



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

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF )  
ATLANTIC CITY ELECTRIC COMPANY CONCERNING ) ORDER APPROVING  
THE SETTING OF THE ADMINISTRATIVE FEE AND ) STIPULATION  
THE REGIONAL GREENHOUSE GAS INITIATIVE )  
RECOVERY CHARGE ("RIDER RGGI") FOR 2021 )  
ASSOCIATED WITH ITS SOLAR RENEWABLE )  
ENERGY CERTIFICATE (SREC II) PROGRAM ) DOCKET NO. ER20100688

**Parties of Record:**

**Philip J. Passanante, Esq.**, for Atlantic City Electric Company  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 29, 2020, Atlantic City Electric Company ("ACE" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking authority to maintain its Administrative Fee and Rider Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") associated with the Company's Solar Renewable Energy Certificate ("SREC") II Program ("SREC II Program") for calendar year 2021 ("October 2020 Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ACE, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties") intended to resolve the Company's requests related to the October 2020 Petition.

**Background and Procedural History**

By Order dated August 7, 2008, the Board directed Jersey Central Power and Light Company ("JCP&L") and ACE to file, by September 30, 2008, a solar financing program based upon SRECs, utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program under BPU Docket No. EO08100875.

ACE, JCP&L, Staff, Rate Counsel, and the Solar Alliance (“SA”) considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single program which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and the SA executed a stipulation on March 13, 2009 (“March 2009 Stipulation”). Rate Counsel was also a signatory to the March 2009 Stipulation, but reserved its right to contest three (3) specific issues. By Order dated March 27, 2009, the Board approved the March 2009 Stipulation and decided the contested issues.<sup>1</sup> The March 2009 Order authorized ACE to enter into long-term contracts to purchase SRECs with a total estimated program size of 19 MW (“SREC I Program”). Among other things, the March 2009 Order approved the recovery of costs through an SREC Financing Program rate component of the Rider RGGI equal to a per kilowatt-hour (“kWh”) charge applicable to all customers. As net program costs for the first year of the program were uncertain, the March 2009 Order required that ACE’s Rider RGGI rate component for this program be set at zero (\$0.000000 per kWh).

On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division, regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, Staff, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (“Stipulation on Appeal”). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009.<sup>2</sup>

On November 8, 2011, the Board directed the Office of Clean Energy to initiate an assessment of New Jersey’s renewable energy programs as well as addressing issues raised by the Solar Energy Advancement and Fair Competition Act (L. 2009, c. 289) and the 2011 Energy Master Plan.<sup>3</sup> On May 23, 2012, the Board issued an Order directing ACE “to file within, [sic] 5 business days of service of this Order, a notice of their intention to participate or not to participate in the Extended Electric Distribution Company SREC Programs consistent with Staff’s recommendations adopted by the Board herein.” (See Board Order in Docket No. EO11050311V). On September 5, 2012, ACE submitted a petition for Board approval of the Company’s SREC II Program. By Order dated December 18, 2013, the Board authorized ACE to offer an SREC II Program with a total program size of up to 23 MW.<sup>4</sup> The December 2013 Order set the Administrative Fee for SREC II Program participants at \$17.07 per SREC, and further ordered that after five (5) years there would be a true-up of administrative costs and program participant fees, and the program participant fees would be adjusted on a prospective basis, beginning January 1, 2019. Additionally, the December 2013 Order directed ACE to “assess Application Fees, Assignment and Administrative Fees (collectively, “Program Participant Fees”) to Program Participants.”

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<sup>1</sup> In re the Verified Petition of Atlantic City Electric Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO08100875, Order dated March 27, 2009 (“March 2009 Order”).

<sup>2</sup> In re the Verified Petition of Atlantic City Electric Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO08100875, Order dated September 16, 2009.

<sup>3</sup> OCE was subsequently renamed the Division of Clean Energy.

<sup>4</sup> In re the Matter of the Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO12090799, Order dated December 18, 2013 (“December 2013 Order”).

Through a series of Board Orders dated, December 18, 2018, October 25, 2019, December 20, 2019, and May 20, 2020, the Board approved the maintenance of the Company's SREC II Administrative Fee at the Board's previously approved rate of \$17.07.<sup>5</sup>

### **October 2020 Petition**

In the October 2020 Petition, ACE sought authority from the Board to maintain its Administrative Fee and Rider RGGI associated with the Company's SREC II Program, and proposed a modification to the cost recovery mechanism, citing lower than expected participation in the program.

