



Agenda Date: 4/26/23
Agenda Item: 2B

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 ROCKLAND ELECTRIC) ORDER APPROVING
COMPANY'S ANNUAL RGGI SURCHARGE FILING) STIPULATION
RECONCILING COSTS FOR CALENDAR YEAR 2021)
AND ESTIMATING COSTS FOR CALENDAR YEAR 2022) DOCKET NO. ER22020034

Parties of Record:

Margaret Comes, Esq., Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or "Company"), the New Jersey Division of Rate Counsel, and Board Staff ("Staff") (collectively "Parties") intended to resolve the Company's requests to revise its Regional Greenhouse Gas Initiative ("RGGI") Surcharge.

BACKGROUND

Energy Efficiency Programs

By Order dated November 23, 2009, the Board approved a stipulation authorizing RECO to implement an Energy Efficiency Stimulus ("EES") Program ("2009 EES Program") with three (3) energy efficiency ("EE") programs to be implemented for a one (1) year period ending December 31, 2010.¹ The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program; 2) an On-Line Energy Audit Sub-Program; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program"). The November 2009 Order also authorized the Company to recover costs associated with the 2009 EES Program through an Energy Efficiency Program Surcharge Component of its RGGI Surcharge. Pursuant to the November 2009 Order, the Company must submit annual cost recovery filings to establish future RGGI Surcharge rates.

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061, Order dated November 23, 2009 ("November 2009 Order").

By Order dated March 30, 2011, the Board authorized RECO to continue its 2009 EES Program through December 31, 2011.² Subsequently, through a series of Board Orders, the Board authorized RECO to extend only the Low Income Audit I Program through December 2013.³

By Order dated April 23, 2014, the Board authorized RECO to implement a Low Income Audit and Direct Install Energy Efficiency II Program (“Low Income Audit II Program”) and authorized the Company to implement a Low Income Audit II Program Surcharge component of its RGGI Surcharge of 0.0083 cents per kWh.⁴

By Order dated June 29, 2016, the Board approved a stipulation authorizing RECO to implement a RGGI Surcharge of 0.0192 cents per kWh (“June 2016 Stipulation”).⁵ The approved RGGI Surcharge contained two (2) components: 1) an EES Program Surcharge of 0.0179 cents per kWh; and 2) a Low Income Audit II Program Surcharge of 0.0013 cents per kWh.⁶ In the June 2016 Stipulation, the Parties agreed that, going forward, the Company would make one (1) annual filing to review both the EES Program and the Low Income Audit II Program true-ups to be filed by February 1 of each year, commencing February 1, 2017.

By Order dated December 12, 2016, the Board authorized RECO to implement a RGGI Surcharge of 0.0162 cents per kWh.⁷ The RGGI Surcharge contained two (2) components: 1) an EES Program surcharge of 0.0179 cents per kWh, which remained unchanged, and 2) a revised Low Income Audit II Program credit of 0.0017 cents per kWh.

² In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO10120987, Order dated March 30, 2011.

³ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO12020115, Order dated March 12, 2012; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery Mechanisms- Extension Request, BPU Docket No. EO12121073, Order dated March 20, 2013.

⁴ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 23, 2014. All rates quoted herein include Sales and Use Tax (“SUT”).

⁵ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2014 Annual True-Up, BPU Docket No. EO14090972; In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2015 Annual True-Up, BPU Docket No. ER15090996; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2015 Annual True-Up, BPU Docket No. ER15040424, Order dated June 29, 2016.

⁶ The EES Program Surcharge component of the RGGI Surcharge recovers costs associated with the 2009 EES Program and associated extensions through December 31, 2013.

⁷ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER16020097, Order dated December 12, 2016.

By Order dated December 19, 2017, the Board authorized RECO to implement a RGGI credit of 0.0106 cents per kWh.⁸ The approved RGGI Surcharge contained two (2) components: 1) an EES Program credit of 0.0034 cents per kWh; and 2) a revised Low Income Audit II Program credit of 0.0072 cents per kWh.

By Order dated March 26, 2018, the Board authorized RECO to establish its Low Income Audit and Direct Install Program, Energy Efficiency III Program (“Low Income Audit III Program”).⁹ By Order dated January 27, 2021, the Board authorized RECO to extend its Low Income Audit III Program through June 30, 2021, or until exhaustion of the budgeted funds.¹⁰

By Order dated June 9, 2021, the Board authorized RECO to establish an additional component of the RGGI Surcharge: the Clean Energy Act Program (“CEA”) component.¹¹ In the June 2021 Order, the Board authorized RECO to implement seven (7) EE sub-programs with a total portfolio cost of \$18.1 million, resulting in an initial CEA component rate of 0.0780 cents per kWh, commencing on July 1, 2021 for three (3) years concluding on June 30, 2024. Additionally, the June 2021 Order also authorized RECO to implement an electric conservation incentive mechanism to account for lost revenues resulting from the potential decrease in customer energy usage.

Solar Programs

By Order dated August 7, 2008, the Board directed RECO to file, by January 31, 2009, a solar financing program based upon Solar Renewable Energy Certificates (“SRECs”), utilizing and incorporating certain mandatory design and filing requirements.¹² By Order dated July 31, 2009, the Board authorized the Company to implement its SREC Financing Program (“SREC I Program”).¹³ Pursuant to the July 2009 Order, the costs for the SREC Financing Program (“Program Costs”) were to be charged through a component of the Company’s existing RGGI Surcharge. The SREC Financing Program component of the RGGI Surcharge would recover: 1)

⁸ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER17020083, Order dated December 19, 2017 (“December 2017 Order”). Subsequent to the December 2017 Order, the SUT rate decreased from 6.875% to 6.625% effective January 1, 2018, and RECO’s rates, including the RGGI Surcharge, were modified accordingly.

⁹ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018.

¹⁰ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Request for Extension of the Low Income Audit and Direct Install Energy Efficiency III Program, BPU Docket No. EO20120751, Order dated January 27, 2021.

¹¹ In re the Implementation of L. 2018, C.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040 and EO20090623, Order dated June 9, 2021 (“June 2021 Order”).

¹² In re the Renewable Energy Portfolio Standard: Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, BPU Docket No. EO06100744, Order dated August 7, 2008.

¹³ In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009 (“July 2009 Order”).

costs for the Company's purchase of SRECs offset by revenues received by the Company SREC auctions; 2) program administrative costs; 3) an SREC transaction fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order, because net Program Costs for the first year were uncertain and variable, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs to be reconciled on an annual basis. RECO was directed to revisit the RGGI Surcharge rate within 12 months of the awards from the first solicitation.

By Order dated December 18, 2013, the Board authorized RECO to offer an SREC II Program with a total program size of up to 4.5 megawatts.¹⁴ The December 2013 Order set the Administrative Fee for SREC II Program participants at \$30 per SREC, ordered that after five (5) years there would be a true-up of administrative costs and program participants fees, and the program participant fee would be adjusted on a prospective basis beginning January 1, 2019. The December 2013 Order also directed RECO to assess Application Fees, Assignment Fees, and Administrative Fees to Program Participants.

By Order dated January 31, 2018, the Board approved a stipulation executed by the Parties and authorized RECO to implement an SREC program component of its RGGI Surcharge of 0.0964 cents per kWh.¹⁵

On February 1, 2019, RECO filed a petition seeking a modification to the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program, by increasing the Administrative Fee from \$30 to \$57.28 per SREC. By Order dated December 20, 2019, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar years 2019 and 2020 as well as implement a 0.0000 cents per kWh charge for the SREC II Program component of the RGGI Surcharge.¹⁶

By Order dated June 12, 2019, the Board authorized RECO to implement a RGGI Surcharge of 0.2068 cents per kWh.¹⁷ The approved RGGI Surcharge contained three (3) components: 1) an EES Program credit component of 0.0252 cents per kWh; 2) a Low Income Audit II Program credit of 0.0027 cents per kWh; and 3) a SREC I Program rate of 0.2285 cents per kWh.

¹⁴ In re the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC II Program), BPU Docket No. EO13020118, Order dated December 18, 2013 ("December 2013 Order").

¹⁵ In re the Recovery of Rockland Electric Company's SREC Program Costs, BPU Docket No. ER17040429, Order dated January 31, 2018.

¹⁶ In re the Verified Petition of Rockland 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, BPU Docket No. ER19020156, Order dated December 20, 2019.

¹⁷ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2017 Annual True-Up and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-Up, BPU Docket No. ER18020109; and In re the Recovery of Rockland Electric Company's SREC Program Costs 2018, BPU Docket No. ER18020131, Order dated June 12, 2019.

By Order dated May 5, 2020, the Board authorized RECO to maintain its RGGI Surcharge of 0.2068 cents per kWh.¹⁸ The approved RGGI Surcharge contained four (4) components: 1) an EES Program component credit of 0.0252 cents per kWh; 2) a Low Income Audit II Program component credit of 0.0027 cents per kWh; 3) a Low Income Audit III Program component of 0.0062 cents per kWh; and 4) a SREC I Program rate of 0.2285 cents per kWh.

On May 20, 2020, pursuant to the Board's December 6, 2019 Order establishing the Transition Renewable Energy Certificate ("TREC") Program, RECO filed a petition seeking approval to recover initial costs associated with the TREC Program and establish the TREC as a new component within the Company's RGGI Surcharge.¹⁹ By Order dated August 12, 2020, the Board authorized RECO to recover costs associated with the TREC Program and establish a TREC component as part of the Company's RGGI Surcharge. As a result of the initial estimated costs associated with the TREC Program component, the Board authorized RECO to establish a TREC Program component rate of 0.0473 cents per kWh, resulting in a combined RGGI Surcharge rate of 0.2541 cents per kWh.²⁰

On October 30, 2020, RECO filed a petition seeking a modification of the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program resulting from an increase in the Administrative Fee from \$30 to \$45.28 per SREC ("October 2020 Petition"). By Order dated December 16, 2020, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar year 2021 while granting the parties additional time to review all other matters pertaining to the October 2020 Petition.²¹

By Order dated February 17, 2021, the Board authorized RECO to decrease its RGGI Surcharge to 0.1285 cents per kWh.²² The approved RGGI Surcharge contained six (6) components: 1) an EES Program component credit of 0.0123 cents per kWh; 2) a Low Income Audit II Program component rate of 0.0158 cents per kWh; 3) a Low Income Audit III Program component credit of 0.0085 cents per kWh; 4) an SREC I Program rate of 0.0862 cents per kWh; 5) an SREC II Program component rate of 0.0000 cents per kWh; and 6) a TREC Program component rate of 0.0473 cents per kWh. The SREC II Program and TREC Program components remained unchanged because they were not included for review in the 2019 RGGI Surcharge Filing, but addressed in their own respective proceedings.

By Order dated July 14, 2021, the Board authorized RECO to maintain the SREC II Administrative Fee of \$30 for the remainder of calendar year 2021, which may be adjusted annually beginning

¹⁸ In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2018, BPU Docket No. ER19020145, Order dated May 5, 2020.

¹⁹ In re a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, BPU Docket No. QO19010068, Order dated December 6, 2019 ("TREC Order").

²⁰ In re the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program ("TREC Program"), BPU Docket No. ER20050363, Order dated August 12, 2020 ("August 2020 Order").

²¹ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100691, Order dated December 16, 2020.

²² In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2019, BPU Docket No. ER20010090, Order dated February 17, 2021 ("2019 RGGI Surcharge Filing").

