locations from the NJ GIS database has indicated that there are approximately 3,238,560 address locations that will be used for this study and report development. The number of address locations capable of receiving broadband service, which is a minimum of 100 Mbps download and 20 Mbps upload speeds, is approximately 3,231,598. The number of address locations that do not have physical access to either a fiber or coax provider for the previously mentioned broadband speeds, is approximately 6,962. These locations are found primarily in the rural communities of New Jersey. This indicates that 99.78% of address locations have the physical infrastructure to provide the minimum speed classified as “Broadband” at 100/20 Mbps and .21% lack access to the infrastructure needed for this service level.
- (3) Impediments to Access – Aside from the adoption issues mentioned above, there are physical network problems that exist in both the rural and urban environments. In the rural areas, the issue is primarily a lack of physical telecommunications infrastructure to support the address locations where there is a very low household per mile rate. Providers have not extended their services due to the high costs of construction and density of subscribers to offset those costs. It should be noted that many of the address locations may be located on or near a road that has infrastructure, however, the locations are beyond the distance of what a provider considers a normal install. This creates a very high cost for the residents to be connected. The report will contain an in-depth review of the physical telecommunications infrastructure needed to reach the rural, unserved locations along with detailed options and cost estimates to serve those locations without broadband service.
- (4) As the data has shown, the State has a very high rate of access to the needed Broadband infrastructure. The challenge to ensuring every address has physical access to this infrastructure is twofold. 1) Building the pockets of infrastructure needed in the rural areas and 2) developing a consistent state-wide plan for the expansion of infrastructure and technology in the MDU’s. For consideration, two of the many options to overcome this challenge may be a state sponsored program or amendments to zoning requirements.
- (5) The Broadband Access Study Commission’s report is intended to be released by end of 2023. Since establishing the Study Commission, there has been a great deal of information made available to states as it relates to current broadband availability and funding opportunities. This information will strengthen the recommendations put forth by the Commission.

23. On February 1, 2023, the board announced the appointment of a director for the newly created Broadband Office. According to the announcement, the office is working in conjunction with the Broadband Access Study Commission and is leading the implementation of New Jersey’s Digital Equity Planning Grant and Broadband Equity Access and Deployment programs, both of which are financed through federal funds.

## Discussion Points (Cont'd)

- Questions:** To date, please describe the initiatives and programs that the Broadband Office has instituted and how the initiatives and programs seek to increase broadband access across the State. What activities does the office have planned for FY 2024? How many employees have been hired to work in the office? Please provide an FY 2023 spending plan and a detailed organizational chart, which outlines the hierarchy for the office.

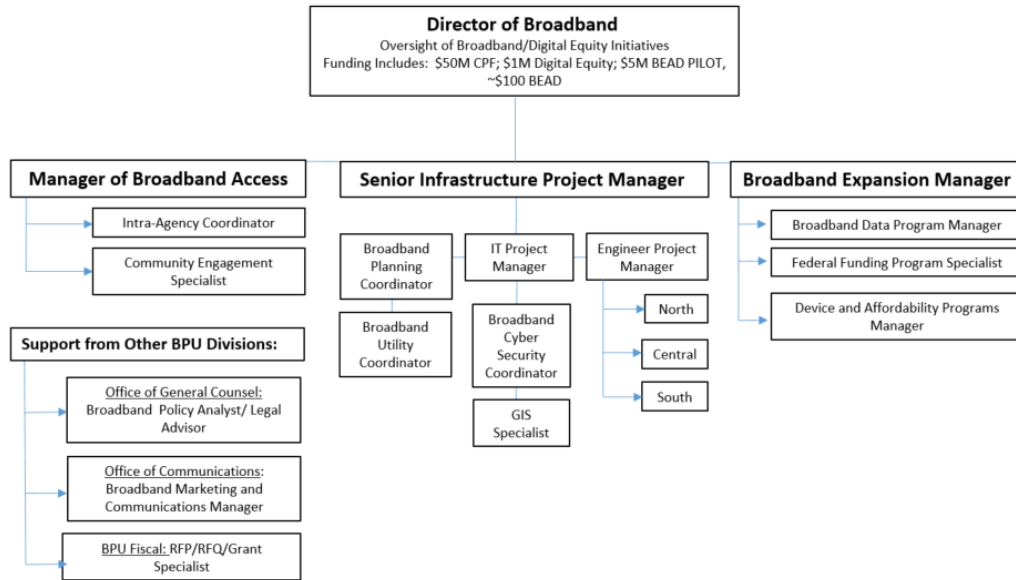
**BPU Response:**

- (1) The NJ Broadband Infrastructure Deployment Equity (NJBIDE) pilot program is the BPU's bold plan to ensure all New Jerseyans are connected to affordable high-speed internet. It will be used to fund large-scale broadband deployment projects designed to provide symmetrical upload and download speeds of at least 100/100 Mbps by creating a competitive bidding system open to existing broadband and Internet Service Providers (ISPs) currently operating in the State of New Jersey. NJBIDE will encourage public-private partnerships among government, non-profit and for-profit entities, and other key community stakeholders. One of the major principles of the Program is to ensure that the network is capable of supporting all existing and Next Generation applications and streaming services to promote digital equity, and economic development through expanded non-traditional workplace, health and entertainment opportunities. It will identify at-risk communities and institutions that could benefit economically from broadband deployment. It will develop a comprehensive database of all available grants/funding opportunities that may be used for infrastructure and end-user devices

