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KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

ONE JEFFERSON ROAD
PARSIPPANY, NJ 07054

(973) 503-5900

BOARD OF PUBLIC UTILITIES

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MAIL RECEIVED

FACSIMILE
(973) 503-5950
www.kelleydrye.com

GLENN T. GRAHAM
DIRECT LINE: (973) 503-5940
EMAIL: ggraham@kelleydrye.com

December 3, 2018

VIA E-MAIL AND OVERNIGHT MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Fl., Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: In the Matter of the Petition of Public Service Electric and Gas Company
for Approval of its Clean Energy Future-Energy Efficiency Program on a
Regulated Basis
BPU Docket No. ~~E010121113~~ E018101113

Secretary Camacho-Welch:

Pursuant to N.J.A.C. 1:1-12.2(c), Sunrun Inc. ("Sunrun") hereby submits this response to Public Service Gas and Electric Company's ("PSE&G") November 28, 2018 letter in opposition to Sunrun's Motion to Intervene in the above referenced proceeding. As more fully described below, PSE&G's arguments in opposition to Sunrun's Motion to Intervene ("Motion") are inapposite, misstate or ignore clear and specific assertions in Sunrun's Motion, and are a transparent attempt to exclude the nation's leading residential solar and energy storage provider from meaningfully participating and representing its interests in this important proceeding. PSE&G's arguments should be rejected and Sunrun's Motion should be granted. In support this requested relief, Sunrun states as follows:

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KELLEY DRYE & WARREN LLP

Secretary Camacho-Welch
December 3, 2018
Page Two

1. Despite PSE&G's arguments to the contrary, Sunrun clearly demonstrates that its interests are "directly, substantially and significantly affected" by the above captioned proceeding. PSE&G's assertion that "not once does Sunrun mention that the proceeding will affect it directly and substantially"¹ baldly misrepresents Sunrun's stated interests. Indeed, Sunrun states in its Motion that "[a]s a residential solar and energy storage provider in PSE&G's territory, the outcome of this proceeding will have a substantial, specific and direct impact on Sunrun's interests."² Moreover, Sunrun commended PSE&G's energy efficiency commitment, noting in particular PSE&G's innovative incorporation of residential energy storage and solar PV into its energy efficiency portfolio and stated that "[a]s the largest residential solar and energy storage provider in the country and operations in PSE&G's service territory, Sunrun has a direct and significant interest in PSE&G's proposed programs and pilots, including the Smart Home, Volt Var and Non-Wires Alternatives Pilots."³
2. PSE&G's claim that Sunrun "does not specifically mention the availability of its [BrightBox] service or actual plans to offer said service in PSE&G's service territory"⁴ is flatly contradicted by Sunrun's Motion. Sunrun clearly states in its Motion that it "offers a solar-plus-storage service ("BrightBox") in several states," that "BrightBox capabilities

¹ PSE&G Letter in Opposition to Motion to Intervene of Sunrun Inc. at 6 (Nov. 28, 2018) ("PSE&G Letter").

² Motion to Intervene of Sunrun Inc. ¶ 4 ("Sunrun Motion").

³ *Id.* ¶ 5.

⁴ PSE&G Letter at 6.

Secretary Camacho-Welch
December 3, 2018
Page Three

... extend to integrated grid management capabilities such as those contemplated in PSE&G's pilot programs" and that "Sunrun brings to this proceeding the unique experience and perspective of a developer of residential solar and storage operating in PSE&G's service territory."⁵

3. In addition to PSE&G's misrepresentation of Sunrun's direct and substantial interest, PSE&G's assertion that Sunrun's suggestion to explore a bring-your-own-device ("BYOD") program in conjunction with PSE&G's proposed pilot offerings is "misplaced, and would serve nothing more than to distract the parties from the actual issues at hand"⁶ ignores the fact that a BYOD tariff is directly in line with the type of innovative energy efficiency program that PSE&G proposes to advance through its Energy Efficiency Plan. As discussed in Sunrun's Motion as an example of this, PSE&G's Energy Efficiency proposal states that the purpose of the Smart Homes pilot "is to allow PSE&G to diverge from typical energy efficiency subprogram implementations and test new and innovative smart home concepts with customers *and the emerging network of private sector firms active in this broad space.*"⁷ (Emphasis added). PSE&G further states "[t]he target market for PSE&G's Smart Homes Pilot includes *residential electric . . . customers*"⁸; and "the breadth of smart home devices

⁵ Sunrun Motion ¶¶ 8, 11.