January 1, 2022, and maintain the RGGI Surcharge applicable to the SREC II Program Direct Costs at its current rate of 0.0000 cents per kWh.²³

By Order dated September 1, 2021, the Board authorized RECO to implement an overall RGGI Surcharge component rate of 0.1868 cents per kWh.²⁴

Petition

On February 1, 2022, RECO filed a petition with the Board requesting approval to reconcile costs and revenues for its RGGI Surcharge and update the Company's RGGI Surcharge ("Petition"). In the Petition, the Company sought to reconcile and update the following components of its RGGI Surcharge: 1) the EES Program; 2) Low Income Audit and Direct Install Energy Efficiency Program II and III ("Low Income Audit Programs"); 3) Solar Renewable Energy Certificate Program I & II ("SREC Programs"), 4) the TREC Program; and 5) the Clean Energy Act Energy Efficiency and Peak Demand Reduction Programs ("Clean Energy Act Programs"). The EES Program and Low-Income Audit Programs provide EE audits and EE measures for the Company's low-income customers. The SREC Programs are solar financing programs whereby the Company purchases SRECs from solar projects and sells them in an auction with other New Jersey electric companies. The TREC Program is the bridge between the SREC Programs and the Successor Solar Incentive ("SuSI") program. The Clean Energy Act Programs are the Company's energy efficiency and peak demand reduction programs.

The Company proposed an increase to its RGGI Surcharge rate from 0.1868 cents per kWh to 0.3542 cents per kWh.

Through discovery, the Company responded with updates to their filing with an adjusted RGGI Surcharge rate of 0.3512 cents per kWh ("Update").

Because the Petition requested an increase to the RGGI Surcharge rate, virtual public hearings were held on March 9, 2023, at 4:30 p.m. and 5:30 p.m.²⁵ No members of the public attended the hearing. Additionally, no written comments were received by the Board.

²³ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100691, Order dated July 14, 2021.

²⁴ In re the Petition of Rockland Electric Company's Annual RGGI Surcharge Filing Reconciling Costs for Calendar Year 2020 and Estimating Costs for Calendar Year 2021, BPU Docket No. ER21010087, Order dated September 1, 2021.

²⁵ Public hearings were held virtually due to the COVID-19 Pandemic.

Stipulation

Following discovery, the Parties discussed the issues in this matter, and have executed the Stipulation, which provides the following:²⁶

A. RGGI Surcharge

22. The Parties agree that the Company will implement a RGGI Surcharge of 0.3512 cents per kWh. The Company will remove the EES Program component of the RGGI Surcharge from the tariff and will include the under-collected balance with the Low Income Audit II Program line item. As set forth in Appendices A through G attached to the Stipulation, the RGGI Surcharge includes the following components: 1) a Low Income Audit II Program rate of 0.0315 cents per kWh; 2) a Low Income Audit III Program credit of 0.0025 cents per kWh; 3) an SREC I program rate of 0.0301 cents per kWh; 4) an SREC II program rate of 0.0000 cents per kWh; 5) a TREC Program rate of 0.2138 cents per kWh; 6) a SuSI Program rate of 0.0244 cents per kWh; 7) a CEP rate of 0.0539 cents per kWh; and 8) a CSEP Program rate of 0.0000 cents per kWh.
23. Additionally, as set forth in Appendices A through G attached to the Stipulation, the Parties agree that the over/under-collected balances through December 31, 2021 are as follows for the following RGGI Surcharge components: 1) an under-collected balance of \$429,197 for the Low Income Audit II Program, which includes the EES Program under-collected balance of \$332,892; 2) an over-collected balance of \$81,965 for the Low Income Audit III Program; 3) an over-collected balance of \$180,330 for the SREC I program component; 4) an over-collected balance of \$113,476 for the TREC Program; and 5) an over-collected balance of \$336,645 for the CEP.
24. The Parties agree that the proposed rates, as set forth in Appendices A through G of the attached Stipulation, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving this Stipulation is served on the parties of record.
25. The Parties agree that the costs through December 31, 2021 for the 2022 Combined Filing are deemed reasonable and prudent. All costs and recoveries after December 31, 2021 will be reviewed in subsequent true up filings.

B. Rate Impact

26. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh annually, the current monthly average bill will increase \$0.91 from \$112.42 to \$113.33, or 0.8% based upon rates effective January 1, 2023. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix H hereto, approved by Parties in this Stipulation.

²⁶ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

C. Combined Filings

27. The Parties agree that RECO will continue to make one combined filing for all RGGI Surcharge components on or before February 1 of each year.

DISCUSSION AND FINDINGS

The Board fully reviewed the record in this matter, including the Petition, Update, and the Stipulation. As such, the Board **HEREBY APPROVES** RECO's proposed RGGI Surcharge rate and tariff from the Update. The Board **HEREBY APPROVES** a revised total RGGI Surcharge rate of \$0.3512 cents per kWh, for service rendered on and after June 1, 2023. As a result, a residential customer using approximately 808 kWh per summer month will see an increase of approximately \$0.91 or 0.8% in their monthly bill.

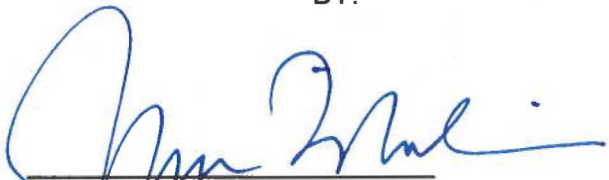
The Board **HEREBY DIRECTS** RECO to file revised tariffs prior to June 1, 2023.

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.

This Order shall be effective on May 3, 2023.

DATED: April 26, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:


SHERRI L. 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 ROCKLAND ELECTRIC COMPANY'S ANNUAL RGGI SURCHARGE FILING RECONCILING COSTS FOR CALENDAR YEAR 2021 AND ESTIMATING COSTS FOR CALENDAR YEAR 2022

DOCKET NO. ER22020034

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Sherri Golden, Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of General Counsel</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov</p> <p>Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov</p> <p><u>Division of Water & Energy</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p>Malike Cummings, Deputy Director malike.cummings@bpu.nj.gov</p> <p>William Barkasy william.barkasy@bpu.nj.gov</p>	<p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Attorney mcaroselli@rpa.nj.gov</p> <p>Megan Lupo, Esq. mlupo@rpa.nj.gov</p> <p><u>Rockland Electric Company</u> 4 Irving Place New York, NY 10003</p> <p>Margaret Comes, Esq. Associate Counsel comesm@coned.com</p> <p>William Atzl, Jr. atzlw@coned.com</p> <p>Cheryl Ruggiero ruggieroc@coned.com</p> <p><u>New Jersey Division of Law</u> NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p>
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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

April 12, 2023

Sherril L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of Rockland Electric Company's Annual RGGI
Surcharge Filing Reconciling Costs for Calendar Year 2021 and Estimating Costs
for Calendar Year 2022

BPU Docket No. ER22020034

Dear Secretary Golden:

Enclosed for filing on behalf of Rockland Electric Company ("RECO")
("Rockland" or "the Company") is Stipulation of Settlement in the above matter.

Respectfully submitted,


Margaret Comes

Enc.

cc: Email list

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
ROCKLAND ELECTRIC COMPANY'S
ANNUAL RGGI SURCHARGE FILING
RECONCILING COSTS FOR CALENDAR
YEAR 2021 AND ESTIMATING COSTS
FOR CALENDAR YEAR 2022**

STIPULATION OF SETTLEMENT

BPU DOCKET NO. ER22020034

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Maura Caroselli, Deputy Rate Counsel and Megan Lupo, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Brian O. Lipman, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) to execute this stipulation of settlement (“Stipulation”) and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue a Final Decision and Order approving this Stipulation of Settlement (“Stipulation”), including the attachments and proposed sheets of the Company’s electric service tariff as set forth herein.

BACKGROUND

By this Stipulation, the Parties agree to the final over/under-collected balances associated with the Company's annual Regional Greenhouse Gas Initiative ("RGGI") Surcharge True-Up Filing for calendar year 2021 ("2022 Combined Filing"). The 2022 Combined Filing includes reconciliation of the following six (6) components of the RGGI Surcharge: 1) the Energy Efficiency Stimulus Program ("EES Program") component; 2) the Low Income Audit and Direct Install Energy Efficiency Program II ("Low Income Audit II Program") component; 3) the Low Income Audit and Direct Install Energy Efficiency Program III ("Low Income Audit III Program") component; 4) the Solar Renewable Energy Certificate ("SREC") I Program component, 5) the Transitional Renewable Energy Certificate ("TREC") Program component, and 6) the Clean Energy Act Energy Efficiency and Peak Demand Reduction Programs ("Clean Energy Program" or "CEP") component.¹

EES, Low Income II, and Low Income III Filings

1. The Board established the EES Program in its Decision and Order dated November 23, 2009.² The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select

¹ This Stipulation does not address the Company's SREC II Program, the Solar Successor Incentive ("SuSI") Program, and the Community Solar Energy Pilot ("CSEP") Program components of the RGGI Surcharge. The SREC II Program component of the RGGI Surcharge is the subject of another proceeding. The SREC II surcharge rate is \$0.00, pursuant to the Board Order in I/M/O the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2021 Associated with its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER20100692, Order dated July 14, 2021. In addition, the SuSI Program and CSEP Program components of the RGGI Surcharge became effective after the 2022 Combined Filing was made. These two (2) components of the RGGI Surcharge will be included in future annual RGGI Surcharge filings.

² Decision and Order, I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061, Order dated November 23, 2009 ("November 2009 Order").

energy efficient measures; 2) an On-Line Energy Audit Sub-Program, wherein the Company selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") wherein the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency ("EE") measures at no cost to the customer.

2. On June 21, 2013, the Company filed a Verified Petition seeking Board approval to administer a new EE program called the Low Income Audit II Program, which was similar in most respects to the Low Income Audit I Program. The Board approved the Low Income Audit II Program by Order dated April 23, 2014.³

3. On May 18, 2016, the parties entered into a stipulation agreeing that going forward, the Company would make one (1) annual filing to review both the EES Program and the Low Income Audit II Program true-ups ("Combined Filing"), and the Combined Filing would be filed on or before February 1st of each year, commencing February 1, 2017 ("May 2016 Stipulation"). The Board approved the May 2016 Stipulation by Order dated June 29, 2016.⁴

4. On February 1, 2017, the Company filed a petition seeking Board approval of its 2016 Combined Filing annual true-up. The Parties entered into a stipulation, which the Board approved by Order dated December 19, 2017.⁵ The December 2017 Order approved a RGGI Surcharge

³ See Decision and Order Approving Stipulation, I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 23, 2014.

⁴ See Order Approving Stipulation, I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery-2014 Annual True-Up, et al, BPU Docket Nos. EO14090972, ER15090996, and ER15040424, Order dated June 29, 2016.

⁵ See Order Approving Stipulation, I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER17020083, Order dated December 19, 2017 ("December 2017 Order").

credit of 0.0106 cents per kWh, including Sales and Use Tax (“SUT”), consisting of: 1) an EES Program credit of 0.0034 cents per kWh, including SUT; and 2) a Low Income Audit II Program credit of 0.0072 cents per kWh, including SUT.

