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NOTICE¹

REQUEST FOR COMMENTS

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

Docket No. [EO18080899](#)

And

**APPLICATION OF PSEG NUCLEAR, LLC AND EXELON GENERATION COMPANY, LLC
FOR THE ZERO EMISSION CERTIFICATE PROGRAM - SALEM UNIT 1**

Docket No. [ER20080557](#)

**APPLICATION OF PSEG NUCLEAR, LLC AND EXELON GENERATION COMPANY, LLC
FOR THE ZERO EMISSION CERTIFICATE PROGRAM - SALEM UNIT 2**

Docket No. [ER20080558](#)

**APPLICATION OF PSEG NUCLEAR, LLC FOR THE ZERO EMISSION CERTIFICATE
PROGRAM – HOPE CREEK**

Docket No. [ER20080559](#)

The New Jersey Board of Public Utilities (“Board”) invites all interested parties and members of the public to provide written comments regarding Board Staff’s (“Staff”) revenue review of the nuclear power plants (“Units”) that received Zero Emission Certificates (“ZECs”) during Energy Year 2023 of the Second Eligibility Period (June 1, 2022 through May 31, 2023).

¹ Not a paid legal advertisement.

BACKGROUND AND PROCEDURAL HISTORY

A ZEC represents the fuel diversity, air quality, and other environmental attributes of one megawatt-hour of electricity generated by a Unit.² On May 23, 2018, Governor Phil Murphy signed the ZEC Act, N.J.S.A. 48:3-87.3 *et seq.*, (“Act”) into law, requiring the Board to create a program and mechanism whereby, every three years, the Board receives and reviews Unit applications; determines eligibility; and, if approved by the Board, the Units receive ZECs in accordance with the Act (“ZEC Program”).³ 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, shall purchase ZECs from the Unit, and the proceeds help the Unit prevent premature retirement.⁴

On August 29, 2018, the Board initiated the ZEC Program.⁵ 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).⁶

On July 10, 2019, in compliance with the Act, the Board established criteria regarding the forward implementation of the ZEC Program (“Forward Requirements”).⁷ By Order dated May 20, 2020, the Board required the Forward Requirements to include, among other things, the directive that Staff conduct an annual revenue review to ensure that a Unit does not receive double-payment

² N.J.S.A. 48:3-87.4.

³ See N.J.S.A. 48:3-87.5(e) (criteria to determine eligibility), and N.J.S.A. 48:3-87(d) (the Board has no obligation to certify any Unit as eligible).

⁴ The EDCs are Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company, and Rockland Electric Company.

⁵ In re the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899, Order dated August 29, 2018. In a series of Orders dated November 19, 2018, the Board also approved the ZEC application, the ZEC Program process, and the associated tariffs. On February 27, 2019, the Board established the ranking criteria to ensure that an eligible Unit receives ZECs without exceeding the cap provided in the Act.

⁶ 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 I 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 (“April 2019 Order”).

⁷ 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 I 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, Order Determining The Forward Steps in the ZEC Program and Currently Approved Applications, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order dated July 10, 2019 (“July 2019 Order”).

for its fuel diversity, resilience, air quality, or other environmental attributes.⁸ As such, Units must file, with the Board, financial documents detailing payments, credits, and revenues received for generation in the prior energy year. After review, the May 2020 Order requires Staff to submit its preliminary findings for public comment before presenting its final findings to the Board for consideration.

On August 12, 2020, the Board established the application process for the second three (3)-year eligibility period.⁹ On April 27, 2021, the Board awarded ZECs to Salem 1, Salem 2, and Hope Creek (collectively, “Selected Units”) for the Second Eligibility Period.¹⁰

On June 30, 2023, Public Service Enterprise Group Nuclear, LLC (“PSEG”) and Constellation Energy Generation, LLC (“Constellation Energy”) submitted data on behalf of their Units for Energy Year 2023.¹¹ The data included information on the megawatt hour (“MWh”) quantity generated by the Selected Nuclear Plants, employment information, and the amount of money held in the ZEC accounts, as well as information on the MWh of electricity distributed by the EDCs Price and Monthly Purchase Detail calculations. Additionally, this information contained personnel affidavits and certifications from PSEG Services Corporation, PSEG Nuclear, and Constellation Energy.

In response to the May 2020 Order, PSEG and Constellation Energy submitted confidential materials for Energy Year 2023. Staff utilized the confidential materials to conduct the required Annual Revenue Review pursuant to the Act, specifically N.J.S.A. 48:3-87.5(e)(4) and N.J.S.A. 48:3-87.5(i)(3). The confidential materials included the Annual Revenue Review, Estimated Hedge Profit and Loss Proportion, PJM Power Hedges, MWh generation details, Selected Nuclear Plants Generation Losses, ZEC Price and Monthly Purchase Details, and employment information.

PRELIMINARY FINDINGS

Staff thoroughly reviewed and analyzed the Selected Nuclear Plants’ certified data and documentation. Staff finds no evidence of double-payment, direct or indirect payments, or credits

⁸ In re the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899; and Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant, BPU Docket No. EO18121338; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant, BPU Docket No. EO18121339; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket No. EO18121337, Order dated May 20, 2020 at Page 12 (“May 2020 Order”).

⁹ 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, BPU Docket No. EO18080899, Order dated August 12, 2020.

¹⁰ In the Matter of the Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 1, BPU Docket No. ER20080557, Order dated April 27, 2021; In the Matter of the Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 2, BPU Docket No. ER20080558, Order dated April 27, 2021; In the Matter of the Application of PSEG Nuclear, LLC for the Zero Emission Certificate Program – Hope Creek, BPU Docket No. ER20080559, Order dated April 27, 2021.

¹¹ Formally known as Exelon Generation Company, LLC.

related to the resilience, air quality, or other environmental attributes associated with electricity generated or sold by Salem 1, Salem 2, or Hope Creek during Energy Year 2023 of the Second Eligibility Period.¹² Accordingly, Board Staff does not recommend any reduction to the payment obligation to the nuclear plant owners during Energy Year 2023.

COMMENTS

The deadline for comments on this matter is 5 p.m. on January 22, 2024.

Please submit comments directly to Docket No. EO18080899 listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage, <https://www.nj.gov/bpu/agenda/efiling>.

Emailed and/or written comments may also be submitted to:

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Phone: 609-292-1599
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Dated: December 21, 2023

Sherri L. Golden

Sherri L. Golden
Secretary of the Board

¹² See N.J.S.A. 48:3-87.5(e)(4) and N.J.S.A. 48:3-87.5(i)(3).