⁶ PSE&G Letter at 7.

⁷ PSE&G Energy Efficiency Plan at 74; *see also* Sunrun Motion ¶ 5 (citing the same).

⁸ PSE&G Energy Efficiency Plan at 75.

Secretary Camacho-Welch
December 3, 2018
Page Four

entering homes is expanding beyond thermostats, smart plugs, and lighting controls to include smart shared controls, appliances, water heaters, *as well as connected PV inverters, residential storage batteries,* and electric vehicles. *All of these connected products can coordinate operation to optimize control* to flatten the load profile of a home, minimizing demand charge while consuming power that is generated locally, *maximizing return on investment in solar and storage solutions.”*⁹ (Emphasis added). To be clear, PSE&G’s Smart Home pilot seeks to work with private sector firms, of which Sunrun is the national leader, to test Smart Home pilot concepts; targets residential customers, which is the customer segment exclusively served by Sunrun; and proposes to leverage solar PV and storage assets installed at residential customers homes, which would very likely include existing and future Sunrun customers.

4. The type of BYOD program Sunrun encourages the Board to explore offers an efficient means to achieve PSE&G proposed Smart Home pilot goals. As such it is by no means “misplaced” nor would it “distract the parties from the actual issues at hand.” To the contrary, it is precisely the type of program that the Board should consider as a means to meet the laudable goals set forth in PSE&G’s proposals to implement its energy efficiency plans.

⁹ *Id.* at 74.

Secretary Camacho-Welch
December 3, 2018
Page Five

5. For the avoidance of doubt, while Sunrun notes the Smart Home pilot again in this response, and PSE&G's Volt-Var and Non-Wires Alternative pilots in Sunrun's Motion,¹⁰ Sunrun's interests are not limited exclusively to these pilot programs. Instead, Sunrun highlights these pilots to underscore the fundamental connection between PSE&G's Energy Efficiency Plan and Sunrun's interests. Sunrun's intervention should therefore not be limited to those programs or pilots Sunrun specifically cited in its Motion simply because Sunrun did not detail every particular element of PSE&G's extensive filing to which Sunrun has an interest.
6. Moreover, PSE&G's argument that "nowhere in Sunrun's Motion did it allege that it is a ratepayer of PSE&G such that it has reasonable basis upon which to champion a BYOD tariff" is both inaccurate and inapposite. Sunrun is in fact a PSE&G customer, as PSE&G is aware after raising the same false claim in PSE&G's last rate case proceeding where Sunrun established that it is in fact a PSE&G customer.¹¹ Sunrun operates two branch offices in Evesham Township and Franklin Township in PSE&G territory where Sunrun employs New Jersey workers to sell and install Sunrun's solar and energy storage products.

¹⁰ Sunrun Motion ¶ 5 (stating "[a]s the largest residential solar and energy storage provider in the country and operations in PSE&G's service territory, Sunrun has a direct and significant interest in PSE&G's proposed programs and pilots, *including* the Smart Home, Volt-Var and Non-Wires Alternatives Pilots.") (Emphasis added).

¹¹ BPU Docket Nos. ER 18010029, GR18010030; OAL Docket No. 12098-16, Sunrun Response to PSE&G Opposition to Sunrun Motion to Intervene at 2 (Apr. 20, 2018).

KELLEY DRYE & WARREN LLP

Secretary Camacho-Welch
December 3, 2018
Page Six

7. Moreover, contrary to PSE&G's assertion that if Sunrun is a ratepayer its "interests are more than adequately represented by the New Jersey Division of Rate Counsel ("Rate Counsel")"¹²; the Rate Counsel cannot and does not represent Sunrun's interests because Sunrun's interests in this proceeding extend beyond its interests as a ratepayer of PSE&G. The fact that Sunrun is a ratepayer is independent of Sunrun's stated interests in this proceeding and has no bearing on the fact that Sunrun's core competencies and capabilities provide it the expertise and capacity to partner with utilities to achieve demand reduction and other grid benefits to deliver customer savings through a BYOD program and as a private sector participant in PSE&G's proposed programs and pilots. Indeed, as the leading solar, energy storage, and behind the meter energy management company in the country, Sunrun is championing the development of BYOD programs in numerous states, including neighboring New York and New England states.¹³ Sunrun unquestionably has a reasonable basis to champion a BYOD program in

¹² PSE&G Letter at 7.