5. On August 9, 2017, the Company filed a petition seeking Board approval of a Low Income Audit III Program, which was similar in most respects to the Low Income Audit I and II Programs. The Board approved the Low Income Audit III Program by Order dated March 26, 2018.⁶

6. On February 1, 2018, the Company filed a petition seeking Board approval of its Combined Filing annual true-up of costs and revenues for calendar year 2017 (“2017 RGGI True Up”). The 2017 RGGI True Up proposed a RGGI Surcharge credit of 0.0281 cents per kWh, including SUT, which included an EES Program credit of 0.0255 cents per kWh, including SUT, and a Low Income Audit II Program credit of 0.0026 cents per kWh, including SUT.⁷ The Company updated its actual expenses and revenues through September 30, 2018 and its projected expenses and revenues through December 2018. As a result of the updates, the proposed EES Program credit component of the RGGI Surcharge rate increased from the current credit of 0.0033 cents per kWh, including SUT, to a credit of 0.0252 cents per kWh, including SUT.⁸ The proposed Low Income Audit II Program credit component of the RGGI Surcharge decreased from the current credit of 0.0072 cents per kWh, including SUT, to a credit of 0.0027 cents per kWh, including SUT. Therefore, as a result of the updates to the EES Program and the Low Income Audit II Program, the Company’s proposed RGGI Surcharge in the 2017 RGGI True-Up filing decreased from a credit of 0.0106 cents per kWh, including SUT, to a credit of 0.0279 cents per kWh, including

⁶ Decision and Order Approving Stipulation, I/M/O Verified Petition of Rockland Electric Company for Approval of An Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018.

⁷ The 2017 RGGI True-Up filing did not include costs or revenues from the Low Income III Program.

⁸ The SUT rate decreased from 6.875% to 6.625% effective January 1, 2018.

SUT. The Parties executed a stipulation with these updated rates, which the Board approved on June 12, 2019.⁹

SREC Program

7. By Order dated August 7, 2008, the Board directed RECO to file a solar financing program based upon SRECs, utilizing and incorporating certain mandatory design and filing requirements, by January 31, 2009. By Order dated July 31, 2009 the Board authorized the Company to implement an SREC Financing Program (“SREC Program”).¹⁰ Pursuant to the July 2009 Order, the costs for the SREC Program (“SREC Program Costs”) were to be charged through a component of the Company’s existing RGGI Surcharge. Such component of the RGGI Surcharge would recover the following: 1) costs for the Company’s purchase of SRECs offset by revenues received by the Company from the auction of SRECs; 2) program administrative costs; 3) an SREC transaction fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order and to account for uncertainty, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs and would be reconciled on an annual basis. The July 2009 Order further directed RECO to revisit the RGGI Surcharge rate within 12 months of the first solicitation awards.

8. On April 26, 2017, the Company filed its first petition to recover its SREC Program Costs (“Initial SREC True Up Filing”).¹¹ In the Initial SREC True Up Filing, the Company proposed a

⁹ Order Approving Stipulation, IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate - 2017 Annual True-Up and IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery - Low Income Audit II Program 2017 Annual True-Up, BPU Docket No. ER18020109, Order dated June 12, 2019.

¹⁰ Order Approving Stipulation, IMO the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009 (“July 2009 Order”).

¹¹ These SREC Program Costs do not include costs associated with RECO’s SREC II Program, which was approved in BPU Docket No. EO13020118. The SREC II Program costs are addressed in a separate filing.

charge of 0.0984 cents per kWh, including SUT to recover SREC Program Costs. The SREC Program component of the RGGI Surcharge would be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference would be included in the SREC Program component of the following year's RGGI Surcharge. The difference between the actual monthly costs associated with the SREC Program and actual recoveries through the SREC Program component of the RGGI Surcharge would be deferred, with interest, for future recovery.

9. In 2009, RECO began purchasing and selling SRECs. However, the Initial SREC True Up Filing was the first petition filed by RECO for recovery of SREC Program Costs. Accordingly, the Company proposed to recover the costs accumulated from 2009 through December 31, 2016 over a three-year period. The Initial SREC True Up Filing further proposed that, on February 1 of each year, the Company would file with the Board the SREC Program component of the RGGI Surcharge to be effective for the 12-month period commencing the following June 1. The SREC Program component of the RGGI Surcharge would recover any prior period over- or under-recovered balance, including interest, and provide current recovery of the forecasted SREC Program costs over the 12-month period commencing the following June 1. Pursuant to the Initial SREC True Up Filing, the Company proposed that filings be made on February 1st of the accumulated SREC Program Costs through December 31, 2016 in addition to the recovery of the prior year's over- or under-recovered balances, and the forecasted SREC Program Costs for the following 12-month period and interest on the over- or under- recovered balances related to the reconciliation of program costs beginning January 1, 2017. Interest would be included in the deferred balance for both an over-collection and an under-collection of the program costs beginning January 1, 2017, and would be calculated as determined by the Board in the July 2009

Order. In the Initial SREC True Up Filing, the total increase in revenue requested by the Company was \$4.3 million, including interest.

10. On January 16, 2018, the Parties executed a stipulation resolving the Initial SREC True Up Filing, which was approved by the Board on January 31, 2018.¹²

11. Pursuant to the Initial SREC True Up Stipulation, the Company agreed that there would be no interest applicable to the accumulated SREC Program Costs through December 31, 2016, nor would there be any interest on the unamortized accumulated SREC Program Costs through December 31, 2016 of \$4,205,585 and during the subsequent three (3) year amortization period. Pursuant to the Initial SREC True Up Stipulation, the SREC Program Rate was set at 0.0964 cents per kWh, including SUT, and was based upon program costs through December 31, 2016 totaling \$4,205,585. The SREC Program Costs are recovered through the Company's RGGI Surcharge.

12. On February 1, 2018, the Company filed its 2018 SREC Program True-Up filing to recover calendar year 2017 program costs ("2018 SREC True Up Filing"). In the 2018 SREC True Up Filing, the Company proposed an increase in the SREC component rate to 0.3223 cents per kWh, including SUT, to recover 2017 SREC Program Costs. The Company updated its program costs with actual data through December 2018. As a result of the updates, the SREC Program component of the RGGI Surcharge rate increased from 0.0964 cents per kWh, including SUT, to 0.2285 cents per kWh, including SUT. The Parties executed a stipulation, which was approved by the Board on June 12, 2019.¹³

¹² Order Approving Stipulation, I/M/O the Recovery of Rockland Electric Company's SREC Program Costs, BPU Docket No. ER17040429, Order dated January 31, 2018 ("Initial SREC True Up Stipulation").

¹³ Order Approving Stipulation, I/M/O the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2017 Annual True-up and IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-up, BPU Docket No. ER18020109 and I/M/O the Recovery of Rockland Electric Company's SREC Program Costs, BPU Docket No. ER18020131, Order dated June 12, 2019.

Clean Energy Program

13. On September 25, 2020, RECO filed a Verified Petition proposing a Clean Energy Program (“CEP”) with a portfolio of EE and peak demand reduction (“PDR”) programs targeted at the Company’s residential, commercial and industrial (“C&I”), and multi-family customer sectors (“EE Program”). The EE Program included implementation, administration, and investment in a portfolio of programs, including three (3) Residential sub-programs, two (2) C&I sub-programs, one (1) multi-family sub-program and two (2) pilot programs. A settlement was reached with Board Staff and Rate Counsel, which was approved by the Board on June 9, 2021.¹⁴

14. Pursuant to the settlement agreement, the Company established a Clean Energy Act (“CEA”) component of the Company’s RGGI Surcharge. The initial CEA component of the RGGI Surcharge was set at \$0.00078 per kWh (including SUT). The Company agreed to file a petition by February 1 of each year seeking to reconcile any under/over recovery from the prior program year and set the CEA component of the RGGI Surcharge for the succeeding program year.

2019 Combined Filing

15. On February 1, 2019, the Company made its 2019 combined filing for the following components of the RGGI Surcharge: 1) the EES Program; 2) the Low Income Audit II Program; 3) the Low Income Audit III Program; and 4) the SREC I Program (“2019 Combined Filing”). In the 2019 Combined Filing the Company proposed a RGGI Surcharge of 0.3670 cents per kWh, including SUT effective June 1, 2019. The 2019 Combined Filing proposed the following rates for the components of the RGGI Surcharge: 1) a credit of 0.0236 cents per kWh, including SUT , for the EES Program; 2) a surcharge of 0.0075 cents per kWh, including SUT, for the Low Income

¹⁴ Order Adopting Stipulation, I/M/O the Matter of the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, et al. Docket, Nos. QO19010040 and EO20090623, Board Order dated June 9, 2021.

Audit II Program; 3) a surcharge of 0.0003 cents per kWh, including SUT, for the Low Income Audit III Program; and 4) a surcharge of 0.3828 cents per kWh, including SUT, for the SREC I Program. The Company updated its actual expenses through December 31, 2019. As a result of the updates, the proposed RGGI Surcharge decreased from the then-current rate of 0.2068 cents per kWh, including SUT, to 0.1923 cents per kWh, including SUT. The EES Program component of the RGGI Surcharge increased from a credit of 0.0252 cents per kWh, including SUT, to a credit of 0.0237 cents per kWh, including SUT. The Low Income Audit II Program component of the RGGI Surcharge increased from the current credit of 0.0027 cents per kWh, including SUT, to a surcharge of 0.0075 cents per kWh, including SUT. The Low Income Audit III Program component of the RGGI Surcharge decreased from 0.0062 cents per kWh, including SUT, to a credit of 0.0037 cents per kWh, including SUT. The SREC I Program component of the RGGI Surcharge decreased from the current rate of 0.2285 cents per kWh, including SUT, to 0.2122 cents per kWh, including SUT. The 2019 Combined Filing was approved by the Board by Order dated May 5, 2020.¹⁵

2020 Combined Filing

16. On January 31, 2020, the Company made its calendar year 2020 combined filing for calendar year 2019.¹⁶ In its 2020 Combined Filing, the Company proposed to increase the current RGGI surcharge rate from 0.2068 cents per kWh, to 0.2643 cents per kWh, including SUT, effective June 1, 2020. Since the 2020 Combined Filing, the Board approved an additional

¹⁵ Order Approving Stipulation, I/M/O the Petition of Rockland Electric Company's Annual RGGI Surcharge True-Up Filings for 2018, BPU Docket No. ER19020145 (May 5, 2020).

¹⁶ I/M/O the Matter of the Petition of Rockland Electric Company's Annual RGGI Surcharge True-Up Filings for 2019, BPU Docket Number ER20010090, Order dated February 17, 2021 ("2020 Combined Filing").

component of the RGGI Surcharge: the TREC Component.¹⁷ The TREC component of the RGGI Surcharge became effective September 1, 2020, and resulted in the combined RGGI Surcharge rate of 0.2541 cents per kWh, include SUT. Additionally, the Company updated its actual expenses and revenues through October 31, 2020, and projected expenses and revenues through May 31, 2021. As a result of these updates, the Company proposed a decrease in the RGGI Surcharge rate from 0.2541 cents per kWh to 0.1285 cents per kWh, including SUT. The 2020 Combined Filing was approved by the Board via Order dated February 17, 2021.

2021 Combined Filing

17. On January 29, 2021, the Company made its combined filing for calendar year 2020 (“2021 Combined Filing”).¹⁸ In its 2021 Combined Filing, the Company proposed to increase the RGGI Surcharge rate from 0.1285 cents per kWh to 0.1836 cents per kWh. After the 2021 Combined Filing was made, the Board approved an additional component of the RGGI Surcharge - the CEP component of the RGGI Surcharge. The CEP component of the RGGI Surcharge became effective July 1, 2021, and resulted in the effective combined RGGI Surcharge rate of \$0.2065 cents per kWh, including SUT.¹⁹ Additionally, the Company updated its actual expenses and revenues through April 2021, and projected expenses and revenues through December, 2021. As a result of these updates, the Company proposed a decrease in the RGGI Surcharge rate from 0.1285 cents per kWh to 0.1088 cents per kWh, including SUT before the inclusion of the CEP component.

