



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE IMPLEMENTATION OF L.)	ORDER APPROVING A
2018, C. 16 REGARDING THE ESTABLISHMENT)	MODIFIED ZERO EMISSION
OF A ZERO EMISSION CERTIFICATE PROGRAM)	CERTIFICATE RECOVERY
FOR ELIGIBLE NUCLEAR POWER PLANTS)	CHARGE TARIFF
)	
IN THE MATTER OF THE PETITION OF)	DOCKET NO. EO18080899
ROCKLAND ELECTRIC COMPANY FOR)	
APPROVAL OF A ZERO EMISSION CERTIFICATE)	
RECOVERY CHARGE)	DOCKET NO. EO21101188

Parties of Record:

Margaret Comes, Esq., Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (N.J.S.A. 48:3-87.3 to -87.7) ("Act"). The Act required the New Jersey Board of Public Utilities ("Board") to implement a Zero Emission Certificate ("ZEC") program within specified timelines. N.J.S.A. 48:3-87.3 to 87.5. Under the Act, the Board may approve certain eligible nuclear energy generators to receive ZECs, which New Jersey's electric distribution companies ("EDCs") would be required to purchase.¹ N.J.S.A. 48:3-87.5(b)(2); N.J.S.A. 48:3-87.5(i). The Act also provided that the Board shall order the full recovery of EDCs' costs associated with the purchased ZECs through a non-bypassable charge imposed on each EDC's retail distribution customers. N.J.S.A. 48:3-87.5(j)(1).

The Act further directed each EDC to file with the Board within 150 days of the Act's enactment, by October 22, 2018, a tariff to recover from its retail distribution customers a charge of \$0.004 per kilowatt-hour ("kWh"). N.J.S.A. 48:3-87.5(j). The Act identified this charge as the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. Ibid. Within 60 days of the filing of each EDC tariff, and after notice, opportunity for comment,

¹ The EDCs are Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company, Rockland Electric Company ("RECO or "Company") and Butler Electric ("Butler"). Butler is regulated to the extent it serves customers outside of its municipal borders.

and a public hearing, the Board was required to approve the appropriate tariffs. Id. In the Act, the EDCs were also directed to return excess monies in each EDC's separate, interest-bearing account to its retail distribution customers at the end of each energy year. Id.

By Order dated November 19, 2018, the Board accepted the tariff filings made by RECO and directed that the tariff not be implemented unless and until the Board issued a final order authorizing the implementation of the ZEC program.² Subsequently, by Order dated April 18, 2019, the Board directed the EDCs to submit final tariffs to become effective on April 18, 2019.³ The Board further directed the EDCs to calculate interest on their collections at their respective short-term debt rates in their respective collection accounts as allowed under the Act.

Via Board Orders dated July 10, 2019 and May 20, 2020, the Board directed the EDCs to submit various data to the Board for review on a yearly basis.⁴

By Order dated December 16, 2020, the Board approved RECO's request to revise its ZEC Reconciliation Charge rate, which is a component of the approved ZEC Recovery Charge ("ZECRC") tariff, to (\$0.000153) per kWh, excluding New Jersey Sales and Use Tax ("SUT") for an overall ZECRC rate of \$0.004102 per kWh, including SUT.⁵

October 2021 Letter Petition

On October 19, 2021, RECO submitted a filing with the Board seeking to refund the excess ZEC collections and corresponding interest related to Energy Year 2021 ("Letter Petition"). The Company is also proposing to refund the balance of Reconciliation for Energy Year 2020.

² In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants AND In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO18091005, Order dated November 19, 2018.

³ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

⁴ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order determining the Forward Steps in the ZEC Program and Currently Approved Applications, Order dated July 10, 2019 (mandating yearly compliance filings in July); See also In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order Finalizing the Forward Steps In the ZEC Program and Modifications to the Application, Order dated May 20, 2020 (confirming, in part, yearly filing requirements).

⁵ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 AND EO18091005, Order dated December 16, 2020.

In the Letter Petition, the Company proposed to refund the excess ZECRC collection and corresponding interest over a 12-month period, commencing January 1, 2022, through the previously established Return of Excess Collections Credit Rate ("RECCR"), which is a component of the approved ZECRC and currently set at a credit of \$0.000153 per kWh (excluding SUT). The newly proposed RECCR is a credit of \$0.000239 per kWh (excluding SUT). The Company indicated that it will monitor the ZECRC excess collection balance and, as it approaches zero, proposed to make a filing at the Board at least 30 days in advance of RECO's intention to implement the rate change in the RECCR to zero. According to RECO, any excess balance remaining at that point will be included in the Company's next RECCR filing.

In the filing, RECO indicated that the total over-recovery to be returned to customers for Energy Years 2021 is \$346,852. This includes interest calculated on the Energy Year 2021 period at the Company's short-term debt rate.

As the Letter Petition requested a decrease, public hearings were neither required, nor held. Additionally, no written comments were received by the Board.

On March 21, 2022, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter with the Board in this matter. In its letter, Rate Counsel stated that it does not object to RECO's request to refund the excess of the 2020 Energy Year ZEC collection to its customers over a 12-month period. In addition, Rate Counsel stated that it did not object to the proposed adjustment sought to the ZECRC for Energy Year 2022, but that it was unclear how a compliance filing with a 30-day notice would satisfy the Board's statutory public hearing notice requirements proposed adjusted rate would lead to an increase in rates.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, and as such, the Board **HEREBY APPROVES** RECO's proposed RECCR and tariff. The Board **HEREBY APPROVES** a revised total RECO ZECRC rate of \$0.004010, including SUT, for service rendered on and after May 1, 2022. As a result, a residential customer using approximately 650 kWh per month will see a decrease of approximately \$0.06 in their monthly bill.

The Board **HEREBY DIRECTS** RECO to file revised tariffs by May 1, 2022.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

This Order shall be effective on April 13, 2022.

DATED: April 6, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



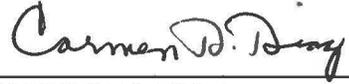
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY

IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, C. 16 REGARDING THE ESTABLISHMENT
OF A ZERO EMISSION CERTIFICATE PROGRAM FOR ELIGIBLE NUCLEAR POWER PLANTS

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF A
ZERO EMISSION CERTIFICATE RECOVERY CHARGE

DOCKET NOS. EO18080899 AND EO21101188

SERVICE LIST

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