



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/

OFFICE OF THE ECONOMIST

IN THE MATTER OF THE THIRD ELIGIBILITY)	ORDER CLOSING THE THIRD
PERIOD FOR THE ZERO EMISSION CERTIFICATE)	ELIGIBILITY PERIOD OF THE
PROGRAM PURSUANT TO N.J.S.A. 48:3-87.3 TO)	ZERO EMISSION
87.7)	CERTIFICATE PROGRAM
)	
)	DOCKET NO. EO23080548

Party of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) closes the third eligibility period of the Zero Emission Certificate Program (“ZEC Program”) for the period June 1, 2025 through May 31, 2028 (“ZEC 3 Period”) (“ZEC 3 Proceeding”).

I. BACKGROUND

N.J.S.A. 48:3-87.3, et seq. (“Act”) required the Board to create a program and mechanism for the issuance of Zero Emission Certificates (“ZECs”).¹ A ZEC represents the fuel diversity, air quality, and other environmental attributes of one megawatt-hour of electricity generated by an eligible nuclear power plant (“Unit”) selected by the Board to participate in the program (“ZEC Program”). As mandated by the Act, every three (3) years the Board conducts a proceeding to certify which, if any, Units are eligible to participate in the ZEC Program.² If a Unit is deemed eligible and is awarded ZECs, New Jersey’s four (4) investor-owned electric distribution companies (“EDCs”), and the municipal electric distribution company Butler Electric Utility (“Butler”), purchase ZECs from the Unit, and the proceeds help the Unit prevent premature retirement.³ If the Board determines that no Unit satisfies the Act’s eligibility criteria, the Board is under no obligation to

¹ Governor Murphy signed the Act into law on May 23, 2018.

² N.J.S.A. 48:3-87.5(h).

³ The EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company.

award ZECs.⁴

On April 18, 2019, the Board determined that the Hope Creek Nuclear Generating Station (“Hope Creek”), the Salem 1 Nuclear Generating Station (“Salem 1”), and the Salem 2 Nuclear Generating Station (“Salem 2”) were eligible to participate in the ZEC Program, and would receive ZECs for the “stub period,” April 18, 2019 through May 31, 2019, and the initial eligibility period, June 1, 2019 through May 31, 2022.⁵ On April 27, 2021, the Board found that Salem 1, Salem 2 and Hope Creek were eligible to receive ZECs for the second ZEC eligibility period, June 1, 2022 through May 31, 2025.⁶

II. ZEC 3

On August 16, 2023, the Board opened the ZEC 3 Proceeding for the ZEC 3 Period.⁷ In the ZEC 3 Order, the Board set August 23, 2023 as the deadline to file Letters of Intent to File, September 7, 2023 as the deadline for Motions to Intervene and Motions to Participate, and December 1, 2023 as the application deadline. The Board also designated Commissioner Marian Abdou as Presiding Commissioner.

On August 21, 2023, PSEG Nuclear LLC (“PSEG Nuclear”) filed a Notice of Intent to File. On August 23, 2023, Constellation Energy Generation, LLC (“Constellation”) filed a Notice of Intent to File. However, on November 22, 2023, PSEG Nuclear withdrew its Notice of Intent to File, informing the Board that PSEG Nuclear did not intend to file applications in the ZEC 3 Proceeding with respect to its three Units. On November 30, 2023, Constellation withdrew its Notice of Intent to File, determining not to proceed with an application in the ZEC 3 Proceeding. As of the December 1, 2023 Board ordered deadline, the Board received no applications for the ZEC 3 Period.

III. DISCUSSION AND FINDINGS

Every three (3) years, the Act requires the Board to conduct a proceeding to certify which, if any, Units are eligible to participate in the ZEC Program. The Act solely requires the Board to conduct a proceeding. The Act does not require the Board to award ZECs. Here, PSEG Nuclear and Constellation rescinded their intent to file, and the Board received no ZEC 3 applications on or before the December 1, 2023 Board ordered deadline.

⁴ N.J.S.A. 48:3-87.5(d).

⁵ 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. EO18080899, EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

⁶ In re the Application of PSEG Nuclear and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 1; Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 2; Application of PSEG Nuclear, LLC for the Zero Emission Certificate Program – Hope Creek, BPU Docket Nos. ER20080557, ER20080558, and ER20080559, Orders dated April 27, 2021.

⁷ In re the Matter of the Third Eligibility Period for the Zero Emission Certificate Program Pursuant to N.J.S.A. 48:3-87.3 to 87.7, BPU Docket No. EO23080548, Order dated August 16, 2023 (“ZEC 3 Order”).

As such, the Board **HEREBY FINDS** that the Board satisfied its statutory requirements provided in the Act. The Board **FURTHER FINDS** that the Act does not require the Board to award ZECs. As all letters of intent were rescinded, and the Board received no applications for the ZEC 3 Period by the Board ordered deadline, the Board **HEREBY ORDERS** that no ZECs be awarded to any Unit for the ZEC 3 Period, June 1, 2025 through May 31, 2028. The Board **FURTHER ORDERS** that the ZEC 3 Period, as opened by the Board via the ZEC 3 Order, is hereby closed.

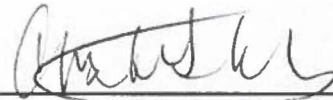
As a result of this decision, the Board **HEREBY ORDERS** the EDCs and Butler to cease collecting the ZEC Charge rate of \$0.004 per kilowatt hour on June 1, 2025, which is the end of the second ZEC eligibility period. The EDCs and Butler are **FURTHER ORDERED** to include a final accounting for the second ZEC eligibility period in their 2025 ZEC Reconciliation Charge filing on or before October 1, 2025.

Nothing in this Order shall interfere with the Board's requirement, under the Act, to conduct a proceeding for the ZEC Program's fourth eligibility period ("ZEC 4"), June 1, 2028 to May 31, 2031.

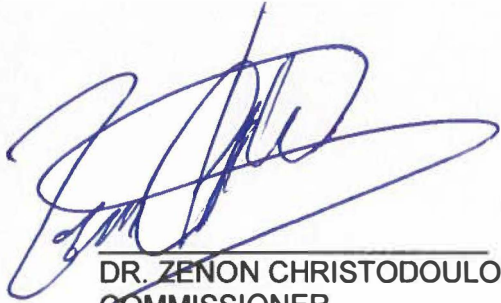
This Order shall be effective on February 21, 2024.

DATED: February 14, 2024

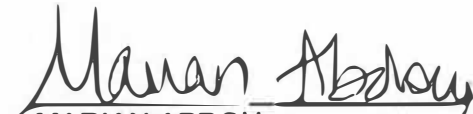
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MARIAN ABDU
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COMMISSIONER

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 THIRD ELIGIBILITY PERIOD FOR THE ZERO EMISSION CERTIFICATE PROGRAM
PURSUANT TO N.J.S.A. 48:3-87.3 TO 87.7

DOCKET NO. EO23080548

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