¹⁷ Decision and Order Approving Stipulation, I/M/O the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program (“TREC” Program), BPU Docket No. ER20050363, Order dated August 12, 2020.

¹⁸ In the Matter of the Petition of Rockland Electric Company’s Annual RGGI Surcharge Filing Reconciling Costs for Calendar Year 2020 and Estimating Costs for Calendar Year 2021, BPU Docket No. ER21010087, Order dated September 1, 2021 (“2021 Combined Filing”).

¹⁹ Order Approving Stipulation, In the Matter of the Implementation of L. 2018, C.17 Regarding the establishment of Energy Efficiency and Peak Demand Reduction Programs and In the Matter of the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Numbers QO19010040 and EO20090623, Order dated June 9, 2021.

Encompassing the CEP, the proposed combined RGGI Surcharge decreased from 0.2065 cents per kWh, including SUT to 0.1868 cents per kWh, including SUT. The 2021 Combined Filing was approved by the Board via Order dated September 1, 2021.

18. After approval of the 2021 Combined Filing, the Board approved two additional components of the RGGI Surcharge – the SuSI Program Component²⁰ and the CSEP Program Component.²¹ The SuSI Program component of the RGGI Surcharge became effective July 1, 2022 at a rate of 0.0229 cents per kWh, including SUT, and the CSEP Program Component became effective on September 1, 2022 at a rate of 0.000 cents per kWh. Adding these two (2) new components resulted in the currently effective RGGI Surcharge rate of 0.2112 cents per kWh, including SUT.

2022 Combined Filing

19. On February 1, 2022, the Company made its combined filing in BPU Docket No. ER22020034 for calendar year 2021 (2022 Combined Filing”). In its 2022 Combined Filing, the Company proposed to increase the RGGI Surcharge rate from 0.1868 cents per kWh including SUT to 0.3542 cents per kWh including SUT. On June 16, 2022, the Company updated the CEP component of the RGGI Surcharge which resulted in a revised RGGI Surcharge of 0.3268 cents per kWh including SUT. Adding the SREC II Program, SuSI Program, and CSEP Program components results in a revised RGGI Surcharge of 0.3512 cents per kWh including SUT.

²⁰ Order Approving Stipulation, In the Matter of the Verified Petition of Rockland Electric Company for the Recovery of its Costs for the Successor Solar Incentive Program, BPU Docket No. ER21121243, Order dated June 29, 2022.

²¹ Order Approving Stipulation, In the Matter of the Petition of Rockland Electric Company Community Solar Energy Pilot Program Cost Recovery, BPU Docket No. ER21060870, Order dated August 17, 2022.

20. On March 9, 2023 the Company conducted virtual public hearings following notice in newspapers in general circulation in the Company's service territory. No members of the public appeared to provide comments or filed written comments with the Board.

STIPULATED TERMS

21. The Parties hereby STIPULATE AND AGREE as follows:

A. RGGI Surcharge

22. The Parties agree that the Company will implement a RGGI Surcharge of 0.3512 cents per kWh, including SUT.²² The Company will remove the EES Program component of the RGGI Surcharge from the tariff and will include the under-collected balance with the Low Income Audit II Program line item. As set forth in Appendices A through G attached to this Stipulation, the RGGI Surcharge includes the following components: 1) a Low Income Audit II Program rate of 0.0315 cents per kWh, including SUT; 2) a Low Income Audit III Program credit of 0.0025 cents per kWh, including SUT; 3) an SREC I program rate of 0.0301 cents per kWh, including SUT; 4) an SREC II program rate of 0.0000 cents per kWh; 5) a TREC Program rate of 0.2138 cents per kWh, including SUT; 6) a SuSI Program rate of 0.0244 cents per kWh including SUT; 7) a CEP rate of 0.0539 cents per kWh, including SUT; and 8) a CSEP Program rate of 0.0000 cents per kWh.

23. Additionally, as set forth in Appendices A through G attached to this Stipulation, the Parties agree that the over/under-collected balances through December 31, 2021 are as follows for the following RGGI Surcharge components: 1) an under-collected balance of \$429,197 for the Low Income Audit II Program, which includes the EES Program under-collected balance of

²² This RGGI Surcharge incorporates the Company's SREC II Program, SuSI Program, and CSEP Program Surcharges.

\$332,892; 2) an over-collected balance of \$81,965 for the Low Income Audit III Program; 3) an over-collected balance of \$180,330 for the SREC I program component; 4) an over-collected balance of \$113,476 for the TREC Program; and 5) an over-collected balance of \$336,645 for the CEP.

24. The Parties agree that the proposed rates, as set forth in Appendices A through G, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving this Stipulation is served on the parties of record.

25. The Parties agree that the costs through December 31, 2021 for the 2022 Combined Filing are deemed reasonable and prudent. All costs and recoveries after December 31, 2021 will be reviewed in subsequent true up filings.

B. Rate Impact

26. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh annually, the current monthly average bill will increase \$0.91 from \$112.42 to \$113.33, or 0.8% based upon rates effective January 1, 2023. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix H hereto, approved by Parties in this Stipulation.

C. Combined Filings

27. The Parties agree that RECO will continue to make one combined filing for all RGGI Surcharge components on or before February 1 of each year.

CONCLUSION

28. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any

Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

29. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item.

30. The Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

Date: April 11, 2023

**DIVISION OF RATE COUNSEL
BRIAN O. LIPMAN, DIRECTOR**

By: Maura Caroselli
Maura Caroselli, Esq.
Deputy Rate Counsel

Date: 4/12/23
ER22020034

**MATTHEW PLATKIN
ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of
Public Utilities

By: 
Terel Klein
Deputy Attorney General

Date: 4/12/23

ROCKLAND ELECTRIC COMPANY

Determination of Regional Gas Initiative ("RGGI") Surcharge

<u>RGGI Rate Components</u>	<u>Excl. SUT</u> <u>(¢/kWh)</u>	<u>Incl. SUT</u> <u>(¢/kWh)</u>
Low Income Audit II Program ^{1,2}	0.0295	0.0315
Low Income Audit III Program ³	(0.0023)	(0.0025)
SREC I ⁴	0.0282	0.0301
SREC II	0.0000	0.0000
TREC ⁵	0.2005	0.2138
SuSI Program	0.0229	0.0244
Clean Energy Program ⁶	0.0505	0.0539
CSEP Program	<u>0.0000</u>	<u>0.0000</u>
Total	0.3293	0.3512

1. EES Program Reconciliation included in Low Income Audit II Program
2. See Appendix C (and Appendix B for EES Program piece)
3. See Appendix D
4. See Appendix E
5. See Appendix F
6. See Appendix G

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - EES Program

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2021 - December 31, 2021)	(\$144,336)
EES Program Revenue Requirement	0
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>186,737</u>
EES Program (Over)/Under Recovery Balance	331,073
Interest (Over)/Under Recovery Balance	<u>1,818</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2021 ¹	332,892

1. The EES Program under-recovery balance has been included with the Low Income Audit II Program rate.

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with EES Program Component of RGGI Surcharge

	Jan-21 Actual	Feb-21 Actual	Mar-21 Actual	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Total
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Period Reconciliation Adj.	\$186,737												\$186,737
Monthly Recoveries	(32,449)	(28,116)	(16,116)	(12,299)	(12,235)	(15,329)	(18,763)	(18,327)	(17,951)	(584)	12,894	14,940	(\$144,336)
(Over)/Under Recovery	<u>\$219,187</u>	<u>\$28,116</u>	<u>\$16,116</u>	<u>\$12,299</u>	<u>\$12,235</u>	<u>\$15,329</u>	<u>\$18,763</u>	<u>\$18,327</u>	<u>\$17,951</u>	<u>\$584</u>	<u>(\$12,894)</u>	<u>(\$14,940)</u>	<u>\$331,073</u>
Beginning Balance - (Over)/Under Recovery	\$186,737	\$219,187	\$247,303	\$263,419	\$275,718	\$287,953	\$303,283	\$322,046	\$340,373	\$358,324	\$358,908	\$346,014	
Ending Balance (Over)/Under Recovery	<u>\$219,187</u>	<u>\$247,303</u>	<u>\$263,419</u>	<u>\$275,718</u>	<u>\$287,953</u>	<u>\$303,283</u>	<u>\$322,046</u>	<u>\$340,373</u>	<u>\$358,324</u>	<u>\$358,908</u>	<u>\$346,014</u>	<u>\$331,073</u>	
Average Balance (Over)/Under	\$202,962	\$233,245	\$255,361	\$269,569	\$281,836	\$295,618	\$312,664	\$331,209	\$349,348	\$358,616	\$352,461	\$338,543	
Average Balance (Over)/Under - Net of Tax	\$145,909	\$167,680	\$183,579	\$193,793	\$202,612	\$212,520	\$224,774	\$238,106	\$251,147	\$257,809	\$253,384	\$243,379	
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%	
Interest (To Customer) /To Company	\$86	\$99	\$112	\$124	\$128	\$135	\$159	\$153	\$167	\$187	\$232	\$235	<u>\$1,818</u>
													Total (Over)/Under Collection Including Interest
													<u>\$332,892</u>

Notes: ¹ There is no revenue requirement associated with the EES Program since the amortization period has concluded.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points. Interest calculated on a net-of-tax basis.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Total</u>
1	(\$14,150)	(\$12,944)	(\$7,904)	(\$4,970)	(\$5,242)	(\$7,613)	(\$10,281)	(\$9,870)	(\$9,361)	(\$260)	\$5,543	\$6,596	(\$70,457)
2	(13,249)	(10,705)	(5,836)	(5,365)	(4,806)	(5,393)	(5,538)	(6,064)	(6,137)	(226)	5,061	5,884	(52,374)
3	(9)	(9)	(5)	(3)	(2)	(4)	(4)	(4)	(4)	(0)	3	4	(38)
4	(160)	(134)	(66)	(53)	(50)	(45)	(59)	(54)	(60)	(3)	80	86	(518)
5	(380)	(376)	(207)	(112)	(99)	(118)	(149)	(153)	(149)	(4)	118	158	(1,471)
6	(123)	(109)	(68)	(49)	(49)	(44)	(42)	(43)	(51)	(2)	70	70	(441)
7	<u>(4,378)</u>	<u>(3,839)</u>	<u>(2,030)</u>	<u>(1,747)</u>	<u>(1,986)</u>	<u>(2,113)</u>	<u>(2,690)</u>	<u>(2,139)</u>	<u>(2,190)</u>	<u>(88)</u>	<u>2,020</u>	<u>2,142</u>	<u>(19,037)</u>
Total Excluding SUT	(\$32,449)	(\$28,116)	(\$16,116)	(\$12,299)	(\$12,235)	(\$15,329)	(\$18,763)	(\$18,327)	(\$17,951)	(\$584)	\$12,894	\$14,940	(\$144,336)

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit II Program

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit II Program Recoveries (January 1, 2021 - December 31, 2021)	\$184,960
Low Income Audit II Program Revenue Requirement	23,192
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>256,892</u>
Low Income Audit II Program (Over)/Under Recovery Balance	\$95,124
Interest (Over)/Under Recovery Balance	1,182
Transfer of EES Program (Over)/Under Recovery Bal for 12 ME 12/31/2021	<u>332,892</u>
Total Low Income Audit II Program (Over)/Under Recovery Balance for 12 ME 12/31/2021	\$429,197
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000295
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Reconciliation Adjustment	\$0.000315

