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NEW JERSEY BOARD OF PUBLIC UTILITIES PRESS RELEASE

IMMEDIATE RELEASE
April 18, 2019

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Citing Urgency of Climate Change, New Jersey Board of Public Utilities Awards ZECs to Preserve Salem One and Two and Hope Creek

TRENTON—The New Jersey Board of Public Utilities (NJBPUB) today awarded Zero Emission Certificates (ZECs) to the Salem One and Two and Hope Creek nuclear power plants. [Board Order](#). The State Legislature passed the Zero Emissions Certificate Law in May 2018, noting the “moral imperative for the State to invest in energy infrastructure that does not produce greenhouse gases.” The law further noted that “the abrupt retirement of existing, licensed, and operating nuclear power plants within and outside the State that provide electricity to customers in New Jersey, and any concomitant increase in the proportion of New Jersey’s electricity demand met by natural gas and coal, will result in a substantial increase in emissions of several serious pollutants, and associated adverse public health and environmental impacts.”

In the decision today, Board President Joseph L. Fiordaliso referenced the urgency of climate change and the potential environmental impacts of immediately closing down the nuclear plants, which currently provide approximately 32 percent of the state’s energy mix and 90 percent of the state’s clean energy. He also noted the potential economic impacts if the plants should close, which would cost 750-1500 local jobs in addition to destabilizing the grid. The decision was 4-1.

“We do not make this decision lightly and the Board must balance protecting ratepayers with our responsibility to the citizens of the state,” said President Fiordaliso. “We have a moral obligation to our fellow citizens to do everything we can to decrease carbon emissions. In making this decision, the Board considered fuel diversity, resiliency, RGGI, the New Jersey’s economy, and environmental impact and we’ve concluded that now is not a time to move forward in a way that

will remove nuclear from our energy mix and ultimately increase air pollution and carbon emissions in our state.”

PSEG owns Hope Creek and with Exelon, Salem One and Two, all of which are located in Lower Alloways Creek Township. The collection of funds to pay for the credits approved today by the Board will begin immediately and will result in approximately \$100 million in subsidies for each of the plants per year for three years at the statutorily mandated rate of \$0.004 per kilowatt hour. If more money is collected than is needed, the additional funds will be returned to ratepayers. At the end of three years the program will be reevaluated by the Board. Should the utilities receive additional funding via state or federal subsidies those funds would need to be reconciled against the ZECs.

History of ZECs

The ZEC program was enacted in May 2018 as part of the state’s clean energy initiative to help combat climate change by maintaining the state’s supply of carbon-free nuclear energy which comprises 90 percent of the state’s clean energy supply. Nuclear energy currently contributes to approximately 32 percent of the energy supply.

The application process opened in November 2018 and PSEG submitted applications for Salem One and Two and Hope Creek. (Full details on the application process and eligibility criteria are available [here](#).) The applications were evaluated for eligibility by one team of Board staff. Those plants deemed eligible were ranked by a second Board team.

As part of the evaluation process, the Board made redacted applications publicly available and conducted a robust public engagement process including several public hearings, an open comment period in which stakeholders could provide written comments, and provided both the Independent Market Monitor and New Jersey Division of Rate Counsel access to confidential financial information so they might be able to provide their own assessment of each application.

Additionally the Board released a redacted version of the report written by consultant Levitan, which assisted Board staff and the Board in the financial and economic review of the applications.

To find out more about NJBPU, visit our web site at www.nj.gov/bpu.

About the New Jersey Board of Public Utilities (NJBPU)

NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents.

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