



Agenda Date: 12/18/18
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)	DECISION AND ORDER
ATLANTIC CITY ELECTRIC COMPANY CONCERNING)	SETTING ADMINISTRATIVE
THE SETTING OF THE ADMINISTRATIVE FEE AND)	FEE
THE REGIONAL GREENHOUSE GAS INITIATIVE)	
RECOVERY CHARGE ("RIDER RGGI") FOR 2019)	
ASSOCIATED WITH ITS SOLAR RENEWABLE)	
ENERGY CERTIFICATE (SREC II) PROGRAM)	DOCKET NO. ER18101192

Parties of Record:

Philip J. Passanante, Esq., Atlantic City Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

By Order dated August 7, 2008, the New Jersey Board of Public Utilities ("Board" or "BPU") directed Jersey Central Power & Light Company ("JCP&L") and Atlantic City Electric Company ("ACE" or "Company") to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program assigned to BPU Docket No. EO08100875.

ACE, JCP&L, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Solar Alliance ("SA") considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single program, which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the "March 2009 Stipulation"). Rate Counsel was also a signatory to the March 2009 Stipulation, but reserved its right to contest three specific issues. By Order dated March 27, 2009 (the "March 2009 Order"), the Board approved the March 2009 Stipulation and decided the contested issues.¹ The March 2009 Order authorized

¹ In re the Verified Petition of Atlantic City Electric Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO08100875 (March 27, 2009).

ACE to enter into long-term contracts to purchase SRECs with a total estimated program size of 19 MW. ("SREC I Program") Among other things, the March 2009 Order approved the recovery of costs through an SREC Financing Program rate component of the Rider RGGI equal to a per kWh charge applicable to all customers. As net program costs for the first year of the program were uncertain, the March 2009 Order required that ACE's Rider RGGI rate component for this program be set at zero (\$0.0000 per kWh).

On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, Board Staff, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009.²

On November 8, 2011, the Board directed the Office of Clean Energy to initiate an assessment of New Jersey's renewable energy programs as well as addressing issues raised by the Solar Energy Advancement and Fair Competition Act (P.L. 2009, c. 289) and the 2011 Energy Master Plan. On May 23, 2012, the Board issued an Order directing ACE "to file within, [sic] 5 business days of service of this Order, a notice of their intention to participate or not to participate in the Extended Electric Distribution Company SREC Programs consistent with Staff's recommendations adopted by the Board herein." On September 5, 2012, ACE submitted a petition for Board approval of the Company's SREC II Program. By Order³ dated December 18, 2013, the Board authorized ACE to offer an SREC II Program with a total program size of up to 23 MW. The December 2013 Order set the Administrative Fee for SREC II Program participants at \$17.07 per SREC and further ordered that after five (5) years there would be a true-up of administrative costs and program participant fees, and the program participant fees would be adjusted on a prospective basis, beginning January 1, 2019.

OCTOBER 2018 PETITION

By petition ("SREC II True Up Petition") dated October 26, 2018, ACE sought authority from the Board to establish its Administrative Fee and Rider Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") associated with the Company's SREC II Program.

According to ACE, using the cost recovery provisions from the December 2013 Order, the Company would have to increase the Administrative Fee from \$17.07 to \$431.78 per SREC, which may cause participants to withdraw from the SREC II Program. Accordingly, in the SREC II True Up Petition, ACE proposed a modification to the cost recovery mechanism for the SREC II Program. ACE is requesting authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods and maintain the fee at \$17.07. ACE also proposed to initially set the Rider RGGI rate for the recovery of SREC II Program costs at \$0.0000 per kWh.

² In re the Verified Petition of Atlantic City Electric Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. E00810087 (September 16, 2009).

³ In re the Matter of the Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. E012090799 (December 18, 2013). ("December 2013 Order")

DISCUSSION AND FINDING

The Board has reviewed the record to date in this matter, including the ACE SREC II True Up Petition. The parties are in the process of reviewing the ACE SREC II True Up Petition, which will not be completed prior to the impending increase in the administrative fee. As such, the Board believes it is appropriate to maintain the Administrative Fee for the SREC II Program for the 2019 calendar year at its current level.

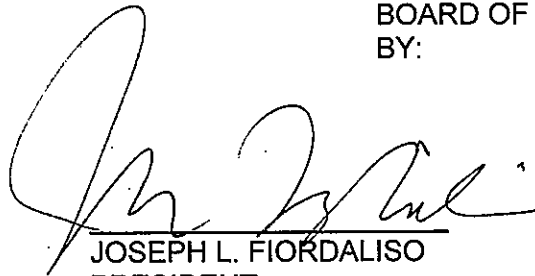
Accordingly, the Board **HEREBY APPROVES** the continuation of the Administrative Fee at the Board's previously approved rate of \$17.07 per SREC for the 2019 calendar year. The Board notes that the parties will continue to review all other issues related to the SREC II True Up Petition.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

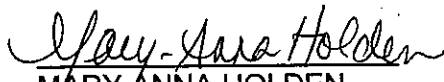
The effective date of this Order is December 28, 2018.

DATED: 12/18/18

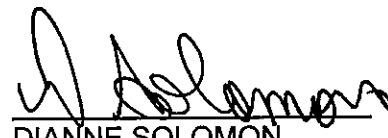
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ATTEST:



AIDA CAMACHO-WELCH
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 VERIFIED PETITION OF ATLANTIC CITY ELECTRIC COMPANY
CONCERNING THE SETTING OF THE ADMINISTRATIVE FEE AND THE REGIONAL
GREENHOUSE GAS INITIATIVE RECOVERY CHARGE ("RIDER RGGI") FOR 2019
ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE (SREC II)
PROGRAM - DOCKET NO. ER18101192

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