<b>FY23 Projected Expense</b>	<b>FY23 Projected Cost</b>
Personnel	\$982,000.00
Travel	\$31,968.00
Training/ Technical Assistance	\$50,000.00
Community Outreach	\$75,000.00
Consultants	\$2,440,985.00
Supplies	\$12,000.00
Indirect Costs	\$55,640.00
<b>TOTAL</b>	<b>\$3,647,593.00</b>

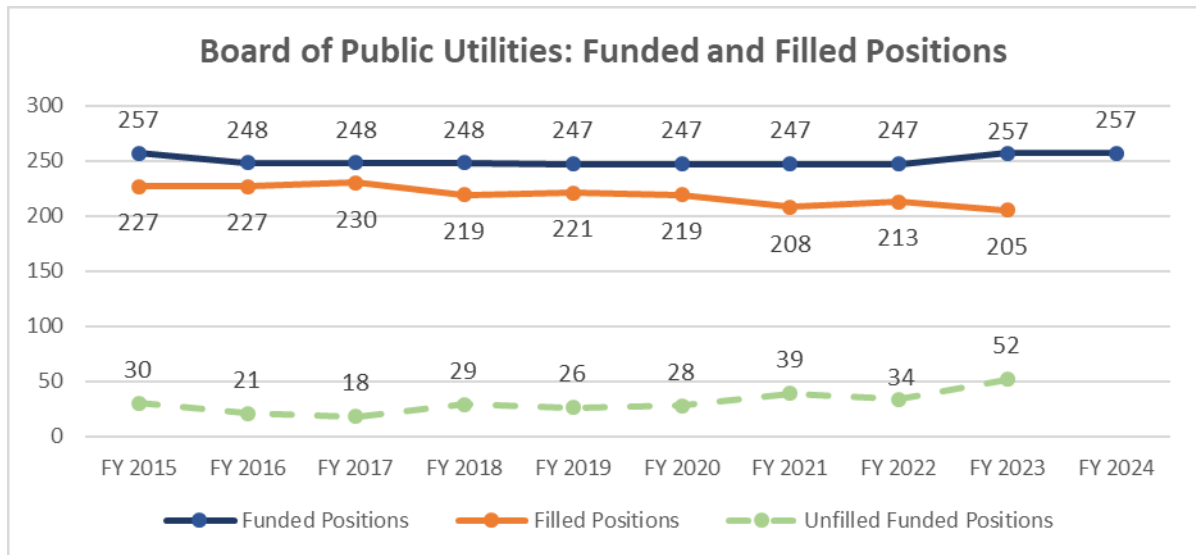
- (2) Activities planned by the Office of Broadband Connectivity include: conducting listening sessions within the state to participate in regional stakeholder engagement meetings, conducting robust community and stakeholder outreach, collecting data, meeting directly with stakeholders, and completing project activities.
- (3) There have been two employees hired for the office: the Director of Broadband and Manager of Broadband Access. We will also have a dedicated grant manager. The office has access to 6 FTEs (Senior Project Manager, GIS Specialist, Legal Representative from BPU's Office of General Counsel, (2) Communications resources, Customer Service support.)

Discussion Points (Cont'd)



Staffing Levels

24. Personnel data since FY 2015 indicate a gap between the number of funded and filled positions at the board. As demonstrated in the chart below, this gap is expected to grow from 34 unfilled positions in FY 2022 to 52 positions by the end of FY 2023. The FY 2024 Governor’s Budget recommends maintaining the level of board staff at 257 positions.



- Questions:** Does the board believe it has a sufficient number of staff to effectively administer its various initiatives and programs, including a potential increase in the number of clean energy programs that would be needed to meet the Governor’s goal of 100 percent clean energy production by 2050? What efforts has the board undertaken in FY 2023 to increase its staffing levels? Does the board plan on instituting any hiring initiatives in FY 2024?

**Discussion Points (Cont'd)*****BPU Response:***

Our total approved 257 FTEs, compared to the current 218 FTEs, for growth to effectively manage the aforementioned projects and programs to achieve the governor's goal of producing 100 percent clean energy by 2035. The Board will continue to hire proportionately across all areas of the Agency to ensure we have the necessary staff to meet the agency's mandates.