¹³ Sunrun Motion ¶ 10; *see also* New Hampshire Public Utilities Commission DE 17-189, Direct Testimony of Justin Barnes (May 2, 2018) (discussing the benefits of and recommending the adoption of a BYOD program as part of a pilot program proposed by Liberty Utilities to use customer sited energy storage devices to manage peak demand events) and Proposed Settlement Agreement (Nov. 16, 2018) (adopting Sunrun's recommendations to include a BYOD program in Liberty's pilot program); New York State Department of Public Service, Matter No. 14-01299, In the Matter of PSEG LI Utility 2.0 Long Range Plan, Comments of Sunrun Inc. (Aug. 30, 2018) (supporting PSE&G LI's proposed BTM Energy Storage with Solar Program as a means to provide clear market rules and up-front pricing to DER customers, developers, and aggregators to integrate cost-effective DER solutions to meet short-term and long-term grid needs and recommending the program be expanded across PSE&G's Long Island territory) and Department of Public Service Recommendations Regarding PSEG LI Annual 2018 Update at 15-16 (Nov. 1, 2018) (discussing PSEG LI proposal to "initiate an open solicitation of third party aggregators to install energy storage solutions paired with solar, while also providing load relief through direct load control" and recommending that "PSEG LI pursue the

KELLEY DRYE & WARREN LLP

Secretary Camacho-Welch
December 3, 2018
Page Seven

New Jersey and to partner with PSE&G to achieve the goals of its proposed programs and pilots.

8. While Sunrun again commends PSE&G's forward thinking interest in adopting innovative programs and pilots into its energy efficiency resource portfolio to support New Jersey's clean energy goals, PSE&G's opposition to Sunrun's Motion is a thinly veiled attempt to exclude the leading residential solar and energy storage intervenor from meaningfully participating in this proceeding and must be rejected. PSE&G's proposed Energy Efficiency Plan proposes cutting edge innovations in utility energy efficiency programs that involve partnering with private entities like Sunrun, but also proposes to spend billions of dollars in ratepayer funds that will impact customers and private market participants for decades to come. The Board should fully examine alternative and less costly methods to advance energy efficiency in New Jersey.
9. Application of the standards for intervention involves an implicit balancing test that requires "[t]he need and desire for development of a full and complete record, which involves consideration of a diversity of interests, [to] be weighed against the requirements of the N.J.A.C, which recognizes the need for prompt and expeditious administrative proceedings by requiring that an intervenor's interest be specific, direct

BTM Storage project and expand the project outside of load constrained areas on Long Island to be available systemwide, to all classes of ratepayers, and include both paired Photovoltaic (PV) and energy storage projects as well as standalone energy storage projects designed to reduce customer load during utility demand response events").

KELLEY DRYE & WARREN LLP

Secretary Camacho-Welch
December 3, 2018
Page Eight

and different from that of the other parties so as to add measurably and constructively to the scope of the case.”¹⁴

10. The historic nature of this filing warrants parties and stakeholders who can provide insights and expertise have a seat at the table. Sunrun is the national industry leader in residential solar, energy storage and energy management and has critical expertise that no other party brings to the deliberations of this proceeding. Sunrun’s participation will assist the Board in developing a full and complete record, and Sunrun has demonstrated that its interests in this matter are distinct from those of any other party and its participation will add constructively to the scope of this proceeding, and that Sunrun’s participation will not cause undue delay or confusion. Accordingly, intervenor status should be granted to Sunrun.

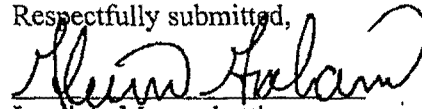
11. While Sunrun’s interest are such that intervenor status is warranted, if the Board determines that intervenor status is not appropriate, Sunrun respectfully requests, in the alternative, participant status be granted to the fullest extent the Board determines appropriate to allow Sunrun to represent its interests and meaningfully contribute to the deliberations in this proceeding.

¹⁴ See e.g. In the Matter of the Application of NJ Land, LLC Seeking a Declaratory Judgment or a Waiver, Order (Aug. 24, 2016) Docket No. QO16040382 (granting petition to intervene of Jersey Central Power & Light Co.).

KELLEY DRYE & WARREN LLP

Secretary Camacho-Welch
December 3, 2018
Page Nine

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lauri A. Mazzuchetti".

