



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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www.nj.gov/bpu/

REVEUE AND RATES

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| IN THE MATTER OF THE PETITION OF |) | ORDER |
| ROCKLAND ELECTRIC COMPANY FOR |) | |
| APPROVAL OF A ZERO EMISSION CERTIFICATE |) | DOCKET NO. ER24100826 |
| RECOVERY CHARGE |) | |
| |) | |
| IN THE MATTER OF THE PETITION OF |) | |
| ROCKLAND ELECTRIC COMPANY FOR |) | DOCKET NO. ER25100552 |
| APPROVAL OF A ZERO EMISSION CERTIFICATE |) | |
| RECOVERY CHARGE |) | |

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Enver Acevedo, Esq., Associate Counsel, on behalf of Rockland Electric Company

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers two (2) petitions filed by Rockland Electric Company ("RECO" or "Company") related to the Zero Emission Certificate ("ZEC") Reconciliation Charge ("ZEC Reconciliation Charge") component of the Company's ZEC Recovery Charge ("ZECRC").

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law N.J.S.A. 48:3-87.3 to -87.7, which required Board to implement a ZEC program ("Act"). The Act mandates that the Board authorize certain eligible nuclear energy generators to receive ZECs, and that ZECs are purchased by New Jersey's electric distribution companies ("EDCs").¹ The Act also requires 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.²

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

² N.J.S.A. 48:3-87.5(j)(1).

The Act directs each EDC to file with the Board a tariff to recover a ZEC charge of \$0.004 per 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 RECO’s ZECRC.

The Act also directs the EDCs to return excess monies in each EDC’s separate, interest-bearing account to its retail distribution customers at the end of each Energy Year (“EY”). This constitutes the second component of RECO’s ZECRC: the ZEC Reconciliation Charge.

By Order dated February 14, 2024, the Board ordered the EDCs to cease collecting the ZEC Charge on June 1, 2025, in connection with the closure of the third eligibility period of the ZEC program.³ By Order dated April 17, 2024, the Board approved RECO’s current ZEC Reconciliation Charge, a credit rate of \$0.000067 per kWh, inclusive of SUT.⁴

2024 Petition

On October 21, 2024, RECO filed a petition seeking to reconcile the ZECRC collections (“2024 Petition”). According to the 2024 Petition, the cumulative under-collected balance was \$169,121 including interest for EY 2024. Accordingly, in the 2024 Petition, the Company proposed to increase its ZEC Reconciliation Charge from (\$0.000067) per kWh to \$0.000113 per kWh, both inclusive of SUT.

Following adequate notice, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on January 21, 2025. No members of the public attended or filed comments related to the 2024 Petition.

On March 6, 2025, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a letter with the Board recommending that the Board deny RECO’s requested ZEC Reconciliation Charge. Rate Counsel argued that despite the Board’s findings to the contrary in the 2023 and 2024 Butler ZEC recovery charge Orders, RECO’s proposed ZEC Reconciliation Charge is not permitted under N.J.S.A. 48:3-87.5(j).⁵ Rate Counsel based its argument on its assertion that the statutory maximum rate is \$0.004 per kWh, exclusive of SUT. Rate Counsel maintained that the Act does not provide for a reconciliation of over-credited amounts and argued that RECO’s request is inconsistent with the Board’s authority under the Act. Rather, Rate Counsel argued that RECO’s ZEC Reconciliation Charge should be set to zero until all excess refunds are recovered through the ZECRC.

On March 10, 2025, RECO filed a response to Rate Counsel’s comments. In its letter, RECO stated that the Board has previously concluded that a ZEC Reconciliation Charge rate that results

³ In re 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 Closing the Third Eligibility Period of the Zero Emission Certificate Program, Order dated February 14, 2024 (“February 2024 Order”).

⁴ 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.

⁵ In re the Petition of Butler Electric for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO22100629, Order dated March 6, 2023 and 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 a total ZECRC rate above \$0.004 per kWh, excluding SUT, is consistent with N.J.S.A. 48:3-87.5(j).

2025 Petition

On October 1, 2025, RECO filed a second petition with the Board seeking to reconcile ZECRC collections ("2025 Petition"). By the 2025 Petition, RECO asserted that the total over-collected balance for EY 2025 and prior EYs, including interest, is anticipated to be \$136,344. By the 2025 Petition, the Company requested a decrease to its ZEC Reconciliation Charge per kWh component from (\$0.000067) per kWh to (\$0.000094) per kWh, both inclusive of SUT.

Because the 2025 Petition requested a decrease to the ZEC Reconciliation Charge rate, public hearings were neither required nor held. Additionally, no written comments were received by the Board.

Rate Counsel Comments

On December 9, 2025, Rate Counsel filed a letter with the Board on the 2025 Petition. Rate Counsel disagreed with RECO's request to reconcile the excess ZECRC collection and corresponding interest over a twelve (12)-month period commencing January 1, 2026, via the previously established ZEC Reconciliation Charge component of the ZECRC. Rate Counsel noted that the 2024 New Jersey Energy Master Plan ("EMP") identified affordability and equity as key components in energy policy.⁶ In recognition of this EMP policy component, Rate Counsel recommended that pursuant to the February 2024 Order ordering RECO to stop collecting under the ZECRC clause, the Board should order RECO to apply the remaining cumulative over-collected balance due to customers into the USF component of its Societal Benefits Charge ("SBC") for the benefit of RECO's low- and moderate-income customers. Rate Counsel also recommended that, since the Board did not grant any ZEC for the third eligibility period thereby ceasing the collection of ZEC Charge and rendering the clause inoperative, the Board should order RECO to remove ZECRC from the Company's tariff.

DISCUSSION AND FINDINGS

The Board reviewed the record in these matters including the 2024 Petition, the 2025 Petition, and Rate Counsel's comments. The Board **HEREBY NOTES** that no additional activity is expected in ZECRC for the next three (3) years. Accordingly, the Board **HEREBY APPROVES** a ZEC Reconciliation Charge of \$0.00000 per kWh for services rendered on and after July 15, 2026. As a result, customers would see no change to their monthly bills.

Further, the Board agrees with Rate Counsel's recommendation that RECO should apply the remaining cumulative over-collected balance due to customers into the USF component of its SBC. Applying the over-collected balance to the USF component will reduce the future required collections from customers for the USF component of the SBC. Accordingly, the Board **HEREBY ORDERS** RECO to transfer the reconciled accumulated over recovered balance to be refunded to customers, including interest to the USF component of its SBC. In the next annual USF filing, RECO shall provide supporting documentation that these over recovered funds were transferred.

The Board **HEREBY DIRECTS** RECO to file revised tariffs prior to July 15, 2026.

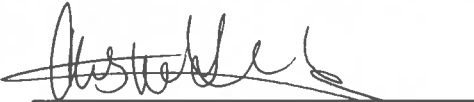
⁶ 2024 Energy Master Plan, pp. 45 & 46; released November 25, 2025.

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.

The effective date of this Order is July 7, 2026.

DATED: June 30, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT

ABSTAINED

DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRIL L. LEWIS
BOARD 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 ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF A ZERO
EMISSION CERTIFICATE RECOVERY CHARGE

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BPU DOCKET NOS. ER24100826 AND ER25100552

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Rockland Electric Company

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