According to ACE, using the cost recovery provisions from the December 2013 Order, the Company would have to increase the Administrative Fee from \$17.07 to \$69.67 per SREC, which could cause participants to withdraw, leading to premature termination of the SREC II Program. Accordingly, ACE requested authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods, and maintain the fee at \$17.07 for calendar year 2021. Additionally, ACE requested that the Rider RGGI Surcharge for the recovery of the SREC II Program's direct costs be maintained at its current rate of \$0.000000 per kWh.

By Order dated December 16, 2020, the Board approved the continuation of the Administrative Fee at the previously approved rate of \$17.07 per SREC for calendar year 2021, and noted that the Parties would continue to review all other issues related to the October 2020 Petition.<sup>6</sup>

ACE made updates to its exhibits to reflect actual data through February 28, 2021. Based upon these updates, and using the cost recovery provisions from the December 2013 Order, the Administrative Fee calculated by the Company decreased from \$69.67 to \$63.78.

Since the Company's October 2020 Petition did not propose an increase in rates, public hearings were not required or held in this matter. In addition, no written comments from the public were received.

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<sup>5</sup> In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2019 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER18101192, Order dated December 18, 2018; In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2019 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER18101192, Order dated October 25, 2019; In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2020 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19101429, Order dated December 20, 2019, and In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2020 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19101429, Order dated May 20, 2020.

<sup>6</sup> In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100688, Order dated December 16, 2020 ("December 2020 SREC II Order").

## **STIPULATION**

Following a review of the October 2020 Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:<sup>7</sup>

1. The Parties agree that, in accordance with the Board's December 2020 SREC II Order, the Administrative Fee for the SREC II Program for the balance of calendar year 2021 shall continue at \$17.07 per SREC, and that the Rider RGGI charge associated with the SREC II Program's Direct Costs shall continue by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax, resulting in no rate impacts on ACE's customers. The Administrative Fee and Rider RGGI charge for the SREC II Program Costs shall remain in effect until further modified by the Board. Attachment 1, attached to the Stipulation, provides the proposed tariff pages (in clean and red-lined versions) that shall be applicable upon the Board's approval of the Stipulation.
2. The Parties recognize and acknowledge that the Board's December 2013 Order provides: "Any under-recovery/over-recovery of Administrative Costs and Program Participant Fees, including the interest that accrues on any under-recovery/over-recovery, will not be subject to recovery from ratepayers, but will be deferred for accounting purposes until such time as there is a true-up of Administrative Costs and Program Participant Fees. After five years, there will be a true-up of Administrative Costs (including interest, if applicable but excluding SREC Transaction Fees) and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period." Additionally, the Parties recognize and acknowledge that the Board's December 2013 Order provides in paragraph 12 on page 10: "If, at the end of the SREC II Program cost amortization, there is a net over-recovery of SREC Sale Revenue relative to Direct Costs of purchasing SRECs, then this over-recovery will be, in the first instance, used to offset any under-recovered Administrative Costs (as defined below). Thereafter, any over-recovery will be returned to ratepayers through the Rider RRC." The Parties agree that the Stipulation does not modify these or any other provisions contained in the December 2013 Order. However, the Parties agree that ACE is authorized to carry forward any unrecovered Administrative Fee balance for recovery from Program Participants in future annual periods.

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<sup>7</sup> Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in the Order. Paragraphs are numbered to coincide with the Stipulation.

3. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board's Order conforming to the agreed upon rates and terms set-forth in the Stipulation, or on such other schedule as the Board shall determine. Additionally, the Company shall file its next SREC II Petition establishing its proposed Administrative Fee and Rider RGGI charge as part of an annual joint Regional Greenhouse Gas Initiative filing as early as possible in July 2021.<sup>8</sup>
4. The Parties acknowledge and agree that adoption by the Board of the Stipulation fully resolves the October 2020 Petition.

### **DISCUSSION AND FINDINGS**

After review of the record in this matter, including the October 2020 Petition and the Stipulation, the Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY ORDERS** the Company to continue the SREC II Administrative Fee at the Board's previously approved rate of \$17.07 for the remainder of calendar year 2021, which may be adjusted annually beginning January 1, 2022, maintain the Rider RGGI Surcharge applicable to the SREC II Program's Direct Charges at its current rate of \$0.000000 per kWh.

