



Agenda Date: 12/20/23

Agenda Item: 2C

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 VERIFIED PETITION OF)	DECISION AND ORDER
ROCKLAND ELECTRIC COMPANY CONCERNING THE)	SETTING ADMINISTRATIVE
SETTING OF THE ADMINISTRATIVE FEE AND THE)	FEE
REGIONAL GREENHOUSE GAS INITIATIVE)	
RECOVERY (“RGGI”) SURCHARGE FOR 2024)	
ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY)	
CERTIFICATE (SREC II) PROGRAM)	DOCKET NO. ER23080632

Parties of Record:

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

BY THE BOARD:

On August 31, 2023, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval to: 1) recover all Administrative Costs associated with the Company’s Solar Renewable Energy Certificate (“SREC II”) Program incurred through December 31, 2024; 2) maintain its current Administrative Fee of \$30 per SREC in calendar year 2024; and 3) maintain its current SREC II Surcharge at \$0.0000 per kWh in calendar year 2024 and defer the actual balance for consideration in the next annual SREC II reconciliation filing (“August 2023 Petition”).

Background and Procedural History

By Order dated August 7, 2008, the Board directed RECO to file a solar financing plan with the Board by January 31, 2009.¹ RECO filed its SREC-based financing program on February 2, 2009 in Docket No. EO09020097. By Order dated July 31, 2009, the Board authorized the Company to implement an SREC financing program.² RECO recovered the costs of the SREC financing program through a component of the Company’s existing RGGI Surcharge.

¹ In re the Renewable Energy Portfolio Standard, BPU Docket No. EO06100744, Order dated August 7, 2008.

² In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009.

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 ("EMP").³ By Order dated December 18, 2013, the Board authorized RECO to participate in an SREC-based financing plan with Jersey Central Power & Light Company and Atlantic City Electric Company.⁴ Pursuant to the SREC II Order, RECO agreed to implement an SREC II Program whereby it would enter into SREC Purchase and Sale Agreements with solar project owners or developers selected through a competitive process. Specifically, RECO agreed to enter into agreements up to 4.5 megawatts of installed solar capacity, allocated among three (3) program segments within the Company's service territory.

The SREC II Order provided that "RECO will assess Application Fees, Assignment Fees and Solar Developer Fees . . . to Program Participants" and set the Administrative Fee at \$30 per SREC. Pursuant to the SREC II Order, RECO charges a non-refundable Application Fee of \$150 for applicant to participate in SREC II Program solicitation. RECO also charges SREC II participants an Assignment Fee of \$1,000 for each SREC-PSA assignment, a Solar-Development Fee of \$30 for each SREC purchased and a transaction fee of \$39.11 for each SREC purchased. The SREC II Order provided that after five (5) years, there would be a true-up of the Administrative Costs and Program Participant Fees, and the Program Participant fees would be adjusted accordingly on a prospective basis.

Through a series of Orders, the Board approved a RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kWh, an Administrative fee of \$30 per SREC, and authorized RECO carry forward its unrecovered administrative fee balance in future annual periods with interest.⁵

August 2023 Petition

The August 2023 Petition is based upon actual data through July 2023, and estimated data for August through December 2023. As set forth in the August 2023 Petition, RECO collected \$143,096 in administrative fees and \$120,383 in administrative costs through July 2023, leading to an over-recovery of \$22,713. The interest on the over-recovered balance is \$748 based upon the estimated period through December 2023. As a result, the over-recovered balance of

³ The Office of Clean Energy was subsequently renamed the Division of Clean Energy.

⁴ In re the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC II Program), BPU Docket No. EO13020118, Order dated December 18, 2013 ("SREC II Order").

⁵ In re the Verified Petition of Rockland 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. ER19020156, Order dated December 20, 2019; In re the Verified Petition of Rockland 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. ER20100691, Order dated July 14, 2021; In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2022 Associated with its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER21091108, Order dated December 15, 2021; and In re Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Surcharge for 2023 Associated with its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER22090548, Order dated December 21, 2022.

administrative costs from initiation of the SREC II Program through December 2023, with interest, was estimated at \$21,965.

Based upon the over-recovery and estimates, the Company asserted that, based upon the cost recovery provisions of the SREC II Order, the Administrative Fee would be \$0.85 per SREC. RECO further stated that a prospective reduction to the Administrative Fee could result in an under-recovery in 2024 and subsequent calendar years. The Company also proposed to defer the actual balance for consideration in the next annual SREC II reconciliation filing. The Company indicated that, pursuant to the SREC II Order, a final true-up of the net Administrative Costs and net SREC Sale Revenue will occur at the end of the SREC II cost amortization.

According to RECO, the direct costs associated with the SREC II Program total \$1,008,432 and \$966,676 in auction revenues based upon actual data through July 2023 and estimates through December 2023. The Company estimated an under-recovered balance of \$41,756 and monthly interest of \$6,083 through December 2023. As a result, the Company calculated a total under-recovery of \$47,839. Based upon the under-recovery, RECO proposed to set the current SREC II Surcharge at \$0.00000 per kWh and defer the actual balance for consideration in the next annual SREC II reconciliation filing.

DISCUSSION AND FINDINGS


The parties are in the process of reviewing the August 2023 Petition, which will not be complete prior to the impending change in the SREC II Program Administrative Fee required by the SREC II 2013 Order. Accordingly, after reviewing the record to date, including the August 2023 Petition, the Board **HEREBY FINDS** it appropriate to maintain the SREC II Administrative Fee for calendar year 2024 at its current level. Accordingly, the Board **HEREBY ORDERS** the continuation of the SREC II Program Administrative Fee at the Board's previously approved rate of \$30.00 per SREC for calendar year 2024.


The Board notes that the parties will continue to review all matters concerning the August 2023 Petition. The Company's costs, including those related to the programs described above, remain subject to audit by the Board. As such, 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.

The effective date of this Order is December 27, 2023.

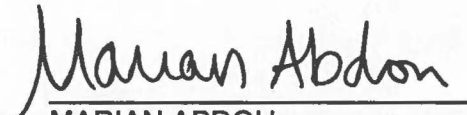
DATED: December 20, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST: 
SHERRI L. GOLDEN
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING THE SETTING OF THE ADMINISTRATIVE FEE AND THE REGIONAL GREENHOUSE GAS INITIATIVE RECOVERY ("RGGI") SURCHARGE FOR 2024 ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE (SREC II) PROGRAM

DOCKET NO. ER23080632

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