Determination of Forecast Low Income Audit II Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2022	\$42
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000000
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Charge Forecast Component	\$0.000000

Low Income Audit II Program Component of RGGI Surcharge

Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000295
Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000315

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit II Program Component of RGGI Surcharge

	<u>Jan-21</u> Actual	<u>Feb-21</u> Actual	<u>Mar-21</u> Actual	<u>Apr-21</u> Actual	<u>May-21</u> Actual	<u>Jun-21</u> Actual	<u>Jul-21</u> Actual	<u>Aug-21</u> Actual	<u>Sep-21</u> Actual	<u>Oct-21</u> Actual	<u>Nov-21</u> Actual	<u>Dec-21</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement	\$2,794	\$2,779	\$2,755	\$2,694	\$2,525	\$2,488	\$2,470	\$1,402	\$1,394	\$808	\$803	\$280	\$23,192
Prior Period Reconciliation Adj. ¹	256,892												\$256,892
Monthly Recoveries	(3,437)	(2,978)	7,140	15,829	15,746	19,728	24,147	23,586	23,102	20,346	19,341	22,410	\$184,960
(Over)/Under Recovery	<u>\$263,123</u>	<u>\$5,757</u>	<u>(\$4,385)</u>	<u>(\$13,135)</u>	<u>(\$13,220)</u>	<u>(\$17,240)</u>	<u>(\$21,678)</u>	<u>(\$22,184)</u>	<u>(\$21,708)</u>	<u>(\$19,539)</u>	<u>(\$18,538)</u>	<u>(\$22,131)</u>	<u>\$95,124</u>
Beginning Balance - (Over)/Under Recovery	\$256,892	\$263,123	\$268,881	\$264,496	\$251,361	\$238,141	\$220,901	\$199,224	\$177,040	\$155,332	\$135,793	\$117,255	
Ending Balance (Over)/Under Recovery	<u>\$263,123</u>	<u>\$268,881</u>	<u>\$264,496</u>	<u>\$251,361</u>	<u>\$238,141</u>	<u>\$220,901</u>	<u>\$199,224</u>	<u>\$177,040</u>	<u>\$155,332</u>	<u>\$135,793</u>	<u>\$117,255</u>	<u>\$95,124</u>	
Average Balance (Over)/Under	\$260,008	\$266,002	\$266,688	\$257,928	\$244,751	\$229,521	\$210,062	\$188,132	\$166,186	\$145,562	\$126,524	\$106,189	
Average Balance (Over)/Under - Net of Tax	\$186,920	\$191,229	\$191,722	\$185,425	\$175,951	\$165,003	\$151,014	\$135,248	\$119,471	\$104,645	\$90,958	\$76,339	
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%	
Interest (To Customer) /To Company	\$111	\$113	\$117	\$119	\$111	\$105	\$107	\$87	\$80	\$76	\$83	\$74	<u>\$1,182</u>
													Total (Over)/Under Collection Including Interest <u>\$96,306</u>

Notes: ¹ Prior Period Reconciliation Balance as per Exhibit C of the BPU Order Approving Stipulation dated September 1, 2021, in Docket Number ER21010087.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit II Component of the RGGI Surcharge

SC No.	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
1	(\$1,499)	(\$1,371)	\$3,502	\$6,397	\$6,746	\$9,798	\$13,232	\$12,703	\$12,047	\$9,070	\$8,315	\$9,894	\$88,832
2	(1,403)	(1,134)	2,586	6,904	6,185	6,940	7,127	7,804	7,899	7,883	7,591	8,826	67,208
3	(1)	(1)	2	4	3	5	6	5	5	4	4	5	40
4	(17)	(14)	29	69	64	58	76	70	77	95	120	129	756
5	(40)	(40)	92	144	128	152	191	196	191	157	176	237	1,585
6	(13)	(12)	30	63	64	56	54	55	66	86	105	104	659
7	<u>(464)</u>	<u>(407)</u>	<u>899</u>	<u>2,249</u>	<u>2,556</u>	<u>2,719</u>	<u>3,462</u>	<u>2,753</u>	<u>2,818</u>	<u>3,051</u>	<u>3,030</u>	<u>3,213</u>	<u>25,880</u>
Total Excluding SUT	(\$3,437)	(\$2,978)	\$7,140	\$15,829	\$15,746	\$19,728	\$24,147	\$23,586	\$23,102	\$20,346	\$19,341	\$22,410	\$184,960

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
Basic Assumptions**

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

	<u>Effective Feb 1, 2020*</u>	<u>Effective Jan 1, 2022**</u>
Amortization Period	60 Months	60 Months
Equity Ratio	48.32%	48.51%
Return on Equity	9.50%	9.60%
Equity Component	4.59%	4.66%
After-Tax WACC	7.11%	7.08%
Effective Tax Rate***	28.11%	28.11%
Interest Expense	2.52%	2.42%

* Capital Structure approved in RECO Base Rate Case ER19050552, effective February 1, 2020.

** Capital Structure approved in RECO Base Rate Case ER21050823, effective January 1, 2022.

Rockland Electric Company
Consolidated Capital Structure

Capital Structure approved in RECO Base Rate Case ER19050552, effective Feb. 1, 2020.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.68%	4.88%	2.52%
Common Equity	48.32%	9.50%	4.59%
Total	100%		7.11%

Capital Structure approved in RECO Base Rate Case ER21050823, effective Jan. 1, 2022.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.49%	4.70%	2.42%
Common Equity	48.51%	9.60%	4.66%
Total	100%		7.08%

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
2021 Revenue Requirement
Revenue Requirement For Use in Calculation of (Over)/Under Collection**

	<u>Jan-21</u> <u>Actual</u>	<u>Feb-21</u> <u>Actual</u>	<u>Mar-21</u> <u>Actual</u>	<u>Apr-21</u> <u>Actual</u>	<u>May-21</u> <u>Actual</u>	<u>Jun-21</u> <u>Actual</u>	<u>Jul-21</u> <u>Actual</u>	<u>Aug-21</u> <u>Actual</u>	<u>Sep-21</u> <u>Actual</u>	<u>Oct-21</u> <u>Actual</u>	<u>Nov-21</u> <u>Actual</u>	<u>Dec-21</u> <u>Actual</u>
1. Program Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Cumulative Spending	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
3.												
4.												
5. Gross Expenditures	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
6. Accumulated Amortization	<u>169,462</u>	<u>172,271</u>	<u>175,071</u>	<u>177,825</u>	<u>180,424</u>	<u>183,000</u>	<u>185,571</u>	<u>187,082</u>	<u>188,594</u>	<u>189,524</u>	<u>190,454</u>	<u>190,863</u>
7. Net Expenditures	21,703	18,894	16,095	13,341	10,742	8,166	5,595	4,083	2,572	1,642	712	303
8. Accumulated Deferred Tax	<u>23,751</u>	<u>22,962</u>	<u>22,175</u>	<u>21,400</u>	<u>20,670</u>	<u>19,946</u>	<u>19,223</u>	<u>18,798</u>	<u>18,373</u>	<u>18,112</u>	<u>17,850</u>	<u>17,735</u>
9. Under/(Over) Recovery Balance	(2,048)	(4,067)	(6,080)	(8,060)	(9,928)	(11,780)	(13,628)	(14,715)	(15,802)	(16,470)	(17,139)	(17,433)
10.												
11. Return Requirement	(12)	(24)	(36)	(48)	(59)	(70)	(81)	(87)	(94)	(98)	(102)	(103)
12. Equity Portion	(8)	(16)	(23)	(31)	(38)	(45)	(52)	(56)	(60)	(63)	(66)	(67)
13.												
14.												
15. Revenue	2,794	2,779	2,755	2,694	2,525	2,488	2,470	1,402	1,394	808	803	280
16.												
17. Expenses:												
18. Amortization	2,809	2,809	2,800	2,754	2,599	2,576	2,571	1,512	1,512	930	930	409
19. Administrative Costs												
20. Interest Expense	(4)	(9)	(13)	(17)	(21)	(25)	(29)	(31)	(33)	(35)	(36)	(37)
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	(11)	(22)	(32)	(43)	(53)	(63)	(73)	(78)	(84)	(88)	(91)	(93)
23. Federal and State Taxes	<u>(3)</u>	<u>(6)</u>	<u>(9)</u>	<u>(12)</u>	<u>(15)</u>	<u>(18)</u>	<u>(20)</u>	<u>(22)</u>	<u>(24)</u>	<u>(25)</u>	<u>(26)</u>	<u>(26)</u>
24. Net Income	(8)	(16)	(23)	(31)	(38)	(45)	(52)	(56)	(60)	(63)	(66)	(67)
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	2,794	2,779	2,755	2,694	2,525	2,488	2,470	1,402	1,394	808	803	280
28. O&M	0	0	0	0	0	0	0	0	0	0	0	0
29. Total Revenue Requirement	\$2,794	\$2,779	\$2,755	\$2,694	\$2,525	\$2,488	\$2,470	\$1,402	\$1,394	\$808	\$803	\$280
										12 Month Total		\$23,192

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit III Program

Determination of Low Income Audit III Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit III Program Recoveries (January 1, 2021 - December 31, 2021)	(\$89,381)
Low Income Audit III Program Revenue Requirement	37,678
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(208,061)</u>
Low Income Audit III Program (Over)/Under Recovery Balance	(\$81,002)
Interest (Over)/Under Recovery Balance	<u>(963)</u>
Total Low Income Audit III Program (Over)/Under Recovery Balance for 12 ME 12/31/2021	(\$81,965)
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000056)
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Reconciliation Adjustment	(\$0.000060)

Determination of Forecast Low Income Audit III Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2022	\$48,101
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000033
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Charge Forecast Component	\$0.000035

Low Income Audit III Program Component of RGGI Surcharge

Proposed Low Income Audit III Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000023)
Proposed Low Income Audit III Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000025)

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit III Program Component of RGGI Surcharge

	Jan-21 Actual	Feb-21 Actual	Mar-21 Actual	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Total
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement	\$2,463	\$2,453	\$2,596	\$2,585	\$2,574	\$2,816	\$3,504	\$3,489	\$3,474	\$3,460	\$4,141	\$4,123	\$37,678
Prior Period Reconciliation Adj. ¹	(208,061)												(208,061)
Monthly Recoveries	7,975	6,910	(2,019)	(8,556)	(8,511)	(10,664)	(13,053)	(12,749)	(12,488)	(11,534)	(11,438)	(13,253)	(89,381)
(Over)/Under Recovery	<u>(\$213,573)</u>	<u>(\$4,457)</u>	<u>\$4,615</u>	<u>\$11,141</u>	<u>\$11,085</u>	<u>\$13,480</u>	<u>\$16,557</u>	<u>\$16,239</u>	<u>\$15,962</u>	<u>\$14,994</u>	<u>\$15,579</u>	<u>\$17,377</u>	<u>(\$81,002)</u>
Beginning Balance - (Over)/Under Recovery	(\$208,061)	(\$213,573)	(\$218,031)	(\$213,416)	(\$202,275)	(\$191,189)	(\$177,709)	(\$161,152)	(\$144,914)	(\$128,952)	(\$113,958)	(\$98,379)	
Ending Balance (Over)/Under Recovery	<u>(213,573)</u>	<u>(218,031)</u>	<u>(213,416)</u>	<u>(202,275)</u>	<u>(191,189)</u>	<u>(177,709)</u>	<u>(161,152)</u>	<u>(144,914)</u>	<u>(128,952)</u>	<u>(113,958)</u>	<u>(98,379)</u>	<u>(81,002)</u>	
Average Balance (Over)/Under	(\$210,817)	(\$215,802)	(\$215,723)	(\$207,845)	(\$196,732)	(\$184,449)	(\$169,431)	(\$153,033)	(\$136,933)	(\$121,455)	(\$106,168)	(\$89,690)	
Average Balance (Over)/Under - Net of Tax	(\$151,557)	(\$155,140)	(\$155,083)	(\$149,420)	(\$141,431)	(\$132,600)	(\$121,804)	(\$110,015)	(\$98,441)	(\$87,314)	(\$76,324)	(\$64,478)	
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%	
Interest (To Customer) /To Company	(\$90)	(\$92)	(\$94)	(\$96)	(\$90)	(\$84)	(\$86)	(\$71)	(\$66)	(\$63)	(\$70)	(\$62)	(\$963)
													Total (Over)/Under Collection Including Interest
													<u>(\$81,965)</u>