The Board **HEREBY DIRECTS** the Company to file revised tariff sheets conforming to the terms of the Stipulation by July 1, 2021.

The Company's costs, including those related to the program described above, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

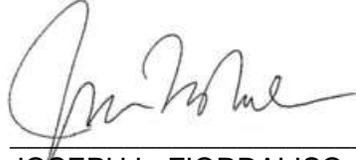
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<sup>8</sup> The Parties have agreed, subject to the Board's approval, that the Company shall submit to the Board an annual joint Petition to include its SREC I, SREC II, and Transition Renewable Energy Certificates reconciliation filings in July 2021.

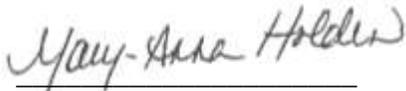
The effective date of this Order is June 30, 2021.

DATED: June 24, 2021

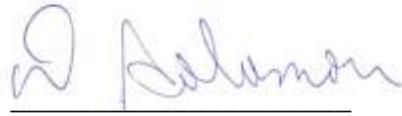
BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

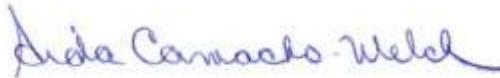


UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF ATLANTIC CITY ELECTRIC COMPANY  
CONCERNING THE SETTING OF THE ADMINISTRATIVE FEE AND THE REGIONAL  
GREENHOUSE GAS INITIATIVE RECOVERY CHARGE ("RIDER RGGI") FOR 2021  
ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE (SREC II)  
PROGRAM - DOCKET NO. ER20100688

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May 20, 2021

**VIA ELECTRONIC MAIL**

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Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**RE:** In the Matter of the Verified Petition of Atlantic City Electric Company  
Concerning the Setting of the Administrative Fee and the Regional Greenhouse  
Gas Initiative Recovery Charge (“Rider RGGI”) for 2021 Associated With Its  
Solar Renewable Energy Certificate (SREC II) Program

BPU Docket No. ER20100688

Dear Secretary Camacho-Welch:

Enclosed herewith for filing is a fully executed Stipulation of Settlement (the “Stipulation”) in connection with the above-referenced matter.

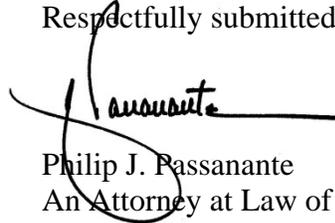
Consistent with the Order issued by the New Jersey Board of Public Utilities (the “Board” or “BPU”) in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, the Stipulation and its attachments are being electronically filed with the Secretary of the Board, the New Jersey Division of Rate Counsel, and the Division of Law. No paper copies will follow.

We respectfully request that the Stipulation be placed on the Board’s agenda at the earliest opportunity.

Aida Camacho-Welch  
May 20, 2021  
Page 2

Thank you for your cooperation and courtesies. Feel free to contact me with any questions or if I can be of further assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Passanante", with a long horizontal line extending to the right.

Philip J. Passanante  
An Attorney at Law of the  
State of New Jersey

Enclosure

cc: Service List (Electronic Mail)

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**IN THE MATTER OF THE VERIFIED  
PETITION OF ATLANTIC CITY  
ELECTRIC COMPANY CONCERNING  
THE SETTING OF THE ADMINISTRATIVE  
FEE AND THE REGIONAL GREENHOUSE  
GAS INITIATIVE RECOVERY CHARGE  
("RIDER RGGI") FOR 2021 ASSOCIATED  
WITH ITS SOLAR RENEWABLE ENERGY  
CERTIFICATE (SREC II) PROGRAM**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
BPU DOCKET NO. ER20100688  
STIPULATION OF SETTLEMENT**

**APPEARANCES:**

**Philip J. Passanante, Esq., Assistant General Counsel, on behalf of Petitioner, Atlantic City Electric Company**

**Brandon C. Simmons, Deputy Attorney General (Gurbir S. Grewal, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities**

**Felicia Thomas-Friel, Esq., Deputy Rate Counsel, and Sarah Steindel, Esq., Assistant Deputy Rate Counsel, on behalf of the New Jersey Division of Rate Counsel (Stefanie A. Brand, Esq., Director, Division of Rate Counsel)**

This Stipulation of Settlement ("Stipulation") is hereby made and executed as of the dates indicated below, by and among the Petitioner, Atlantic City Electric Company ("ACE" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties").

