



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 PETITION OF JERSEY)
CENTRAL POWER AND LIGHT COMPANY FOR)
APPROVAL OF A ZERO EMISSION CERTIFICATE)
RECOVERY CHARGE)
)
) DOCKET NO. EO24010054

Parties of Record:

James A. Meehan, Esq., Jersey Central Power & Light 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) which required the New Jersey Board of Public Utilities (“Board”) to implement a Zero Emission Certificate (“ZEC”) program (“Act”).¹ The Act allows the Board to authorize certain eligible nuclear energy generators to receive ZECs, which New Jersey’s electric distribution companies (“EDCs”) would be required to purchase.² The Act also required the Board to order the full recovery of EDCs’ costs associated with purchased ZECs via a non-bypassable charge imposed on each EDC’s retail distribution customers.³

The Act directs each EDC to file with the Board a tariff to recover a ZEC charge of \$0.004 per kilowatt-hour (“kWh”), excluding Sales and Use Tax (“SUT”), from its retail distribution customers (“ZEC Charge”). The ZEC Charge constitutes the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. The ZEC Charge is one (1) component of JCP&L’s ZEC Recovery Charge.

¹ N.J.S.A. 48:3-87.3 to -87.5.

² The EDCs are Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company (“JCP&L” or “Company”), Public Service Electric and Gas Company (“PSE&G”), Rockland Electric Company (“RECO”) and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

³ N.J.S.A. 48:3-87.5(j) (1).

The Act also directs the EDCs to return excess monies in each EDCs separate, interest-bearing account to its retail distribution customers at the end of each energy year. This constitutes the second component of JCP&L's ZEC Recovery Charge, the ZEC Reconciliation Charge ("ZECRC").

January 2024 Petition

On January 17, 2024, JCP&L filed a petition with the Board seeking to reconcile the ZEC collections for from Energy Year ("EY") 2022 ("Petition").

By the Petition, JCP&L proposed a ZECRC rate of \$0.000000 per kWh, including SUT based on a total under-recovery from customers of \$1,234,836. JCP&L's total under-recovery was based on a December 2023 ending balance of \$1,126,633 including interest and under-recovered balance for EY 2023 including interest of \$108,203.

The Company also requested that if future ZECRC adjustments are required, rate changes be handled via compliance filing, as the credit will fluctuate between EYs. JCP&L indicated that, if approved, the Company would make a compliance filing no later than 30 days prior to any change to the ZECRC.

Following adequate public notice, two (2) virtual public hearings were held on April 4, 2024, at 4:30 p.m. and 5:30 p.m. respectively. No members of the public attended the public hearings. Additionally, the Board did not receive any written comments from the public.

On April 19, 2024, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter with the Board indicating that it did not object to JCP&L's request to set the ZECRC component of its ZEC Recovery Charge at \$0.000000 to be effective for EY 2024. However, Rate Counsel recommended that the Board deny JCP&L's request to allow future filings to be handled by a compliance filing. It was unclear to Rate Counsel how the Company's proposed compliance filing with a 30-day notice would satisfy the Board's statutory public hearing notice requirements if the proposed adjustment rate would lead to an increase in rates. Rate Counsel also noted that JCP&L previously made the same proposal which was subsequently denied by the Board.

On May 22, 2024, JCP&L filed a revised petition ("Revised Petition"). By the Revised Petition, JCP&L corrected the EY to 2023, noting the Petition included a typographical error. Additionally, in the Revised Petition, JCP&L withdrew its request to allow future filings to be handled by via a compliance filing.

DISCUSSION AND FINDINGS

The Board, having reviewed the full record in this matter including the Petition, the Revised Petition, and comments from Rate Counsel, **HEREBY APPROVES** JCP&L's proposed ZECRC rate. Accordingly, the Board **HEREBY AUTHORIZES** JCP&L to modify its ZECRC rate to \$0.000000 per kWh including SUT, for service rendered on and after July 15, 2024. As a result, a residential customer using approximately 783 kWh per month would see a monthly increase of \$0.07.

The Board notes that in its January 2023 Order, the Board directed RECO to collaborate with other EDCs, Board Staff ("Staff") and Rate Counsel to consider alternative proposals in the next

ZECRC filing.⁴ The Board further notes that this did not occur. The Board made a similar directive to Butler, ACE, PSE&G, and RECO by Orders dated January 10, 2024, January 31, 2024, March 20, 2024, and April 17, 2024, respectively.⁵ To the extent that the EDCs believe this problem will continue, the Board **HEREBY DIRECTS** JCP&L to collaborate with the other EDCs, Staff, and Rate Counsel prior to the next ZECRC filing to attempt to find a resolution.

The Board **HEREBY DIRECTS** JCP&L to file revised tariffs prior to July 15, 2024.

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.


⁴ In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO22100632, Order dated January 25, 2023.

⁵ In re the Petition of Butler Electric for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO23100745, Order dated January 10, 2024; In re the Petition of Atlantic City Electric Company for Approval of a Change to its Zero Emission Recovery Charge (2023), BPU Docket EO23110785, Order dated January 31, 2024; In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge (2023), BPU Docket No. ER23120911, Order dated March 20, 2024; In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. ER23120926, Order dated April 17, 2024.

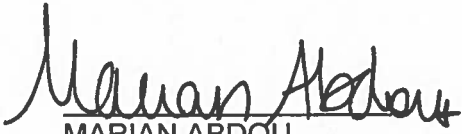
The effective date of this Order is July 7, 2024.

DATED: June 27, 2024

BOARD OF PUBLIC UTILITIES
BY:

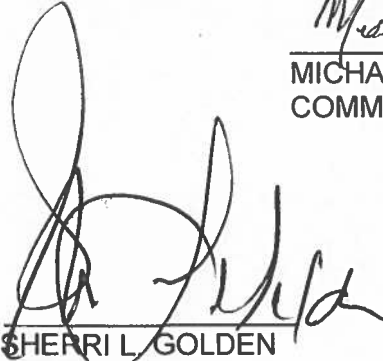

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COMMISSIONER

ATTEST:


SHERRIL 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 PETITION OF JERSEY CENTRAL POWER AND LIGHT COMPANY FOR APPROVAL
OF A ZERO EMISSION CERTIFICATE RECOVERY CHARGE

BPU DOCKET NO. EO24010054

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