Notes: ¹ Prior Period Reconciliation Balance as per Exhibit D of the BPU Order Approving Stipulation dated September 1, 2021, in Docket Number ER21010087.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit III Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Total</u>
1	\$3,478	\$3,181	(\$990)	(\$3,458)	(\$3,646)	(\$5,296)	(\$7,152)	(\$6,866)	(\$6,512)	(\$5,142)	(\$4,917)	(\$5,851)	(\$43,172)
2	3,256	2,631	(731)	(3,732)	(3,343)	(3,751)	(3,852)	(4,219)	(4,269)	(4,469)	(4,489)	(5,220)	(32,189)
3	2	2	(1)	(2)	(2)	(3)	(3)	(3)	(3)	(2)	(2)	(3)	(18)
4	39	33	(8)	(37)	(35)	(32)	(41)	(38)	(42)	(54)	(71)	(77)	(361)
5	93	92	(26)	(78)	(69)	(82)	(103)	(106)	(103)	(89)	(104)	(140)	(716)
6	30	27	(8)	(34)	(34)	(30)	(29)	(30)	(35)	(49)	(62)	(62)	(318)
7	<u>1,076</u>	<u>943</u>	<u>(254)</u>	<u>(1,215)</u>	<u>(1,382)</u>	<u>(1,470)</u>	<u>(1,871)</u>	<u>(1,488)</u>	<u>(1,523)</u>	<u>(1,730)</u>	<u>(1,792)</u>	<u>(1,900)</u>	<u>(12,607)</u>
Total Excluding SUT	\$7,975	\$6,910	(\$2,019)	(\$8,556)	(\$8,511)	(\$10,664)	(\$13,053)	(\$12,749)	(\$12,488)	(\$11,534)	(\$11,438)	(\$13,253)	(\$89,381)

ROCKLAND ELECTRIC COMPANY

Low Income Audit III Program Component of RGGI Surcharge

Basic Assumptions

Determination of Low Income Audit III Program Reconciliation Adjustment Component of RGGI Surcharge

	<u>Effective Feb 1, 2020*</u>	<u>Effective Jan 1, 2022**</u>
Amortization Period	60 Months	60 Months
Equity Ratio	48.32%	48.51%
Return on Equity	9.50%	9.60%
Equity Component	4.59%	4.66%
After-Tax WACC	7.11%	7.08%
Effective Tax Rate***	28.11%	28.11%
Interest Expense	2.52%	2.42%

* Capital Structure approved in RECO Base Rate Case ER19050552, effective February 1, 2020.

** Capital Structure approved in RECO Base Rate Case ER21050823, effective January 1, 2022.

Rockland Electric Company
Consolidated Capital Structure

Capital Structure approved in RECO Base Rate Case ER19050552, effective Feb. 1, 2020.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.68%	4.88%	2.52%
Common Equity	48.32%	9.50%	4.59%
Total	<u>100%</u>		<u>7.11%</u>

Capital Structure approved in RECO Base Rate Case ER21050823, effective Jan. 1, 2022.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.49%	4.70%	2.42%
Common Equity	48.51%	9.60%	4.66%
Total	<u>100%</u>		<u>7.08%</u>

ROCKLAND ELECTRIC COMPANY

**Low Income Audit III Program Component of the RGGI Surcharge
 Program Spending**

	<u>Jan-21</u> <u>Actual</u>	<u>Feb-21</u> <u>Actual</u>	<u>Mar-21</u> <u>Actual</u>	<u>Apr-21</u> <u>Actual</u>	<u>May-21</u> <u>Actual</u>	<u>Jun-21</u> <u>Actual</u>	<u>Jul-21</u> <u>Actual</u>	<u>Aug-21</u> <u>Actual</u>	<u>Sep-21</u> <u>Actual</u>	<u>Oct-21</u> <u>Actual</u>	<u>Nov-21</u> <u>Actual</u>	<u>Dec-21</u> <u>Actual</u>	<u>Total</u>
Program Implementation Spending	\$5,500	\$0	\$2,750	\$0	\$0	\$2,750	\$11,000	\$0	\$0	\$0	\$11,000	\$0	\$33,000
Program Incentive (Customer)	<u>11,969</u>	<u>0</u>	<u>4,270</u>	<u>0</u>	<u>0</u>	<u>8,794</u>	<u>20,925</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,761</u>	<u>0</u>	<u>66,718</u>
Total Implementation and Incentive Spending	\$17,469	\$0	\$7,020	\$0	\$0	\$11,544	\$31,925	\$0	\$0	\$0	\$31,761	\$0	\$99,718
Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total O&M Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Spending	\$17,469	\$0	\$7,020	\$0	\$0	\$11,544	\$31,925	\$0	\$0	\$0	\$31,761	\$0	\$99,718

ROCKLAND ELECTRIC COMPANY

**Low Income Audit III Program Component of RGGI Surcharge
2021 Revenue Requirement
Revenue Requirement For Use in Calculation of (Over)/Under Collection**

	<u>Jan-21</u> <u>Actual</u>	<u>Feb-21</u> <u>Actual</u>	<u>Mar-21</u> <u>Actual</u>	<u>Apr-21</u> <u>Actual</u>	<u>May-21</u> <u>Actual</u>	<u>Jun-21</u> <u>Actual</u>	<u>Jul-21</u> <u>Actual</u>	<u>Aug-21</u> <u>Actual</u>	<u>Sep-21</u> <u>Actual</u>	<u>Oct-21</u> <u>Actual</u>	<u>Nov-21</u> <u>Actual</u>	<u>Dec-21</u> <u>Actual</u>
1. Program Spending	\$17,469	\$0	\$7,020	\$0	\$0	\$11,544	\$31,925	\$0	\$0	\$0	\$31,761	\$0
2. Cumulative Spending	115,847	115,847	122,867	122,867	122,867	134,411	166,336	166,336	166,336	166,336	198,097	198,097
3.												
4.												
5. Gross Expenditures	115,847	115,847	122,867	122,867	122,867	134,411	166,336	166,336	166,336	166,336	198,097	198,097
6. Accumulated Amortization	<u>16,097</u>	<u>18,028</u>	<u>20,076</u>	<u>22,124</u>	<u>24,172</u>	<u>26,412</u>	<u>29,184</u>	<u>31,956</u>	<u>34,729</u>	<u>37,501</u>	<u>40,802</u>	<u>44,104</u>
7. Net Expenditures	99,750	97,819	102,791	100,744	98,696	107,999	137,152	134,380	131,607	128,835	157,295	153,993
8. Accumulated Deferred Tax	<u>28,040</u>	<u>27,497</u>	<u>28,895</u>	<u>28,319</u>	<u>27,743</u>	<u>30,359</u>	<u>38,553</u>	<u>37,774</u>	<u>36,995</u>	<u>36,216</u>	<u>44,216</u>	<u>43,287</u>
9. Under/(Over) Recovery Balance	71,710	70,322	73,897	72,425	70,952	77,641	98,599	96,606	94,613	92,620	113,079	110,706
10.												
11. Return Requirement	425	417	438	429	420	460	584	572	561	549	670	656
12. Equity Portion	274	269	283	277	271	297	377	370	362	354	433	423
13.												
14.												
15. Revenue	2,463	2,453	2,596	2,585	2,574	2,816	3,504	3,489	3,474	3,460	4,141	4,123
16.												
17. Expenses:												
18. Amortization	1,931	1,931	2,048	2,048	2,048	2,240	2,772	2,772	2,772	2,772	3,302	3,302
19. Administrative Costs												
20. Interest Expense	151	148	155	152	149	163	207	203	199	195	237	232
21. Deferred Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22. Taxable Income	382	374	393	385	378	413	525	514	503	493	602	589
23. Federal and State Taxes	<u>107</u>	<u>105</u>	<u>111</u>	<u>108</u>	<u>106</u>	<u>116</u>	<u>147</u>	<u>144</u>	<u>142</u>	<u>139</u>	<u>169</u>	<u>166</u>
24. Net Income	274	269	283	277	271	297	377	370	362	354	433	423
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	2,463	2,453	2,596	2,585	2,574	2,816	3,504	3,489	3,474	3,460	4,141	4,123
28. O&M	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
29. Total Revenue Requirement	<u>\$2,463</u>	<u>\$2,453</u>	<u>\$2,596</u>	<u>\$2,585</u>	<u>\$2,574</u>	<u>\$2,816</u>	<u>\$3,504</u>	<u>\$3,489</u>	<u>\$3,474</u>	<u>\$3,460</u>	<u>\$4,141</u>	<u>\$4,123</u>
										12 Month Total		\$37,678

ROCKLAND ELECTRIC COMPANY

2022 SREC Program Component of RGGI Surcharge

Determination of SREC I Program Reconciliation Adjustment Component of RGGI Surcharge

SREC I Program Recoveries (January 1, 2021 - December 31, 2021)	\$1,514,443
SREC I Program Costs 2021	662,895
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>671,442</u>
SREC I Program (Over)/Under Recovery Balance	(\$180,106)
Interest (Over)/Under Recovery Balance	<u>(223)</u>
Total SREC I Program (Over)/Under Recovery Balance for 12 ME 12/31/2021	(\$180,330)
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000124)
Sales and Use Tax ("SUT")	1.06625
SREC I Program Reconciliation Adjustment	(\$0.000132)

Determination of Forecast SREC I Program Component of RGGI Surcharge

Projected SREC I Program Costs 2022	\$591,337
Projected Sales (kWh) for 12-months ended May 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000406
Sales and Use Tax ("SUT")	1.06625
SREC I Program Forecast Component	\$0.000433

Proposed SREC I Program Component of RGGI Surcharge

Proposed SREC I Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000282
Proposed SREC I Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000301

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with SREC I Program Component of RGGI Surcharge