The Parties do hereby join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue an Order approving the Stipulation, based upon the following provisions:

**PROCEDURAL HISTORY**

Pursuant to the requirements of the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 *et seq.* ("EDECA"), and several statutory amendments thereto, the Board adopted renewable portfolio standards ("RPS") rules, N.J.A.C. 14:8-2.1 *et seq.*, that, among other things,

require that a specified portion of the electricity supplied to New Jersey customers by each supplier or provider be supplied from solar electric generation systems. Under the RPS rules, suppliers and providers may comply with the solar requirements by submitting Solar Renewable Energy Certificates (“SRECs”), or by paying a Solar Alternative Compliance Payment (“SACP”), or a combination of the two (2) methods.<sup>1</sup>

At its September 12, 2007 agenda meeting, the Board directed the Office of Clean Energy (“OCE”) [renamed to the Division of Clean Energy (“DCE”)] to initiate a proceeding to explore whether additional mechanisms should be established to support the financing of solar generation projects. The mechanisms were intended to provide greater assurances about the cash flow and certainty to be expected from such projects. The creation of more certainty about project cash flow was initially referred to as solar “securitization,” but was later referred to as SREC-based financing so as to avoid confusion with the different concept of “securitization” used in EDECA.

Following that proceeding, by Order dated August 7, 2008, in BPU Docket No. EO06100744, the Board, among other things, ordered ACE to file, by September 30, 2008, a proposal pursuant to N.J.S.A. 48:3-98.1 for SREC-based financing of solar generation projects.

On September 30, 2008, ACE filed a petition for approval of an SREC-Based Financing Program (the Company’s original SREC Program will be referred to herein as “SREC I” or as the “SREC I Program”).

In November 2011, the DCE began a series of stakeholder meetings to consider the state of renewable energy programs in New Jersey, along with issues that arose because of the Solar Energy Advancement and Fair Competition Act (P.L. 2009, c. 289) and the 2011 Energy Master

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<sup>1</sup> An SREC represents the solar renewable energy attributes of one (1) megawatt-hour of generation from an eligible solar generation facility certified by the Board’s OCE. A megawatt shall be referred to in this Petition as “MW.” In practice, the SACP sets the upper limit on the price of an SREC in the market.

Plan. As a result of the stakeholder meetings, on May 23, 2012, the Board issued an Order containing specific provisions the New Jersey electric distribution companies (“EDCs”) were directed to follow with respect to their new SREC financing programs (“May 23, 2012 Order”).

The May 23, 2012 Order directed the EDCs, including ACE, “to file within, [sic] 5 business days of service of this Order, a notice of their intention to participate or not to participate in the Extended EDC SREC Programs consistent with Staff’s recommendations adopted by the Board herein.” *Id.* at 28. In a letter dated June 1, 2012, ACE informed the Board of its intent to participate in the SREC II Program, and that ACE’s “willingness to make this voluntary filing is premised on the Board’s approval of a program – including a cost recovery and incentive mechanism – that is similar in all material respects to the SREC I Program that ACE has participated in with Jersey Central Power & Light Company (“JCP&L”) and Rockland Electric Company (“Rockland”) since 2008.”

On September 5, 2012, ACE submitted a petition for Board approval of its proposed SREC II Program (“SREC II,” or “SREC II Financing Program”), which was assigned BPU Docket No. EO12090799. Following a series of meetings between Staff, ACE, and representatives from Rate Counsel, a joint stipulation dated December 13, 2013, setting forth the parameters for ACE’s SREC II, was agreed upon and submitted to the Board for approval (“December 2013 Stipulation”).<sup>2</sup> The Board approved the December 2013 Stipulation in a December 2013 Order.

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<sup>2</sup> SREC II programs for JCP&L and Rockland were similarly filed for Board approval, which approval was granted by the Board.