Lauri A. Mazzuchetti

Glenn T. Graham

Kelley Drye & Warren LLP

One Jefferson Road, 2nd Floor

Parsippany, New Jersey 07054

lmazzuchetti@kelleydrye.com

ggraham@kelleydrye.com

Attorneys for Sunrun Inc.

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF ITS CLEAN ENERGY FUTURE –)
ENERGY EFFICIENCY (“CEF-EE”) PROGRAM ON A)
REGULATED BASIS)
)

DOCKET NO.
EO10121113

CERTIFICATE OF SERVICE

I, Blake Elder, hereby certify that I have this day caused a copy of the foregoing document to be served upon the official service list for **EO10121113**, attached hereto, by electronic mail to all persons with a valid email address. Two copies have also been sent to each party via U.S. Mail.

Dated: December 3, 2018.

/s/ Blake Elder
Blake Elder
EQ Research LLC
1155 Kildaire Farm Rd., Ste. 203
Cary, NC 27511
T: (919) 825-3339
E: belder@eq-research.com

SERVICE LIST – EO10121113

PSEG

PSEG Services Corporation
80 Park Plaza, T5G
Post Office Box 570
Newark, NJ 07102

Joseph F. Accardo, Jr., Esq.
joseph.accardojr@pseg.com

Joseph A. Shea, Esq.
joseph.shea@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Matthew M. Weissman, Esq.
matthew.weissman@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Michele Falcao, Esq.
michele.falcao@pseg.com

Justin Incardone, Esq.
justin.incardone@pseg.com

Danielle Lopez, Esq.
danielle.lopez@pseg.com

BPU

Board of Public Utilities
44 S. Clinton Ave., 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch
Secretary of the Board
board.secretary@bpu.nj.gov

Paul E. Flanagan, Esq.
Executive Director
paul.flanagan@bpu.nj.gov

Noreen M. Giblin, Esq.
Chief Counsel
noreen.giblin@bpu.nj.gov

Ken Sheehan, Esq.
Director, Division of Clean Energy
ken.sheehan@bpu.nj.gov

Sherri Jones
Asst. Director, Division of Clean Energy
sherri.jones@bpu.nj.gov

Scott Hunter
Division of Clean Energy
b.hunter@bpu.nj.gov

Mona Mosser
Division of Clean Energy
mona.mosser@bpu.nj.gov

Mahogany A. Hall
Division of Clean Energy
mahogany.hall@bpu.nj.gov

Benjamin Goldstein
Division of Clean Energy
benjamin.goldstein@bpu.nj.gov

Stacy Peterson
Director, Division of Energy
stacy.peterson@bpu.nj.gov

Andrea Reid
Division of Energy
andrea.reid@bpu.nj.gov

Bart Kilar
Division of Energy
bart.kilar@bpu.nj.gov

Bethany Rocque Romaine
Deputy Chief Counsel
bethany.romaine@bpu.nj.gov

Rachel Boylan, Esq.
Counsel's Office
rachel.boyland@bpu.nj.gov

Stacy Ho Richardson, Esq.
Counsel's Office
stacy.richardson@bpu.nj.gov

Rate Counsel

Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Felicia Thomas-Friel, Esq.
ftthomas@rpa.nj.gov

Brian O. Lipman, Esq.
blipman@rpa.nj.gov

Shelly Massey, Paralegal
smassey@rpa.nj.gov

Sarah Steindel, Esq.
ssteindel@rpa.state.nj.us

Maura Caroselli
mcaroselli@rpa.nj.gov

Lisa Gurkas, Paralegal
lgurkas@rpa.state.nj.us

Kurt Lewandowski, Esq.
klewando@rpa.state.nj.us

Division of Law

Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Caroline Vachier, Esq.
Deputy Attorney General
caroline.vachier@law.njoag.gov

Geoff Gersten, Esq.
Deputy Attorney General
geoffrey.gersten@law.njoag.gov

Jenique Jones, Esq.
Deputy Attorney General
jenique.jones@dol.lps.state.nj.us

Emma Yao Xiao, Esq.
Deputy Attorney General
emma.xiao@law.njoag.gov

Andrew Kuntz, Esq.
Deputy Attorney General
andrew.kuntz@law.njoag.gov

Alex Moreau
Deputy Attorney General
alex.moreau@law.njoag.gov

Timothy Oberleiton
timothy.oberleiton@law.njoag.gov