	<u>Jan-21</u> Actual	<u>Feb-21</u> Actual	<u>Mar-21</u> Actual	<u>Apr-21</u> Actual	<u>May-21</u> Actual	<u>Jun-21</u> Actual	<u>Jul-21</u> Actual	<u>Aug-21</u> Actual	<u>Sep-21</u> Actual	<u>Oct-21</u> Actual	<u>Nov-21</u> Actual	<u>Dec-21</u> Actual	<u>Total</u>	
Total Net Cost of SRECs	\$0	\$0	\$0	\$230,902	\$0	\$0	\$0	\$0	\$0	\$397,680	\$0	\$0	\$628,582	
Admin & Program Development	0	4,828	2,671	2,461	3,048	3,082	3,082	3,141	729	5,473	2,181	3,617	34,313	
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal	0	4,828	2,671	2,461	3,048	3,082	3,082	3,141	729	5,473	2,181	3,617	34,313	
Total Required Costs	\$0	\$4,828	\$2,671	\$233,363	\$3,048	\$3,082	\$3,082	\$3,141	\$729	\$403,153	\$2,181	\$3,617	\$662,895	
Actual Recoveries (excl SUT)	<u>294,657</u>	<u>255,306</u>	<u>133,302</u>	<u>86,426</u>	<u>85,972</u>	<u>107,719</u>	<u>131,847</u>	<u>128,784</u>	<u>126,141</u>	<u>75,848</u>	<u>40,970</u>	<u>47,472</u>	<u>1,514,443</u>	
(Over)/Under Recovery	(\$294,657)	(\$250,478)	(\$130,631)	\$146,937	(\$82,924)	(\$104,637)	(\$128,765)	(\$125,643)	(\$125,412)	\$327,304	(\$38,789)	(\$43,855)	(851,548)	
Prior Period Reconciliation Adj. ¹	671,442												<u>671,442</u>	
(Over)/Under Recovery + Rec Adj	\$376,785	(\$250,478)	(\$130,631)	\$146,937	(\$82,924)	(\$104,637)	(\$128,765)	(\$125,643)	(\$125,412)	\$327,304	(\$38,789)	(\$43,855)	(180,106)	
Beginning Balance - (Over)/Under Recovery	671,442	376,785	126,307	(4,324)	142,613	59,689	(44,948)	(173,712)	(299,355)	(424,767)	(97,462)	(136,252)		
Ending Balance (Over)/Under Recovery	376,785	126,307	(4,324)	142,613	59,689	(44,948)	(173,712)	(299,355)	(424,767)	(97,462)	(136,252)	(180,106)		
Average Balance (Over)/Under	524,114	251,546	60,992	69,145	101,151	7,371	(109,330)	(236,534)	(362,061)	(261,115)	(116,857)	(158,179)		
Average Balance (Over)/Under - Net of Tax	376,785	180,836	43,847	49,708	72,718	5,299	(78,597)	(170,044)	(260,286)	(187,715)	(84,008)	(113,715)		
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%		
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%		
Interest to (Customer) / Company	223	107	27	32	46	3	(56)	(109)	(174)	(136)	(77)	(110)	<u>(223)</u>	
													Total (Over)/Under Collection Including Interest	<u>(\$180,330)</u>

Notes: ¹ Prior Period Reconciliation Balance as per Exhibit E of the BPU Order Approving Stipulation dated September 1, 2021, in Docket Number ER21010087.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

SREC I Program Component of RGGI Surcharge

Forecasted Calendar Year 2022 SREC I Program Costs

	<u>Jan-22</u> Estimate	<u>Feb-22</u> Estimate	<u>Mar-22</u> Estimate	<u>Apr-22</u> Estimate	<u>May-22</u> Estimate	<u>Jun-22</u> Estimate	<u>Jul-22</u> Estimate	<u>Aug-22</u> Estimate	<u>Sep-22</u> Estimate	<u>Oct-22</u> Estimate	<u>Nov-22</u> Estimate	<u>Dec-22</u> Estimate	<u>Total</u>
Total Net Cost of SRECs	\$0	\$0	\$420,603	\$0	\$0	\$0	\$0	\$0	\$0	\$134,834	\$0	\$0	\$555,437
Admin & Program Development	2,700	2,700	2,700	4,200	2,700	2,700	2,700	2,700	2,700	2,700	4,200	3,200	35,900
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Required Costs	\$2,700	\$2,700	\$423,303	\$4,200	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$137,534	\$4,200	\$3,200	\$591,337

ROCKLAND ELECTRIC COMPANY

SREC I Program Component of RGGI Surcharge

Calendar Year 2021 SREC Sales

March Auction

Total SRECs	Purchase Price	Sale Price	Customer Charge / (Credit)	SREC Transaction Fee @ \$39.11 ea.	Net Charge to Customer
334	\$295.00	\$236.17	\$19,649.22	\$13,062.74	\$32,711.96
77	305.00	236.17	5,299.91	3,011.47	8,311.38
174	325.00	236.17	15,456.42	6,805.14	22,261.56
87	349.00	236.17	9,816.21	3,402.57	13,218.78
119	399.00	236.17	19,376.77	4,654.09	24,030.86
22	410.00	236.17	3,824.26	860.42	4,684.68
10	433.00	236.17	1,968.30	391.10	2,359.40
5	435.00	236.17	994.15	195.55	1,189.70
308	450.00	236.17	65,859.64	12,045.88	77,905.52
108	460.00	236.17	24,173.64	4,223.88	28,397.52
<u>58</u>	<u>470.00</u>	<u>236.17</u>	<u>13,562.14</u>	<u>2,268.38</u>	<u>15,830.52</u>
1,302			\$179,980.66	\$50,921.22	\$230,901.88

October Auction

Total SRECs	Purchase Price	Sale Price	Customer Charge / (Credit)	SREC Transaction Fee @ \$39.11 ea.	Net Charge to Customer
322	\$295.00	\$246.13	\$15,736.14	\$12,593.42	\$28,329.56
165	299.52	246.13	8,809.35	6,453.15	15,262.50
234	305.00	246.13	13,775.58	9,151.74	22,927.32
127	325.00	246.13	10,016.49	4,966.97	14,983.46
141	349.00	246.13	14,504.67	5,514.51	20,019.18
163	380.00	246.13	21,820.81	6,374.93	28,195.74
212	399.00	246.13	32,408.44	8,291.32	40,699.76
26	410.00	246.13	4,260.62	1,016.86	5,277.48
25	433.00	246.13	4,671.75	977.75	5,649.50
479	450.00	246.13	97,653.73	18,733.69	116,387.42
1	460.00	246.13	213.87	39.11	252.98
85	470.00	246.13	19,028.95	3,324.35	22,353.30
69	295.00	235.48	4,106.88	2,698.59	6,805.47
51	305.00	235.48	3,545.52	1,994.61	5,540.13
29	325.00	235.48	2,596.08	1,134.19	3,730.27
32	349.00	235.48	3,632.64	1,251.52	4,884.16
35	380.00	235.48	5,058.20	1,368.85	6,427.05
49	399.00	235.48	8,012.48	1,916.39	9,928.87
8	410.00	235.48	1,396.16	312.88	1,709.04
4	433.00	235.48	790.08	156.44	946.52
2	435.00	235.48	399.04	78.22	477.26
107	450.00	235.48	22,953.64	4,184.77	27,138.41
<u>37</u>	<u>460.00</u>	<u>235.48</u>	<u>8,307.24</u>	<u>1,447.07</u>	<u>9,754.31</u>
2,403			\$303,698.36	\$93,981.33	\$397,679.69

ROCKLAND ELECTRIC COMPANY

SREC I Program Component of RGGI Surcharge

Estimate of Calendar Year 2022 SREC Sales

	Total SRECs	Purchase Price	Sale Price	Customer Chg / (Credit)	SREC Transaction Fee @ \$39.11 ea.	Net Charge to Customer
Mar Estimate	1,500	\$476.29	\$235.00	\$361,938.00	\$58,665.00	\$420,603.00
Oct Estimate	830	\$358.34	\$235.00	<u>102,373.00</u>	<u>32,461.30</u>	<u>134,834.30</u>
				\$464,311.00	\$91,126.30	\$555,437.30

ROCKLAND ELECTRIC COMPANY

2022 TREC Program Component of RGGI Surcharge

Determination of TREC Program Reconciliation Adjustment Component of RGGI Surcharge

TREC Program Recoveries (January 1, 2021 - December 31, 2021)	\$672,433
TREC Program Costs 2021	738,936
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(177,343)</u>
TREC Program (Over)/Under Recovery Balance	(\$110,840)
Interest (Over)/Under Recovery Balance	<u>(2,636)</u>
Total TREC Program (Over)/Under Recovery Balance for 12 ME 12/31/2021	(\$113,476)
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000078)
Sales and Use Tax ("SUT")	1.06625
TREC Program Reconciliation Adjustment	(\$0.000083)

Determination of Forecast TREC I Program Component of RGGI Surcharge

Projected TREC Program Costs 2022 - See Page 4	\$3,034,378
Projected Sales (kWh) for 12-months ended May 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.002083
Sales and Use Tax ("SUT")	1.06625
TREC Program Forecast Component	\$0.002221

Proposed TREC Program Component of RGGI Surcharge

Proposed TREC Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.002005
Proposed TREC Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.002138

ROCKLAND ELECTRIC COMPANY

**Calculation of Over/Under Recovery Associated with Transition Renewable Energy Certificate ("TREC") Program Component of RGGI Surcharge
January 2021 through December 2021 Cost Recovery Period**

	Jan-21 Actual	Feb-21 Actual	Mar-21 Actual	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Total
TREC Revenue Requirement	\$4,370	\$17,842	\$39,404	\$25,074	\$28,855	\$40,119	\$0	\$123,603	\$143,441	\$94,436	\$104,069	\$117,724	\$738,936
Prior Period Reconciliation Adj. ¹	(\$177,343)												(\$177,343)
Monthly Recoveries	61,049	52,896	42,893	47,486	47,237	59,185	72,442	70,759	69,307	53,554	44,298	51,327	672,433
(Over)/Under Recovery	(\$234,021)	(\$35,054)	(\$3,489)	(\$22,412)	(\$18,382)	(\$19,066)	(\$72,442)	\$52,844	\$74,134	\$40,881	\$59,771	\$66,397	(\$110,840)
Beginning Balance - (Over)/Under Recovery	(\$177,196)	(\$411,218)	(\$446,272)	(\$449,762)	(\$472,173)	(\$490,555)	(\$509,621)	(\$582,063)	(\$529,219)	(\$455,085)	(\$414,204)	(\$354,433)	
Ending Balance (Over)/Under Recovery	(411,218)	(446,272)	(449,762)	(472,173)	(490,555)	(509,621)	(582,063)	(529,219)	(455,085)	(414,204)	(354,433)	(288,036)	
Average Balance (Over)/Under	(\$294,207)	(\$428,745)	(\$448,017)	(\$460,967)	(\$481,364)	(\$500,088)	(\$545,842)	(\$555,641)	(\$492,152)	(\$434,645)	(\$384,318)	(\$321,234)	
Average Balance (Over)/Under - Net of Tax	(\$211,505)	(\$308,225)	(\$322,079)	(\$331,389)	(\$346,053)	(\$359,513)	(\$392,406)	(\$399,450)	(\$353,808)	(\$312,466)	(\$276,286)	(\$230,935)	
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%	
Interest (To Customer) /To Company	(\$125)	(\$182)	(\$196)	(\$213)	(\$219)	(\$228)	(\$278)	(\$256)	(\$236)	(\$227)	(\$253)	(\$223)	(\$2,636)
													Total (Over)/Under Collection Including Interest <u>(\$113,476)</u>