On October 26, 2018, the Company filed its SREC II True Up Petition requesting cost recovery through the applicable Rider Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) and the establishment of its annual Administrative Fee (“October 2018 SREC II Petition”). The October 2018 SREC II Petition was filed pursuant to the Board’s December 2013 Order. The Company’s October 2018 SREC II Petition sought: (i) approval of its 2019 Administrative Fee; and (ii) to establish the initial rate for its SREC II Program’s Direct Costs through its Rider RGGI Surcharge.<sup>3</sup>

By Order dated December 18, 2018, the Board approved the Company’s request to set the SREC II Program’s Administrative Fee for calendar year 2019 at the then applicable charge of \$17.07 per SREC (“December 2018 SREC II Order”). The Board’s December 2018 SREC II Order did not address the appropriate Rider RGGI charge for the direct costs associated with the SREC II Program, and accordingly, the Board did not approve a specific tariff provision for such charge. By Order dated October 25, 2019, the Board approved the continuation of the SREC II Administrative Fee at \$17.07 per SREC for calendar year 2019 and set the Rider RGGI charge applicable to the SREC II Financing Program’s Direct Charges at \$0.000000 per kWh.

On October 31, 2019, pursuant to the Board’s December 2013 Order, the Company filed its SREC II True Up Petition requesting cost recovery through the applicable Rider RGGI, and the establishment of its annual Administrative Fee (“October 2019 SREC II Petition”). The Company’s October 2019 SREC II Petition sought approval of: (i) its 2020 Administrative Fee; and (ii) to maintain the rate for its SREC II Program’s Direct Costs at \$0.000000 through its Rider RGGI Surcharge.<sup>4</sup>

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<sup>3</sup> The Administrative Fee is an annual fee chargeable to all program participants and includes all administrative costs, other than Direct Costs, as defined in the Board’s December 2013 Order at page 11.

<sup>4</sup> See footnote 3, above.

By Order dated December 20, 2019, the Board approved the Company's request to continue the SREC II Financing Program's Administrative Fee for calendar year 2020 at the then applicable charge of \$17.07 per SREC ("December 2019 SREC II Order"). The Board's December 2019 SREC II Order did not address the appropriate Rider RGGI charge for the direct costs associated with the SREC II Financing Program, and accordingly did not approve a specific tariff provision for such charge. By further Order dated May 20, 2020, the Board approved the continuation of the SREC II Administrative Fee at the previously approved rate of \$17.07 per SREC for calendar year 2020 and continued the Rider RGGI charge applicable to the SREC II Financing Program's Direct Charges at \$0.000000 per kWh.

On October 29, 2020, pursuant to the Board's December 2013 Order, the Company filed the current SREC II True Up Petition requesting cost recovery through the applicable Rider RGGI, and the establishment of its annual Administrative Fee ("October 2020 SREC II Petition"). The Company's October 2020 SREC II Petition sought approved continuation of: (i) its Administrative Fee at the \$17.07 per SREC level; and (ii) continuation of the charge for its SREC II Financing Program's Direct Costs at \$0.000000 per kWh through its Rider RGGI Surcharge.<sup>5</sup> By Order dated December 16, 2020, the Board approved the Company's request to continue the SREC II Program's Administrative Fee for calendar year 2021 at the then applicable charge of \$17.07 per SREC ("December 2020 SREC II Order"). The Board's December 2020 SREC II Order did not address the appropriate Rider RGGI charge for the direct costs associated with the SREC II Financing Program, and accordingly did not approve a specific tariff provision for such charge. Staff and Rate Counsel submitted discovery and the Company responded timely.

#### **STIPULATION**

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<sup>5</sup> See footnote 3, above.

The Parties to this Stipulation HEREBY STIPULATE AND AGREE to the following findings, conclusions, and determinations for the purpose of a full, final, and complete resolution of the issues raised in the October 2020 SREC II Petition:

1. The Parties agree that, in accordance with the Board's December 16, 2020 SREC II Order, the Administrative Fee for the SREC II Financing Program for the balance of calendar year 2021 shall continue at \$17.07 per SREC, and that the Rider RGGI charge associated with the SREC II Financing Program's Direct Costs shall continue by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax, resulting in no rate impacts on ACE's customers. The Administrative Fee and Rider RGGI charge for the SREC II Financing Program Costs shall remain in effect until further modified by the Board. **Attachment 1**, attached hereto and made a part hereof, provides the proposed tariff pages (in clean and red-lined versions) that shall be applicable upon the Board's approval of this Stipulation.

2. The Parties recognize and acknowledge that the Board's December 2013 Order provides: "Any under-recovery/over-recovery of Administrative Costs and Program Participant Fees, including the interest that accrues on any under-recovery/over-recovery, will not be subject to recovery from ratepayers, but will be deferred for accounting purposes until such time as there is a true-up of Administrative Costs and Program Participant Fees. After five years, there will be a true-up of Administrative Costs (including interest, if applicable but excluding SREC Transaction Fees) and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period." Additionally, the Parties recognize and acknowledge that the Board's December 2013 Order

provides in paragraph 12 on page 10: “If, at the end of the SREC II Program cost amortization, there is a net over-recovery of SREC Sale Revenue relative to Direct Costs of purchasing SRECs, then this over-recovery will be, in the first instance, used to offset any under-recovered Administrative Costs (as defined below). Thereafter, any over-recovery will be returned to ratepayers through the Rider RRC.” The Parties agree that this Stipulation does not modify these or any other provisions contained in the December 2013 Order. However, the Parties agree that ACE is authorized to carry forward any unrecovered Administrative Fee balance for recovery from Program Participants in future annual periods.

3. The Company will submit updated tariff sheets within five (5) business days of the effective date of the Board’s Order conforming to the agreed upon rates and terms set-forth in the above paragraphs, or on such other schedule as the Board shall determine. Additionally, the Company shall file its next SREC II Petition establishing its proposed Administrative Fee and Rider RGGI charge as part of an annual joint Regional Greenhouse Gas Initiative filing as early as possible in July 2021.<sup>6</sup>

4. The Parties acknowledge and agree that adoption by the Board of this Stipulation fully resolves the October 2020 SREC II Petition.

### **CONCLUSION**

5. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall

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<sup>6</sup> The Parties have agreed, subject to the Board’s approval, that the Company shall submit to the Board an annual joint Petition to include its SREC I, SREC II, and TREC reconciliation filings in July 2021.

not be bound to proceed with this Stipulation and shall have the right, upon written notice, to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

6. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

7. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

- a. by executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation; and
- b. the contents of this Stipulation shall not in any way be considered, cited or used by any of the Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

8. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in

total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

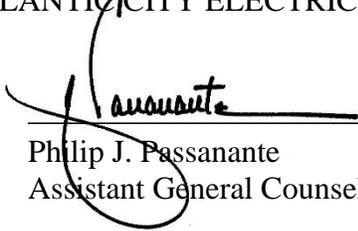
9. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

ATLANTIC CITY ELECTRIC COMPANY

Dated: May 20, 2021

By:  \_\_\_\_\_

Phillip J. Passanante  
Assistant General Counsel

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey Board of  
Public Utilities

Dated: May 20, 2021

By:  \_\_\_\_\_

Brandon C. Simmons  
Deputy Attorney General

STEFANIE A. BRAND, ESQ. DIRECTOR  
DIVISION OF RATE COUNSEL

Dated: May 20, 2021

By: /s/Sarah H. Steindel

Felicia Thomas-Friel, Esq.  
Deputy Rate Counsel

Sarah Steindel, Esq.  
Assistant Deputy Rate Counsel

# Attachment 1

**ATLANTIC CITY ELECTRIC COMPANY**  
**BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 64**

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**RIDER RGGI**

**Regional Greenhouse Gas Initiative Recovery Charge**

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

|   |            |
|---|------------|
| Solar Renewable Energy Certificate (SREC) (\$/kWh)  | \$0.000299 |
| This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.    |            |
| Solar Renewable Energy Certificate (SREC II) (\$/kWh)   | \$0.000000 |
| This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program. |            |
| Transition Renewable Energy Certificate (TREC) (\$/kWh)   | \$0.000559 |
| This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.            |            |

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**Date of Issue:**

**Effective Date:**

**Issued by:**

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**ATLANTIC CITY ELECTRIC COMPANY**

**BPU NJ No. 11 Electric Service - Section IV ~~Twenty-Second~~ Revised Sheet Replaces ~~Twenty-First~~ Revised Sheet No. 64**

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**RIDER RGGI**

**Regional Greenhouse Gas Initiative Recovery Charge**

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000299  
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Solar Renewable Energy Certificate (SREC II) (\$/kWh) \$0.000000  
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Transition Renewable Energy Certificate (TREC) (\$/kWh) \$0.000559  
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.

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**Date of Issue: February 26, 2021**

**Effective Date: March 1, 2021**

**Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~  
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~  
~~BPU Docket No. E018020190~~**