Notes: ¹ Prior Period Reconciliation Balance as per Exhibit F of the BPU Order Approving Stipulation dated September 1, 2021, in Docket Number ER21010087.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Transition Renewable Energy Certificate Program ("TREC") Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Total</u>
1	\$26,621	\$24,352	\$21,037	\$19,190	\$20,237	\$29,393	\$39,695	\$38,108	\$36,141	\$23,874	\$19,044	\$22,661	\$320,352
2	24,926	20,140	15,533	20,712	18,556	20,820	21,381	23,413	23,696	20,749	17,386	20,215	247,527
3	17	17	14	11	9	14	17	15	15	10	9	12	160
4	301	252	175	206	192	175	229	210	231	251	274	296	2,791
5	715	707	552	432	383	456	574	589	574	412	404	544	6,341
6	232	205	180	188	191	169	162	166	197	227	241	239	2,397
7	<u>8,237</u>	<u>7,222</u>	<u>5,402</u>	<u>6,746</u>	<u>7,669</u>	<u>8,158</u>	<u>10,385</u>	<u>8,259</u>	<u>8,454</u>	<u>8,031</u>	<u>6,940</u>	<u>7,360</u>	<u>92,863</u>
Total Excluding SUT	\$61,049	\$52,896	\$42,893	\$47,486	\$47,237	\$59,185	\$72,442	\$70,759	\$69,307	\$53,554	\$44,298	\$51,327	\$672,433

ROCKLAND ELECTRIC COMPANY

Forecasted TREC Costs for January 2022 - December 2022

<u>Month</u>	<u>TREC Costs</u>	<u>Admin Costs</u>	<u>Total Costs</u>
Jan-22	\$83,441	\$7,118	\$90,559
Feb-22	68,088	7,364	75,452
Mar-22	90,819	7,845	98,664
Apr-22	114,888	8,495	123,383
May-22	183,011	9,571	192,581
Jun-22	220,079	10,823	230,903
Jul-22	267,794	12,270	280,064
Aug-22	323,756	13,649	337,405
Sep-22	401,706	15,918	417,624
Oct-22	395,980	18,093	414,073
Nov-22	380,148	20,086	400,234
Dec-22	<u>351,861</u>	<u>21,573</u>	<u>373,435</u>
Total	\$2,881,572	\$152,805	\$3,034,378

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Clean Energy Act Program

Determination of CEA Program Reconciliation Adjustment Component of RGGI Surcharge

Clean Energy Act Program Recoveries (January 1, 2021 - December 31, 2021)	\$550,521
Clean Energy Act Program Revenue Requirement	214,497
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>0</u>
Clean Energy Act Program (Over)/Under Recovery Balance	(\$336,024)
Interest (Over)/Under Recovery Balance	<u>(621)</u>
Total Clean Energy Act Program (Over)/Under Recovery Balance for 12 ME 12/31/2021	(\$336,645)
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000231)
Sales and Use Tax ("SUT")	1.06625
Clean Energy Act Program Reconciliation Adjustment	(\$0.000246)

Determination of Forecast Clean Energy Act Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2022	\$1,071,898
Projected Sales (kWh) 12 months ending May 31, 2023	1,456,659,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000736
Sales and Use Tax ("SUT")	1.06625
Clean Energy Act Program Charge	\$0.000785

CEA Program Component of RGGI Surcharge

Proposed Clean Energy Act Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000505
Proposed Clean Energy Act Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000539

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Clean Energy Act Program Component of RGGI Surcharge

	<u>Jan-21</u> Actual	<u>Feb-21</u> Actual	<u>Mar-21</u> Actual	<u>Apr-21</u> Actual	<u>May-21</u> Actual	<u>Jun-21</u> Actual	<u>Jul-21</u> Actual	<u>Aug-21</u> Actual	<u>Sep-21</u> Actual	<u>Oct-21</u> Actual	<u>Nov-21</u> Actual	<u>Dec-21</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$1,076	\$6,738	\$133,263	\$24,200	\$29,347	\$19,873	\$214,497
Prior Period Reconciliation Adj.	0												\$0
Monthly Recoveries	0	0	0	0	0	0	66,639	116,338	113,950	89,729	75,909	87,955	\$550,521
(Over)/Under Recovery	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$65,563)</u>	<u>(\$109,601)</u>	<u>\$19,313</u>	<u>(\$65,529)</u>	<u>(\$46,563)</u>	<u>(\$68,081)</u>	<u>(\$336,024)</u>
Beginning Balance - (Over)/Under Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$65,563)	(\$175,164)	(\$155,851)	(\$221,380)	(\$267,943)	
Ending Balance (Over)/Under Recovery	\$0	\$0	\$0	\$0	\$0	\$0	(\$65,563)	(\$175,164)	(\$155,851)	(\$221,380)	(\$267,943)	(\$336,024)	
Average Balance (Over)/Under	\$0	\$0	\$0	\$0	\$0	\$0	(\$32,782)	(\$120,363)	(\$165,507)	(\$188,615)	(\$244,661)	(\$301,983)	
Average Balance (Over)/Under - Net of Tax	\$0	\$0	\$0	\$0	\$0	\$0	(\$23,567)	(\$86,529)	(\$118,983)	(\$135,596)	(\$175,887)	(\$217,096)	
Interest Rate (Annual) ²	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.85%	0.77%	0.80%	0.87%	1.10%	1.16%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.09%	0.10%	
Interest (To Customer) /To Company	\$0	\$0	\$0	\$0	\$0	\$0	(\$17)	(\$56)	(\$79)	(\$98)	(\$161)	(\$210)	(\$621)
													Total (Over)/Under Collection Including Interest
													<u>(\$336,645)</u>

Notes: ¹ The CEA Program component of the RGGI Surcharge did not become effective until July 1, 2021

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Clean Energy Act Program Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Total</u>
1	\$0	\$0	\$0	\$0	\$0	\$0	\$36,515	\$62,654	\$59,421	\$40,000	\$32,634	\$38,832	\$270,056
2	0	0	0	0	0	0	19,668	38,494	38,959	34,765	29,794	34,641	196,321
3	0	0	0	0	0	0	15	24	25	17	15	21	118
4	0	0	0	0	0	0	211	345	379	420	469	508	2,332
5	0	0	0	0	0	0	528	968	943	690	692	932	4,754
6	0	0	0	0	0	0	149	272	324	381	413	410	1,948
7	0	0	0	0	0	0	<u>9,553</u>	<u>13,580</u>	<u>13,900</u>	<u>13,456</u>	<u>11,892</u>	<u>12,612</u>	<u>74,993</u>
Total Excluding SUT	\$0	\$0	\$0	\$0	\$0	\$0	\$66,639	\$116,338	\$113,950	\$89,729	\$75,909	\$87,955	\$550,521

ROCKLAND ELECTRIC COMPANY

**Clean Energy Act Program Component of RGGI Surcharge
Basic Assumptions**

	<u>Effective Feb 1, 2020*</u>	<u>Effective Jan 1, 2022**</u>
Amortization Period	120 Months	120 Months
Equity Ratio	48.32%	48.51%
Return on Equity	9.50%	9.60%
Equity Component	4.59%	4.66%
After-Tax WACC	7.11%	7.08%
Effective Tax Rate***	28.11%	28.11%
Interest Expense	2.52%	2.42%

* Capital Structure approved in RECO Base Rate Case ER19050552, effective February 1, 2020.

** Capital Structure approved in RECO Base Rate Case ER21050823, effective January 1, 2022.

Rockland Electric Company
Consolidated Capital Structure

Capital Structure approved in RECO Base Rate Case ER19050552, effective Feb. 1, 2020.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.68%	4.88%	2.52%
Common Equity	48.32%	9.50%	4.59%
Total	<u>100%</u>		<u>7.11%</u>

Capital Structure approved in RECO Base Rate Case ER21050823, effective Jan. 1, 2022.

	Ratio	Cost Rate	Weighted Average Ratio
Long Term Debt	51.49%	4.70%	2.42%
Common Equity	48.51%	9.60%	4.66%
Total	<u>100%</u>		<u>7.08%</u>

ROCKLAND ELECTRIC COMPANY

**Clean Energy Act Program Component of RGGI Surcharge
Program Spending**

	<u>Jan-21</u> <u>Actual</u>	<u>Feb-21</u> <u>Actual</u>	<u>Mar-21</u> <u>Actual</u>	<u>Apr-21</u> <u>Actual</u>	<u>May-21</u> <u>Actual</u>	<u>Jun-21</u> <u>Actual</u>	<u>Jul-21</u> <u>Actual</u>	<u>Aug-21</u> <u>Actual</u>	<u>Sep-21</u> <u>Actual</u>	<u>Oct-21</u> <u>Actual</u>	<u>Nov-21</u> <u>Actual</u>	<u>Dec-21</u> <u>Actual</u>	<u>Total</u>
Implementation and Incentive Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$151,725	\$356,817	(\$9,275)	\$37,035	\$536,302
O&M Spending	0	0	0	0	0	0	1,076	6,738	131,196	17,278	22,574	12,619	191,481
Total Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$1,076	\$6,738	\$282,921	\$374,095	\$13,299	\$49,654	\$727,783

ROCKLAND ELECTRIC COMPANY

**Clean Energy Act Program Component of RGGI Surcharge
2021 Revenue Requirement
Revenue Requirement For Use in Calculation of (Over)/Under Collection**

	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
1. Program Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$151,725	\$356,817	(\$9,275)	\$37,035
2. Cumulative Spending	0	0	0	0	0	0	0	0	151,725	508,542	499,267	536,302
3.												
4.												
5. Gross Expenditures	0	0	0	0	0	0	0	0	151,725	508,542	499,267	536,302
6. Accumulated Amortization	0	0	0	0	0	0	0	0	1,264	5,502	9,663	14,132
7. Net Expenditures	0	0	0	0	0	0	0	0	150,461	503,039	489,604	522,170
8. Accumulated Deferred Tax	0	0	0	0	0	0	0	0	42,294	141,404	137,628	146,782
9. Under/(Over) Recovery Balance	0	0	0	0	0	0	0	0	108,166	361,635	351,976	375,388
10.												
11. Return Requirement	0	0	0	0	0	0	0	0	641	2,143	2,085	2,224
12. Equity Portion	0	0	0	0	0	0	0	0	414	1,383	1,346	1,436
13.												
14.												
15. Revenue	0	0	0	0	0	0	0	0	2,067	6,921	6,772	7,255
16.												
17. Expenses:												
18. Amortization	0	0	0	0	0	0	0	0	1,264	4,238	4,161	4,469
19. Administrative Costs												
20. Interest Expense	0	0	0	0	0	0	0	0	227	759	739	788
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	0	0	0	0	0	0	0	0	576	1,924	1,873	1,997
23. Federal and State Taxes	0	0	0	0	0	0	0	0	162	541	526	561
24. Net Income	0	0	0	0	0	0	0	0	414	1,383	1,346	1,436
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	0	0	0	0	0	0	0	0	2,067	6,921	6,772	7,255
28. O&M	0	0	0	0	0	0	1,076	6,738	131,196	17,278	22,574	12,619
29. Total Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$1,076	\$6,738	\$133,263	\$24,200	\$29,347	\$19,873
										12 Month Total		\$214,497

DRAFT**GENERAL INFORMATION****No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE**

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (c) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (d) Transitional Renewable Energy Certificate Program (“TREC Program”);
- (e) Successor Solar Incentive Program (“SuSI Program”);
- (f) Clean Energy Act Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs; and
- (g) Community Solar Energy Pilot Program (“CSEP Program”)

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.3542 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
Low Income Audit II Program	0.0295	0.0315
Low Income Audit III Program	(0.0023)	(0.0025)
SREC I Program	0.0282	0.0301
SREC II Program	0.0000	0.0000
TREC Program	0.2005	0.2138
SuSI Program	0.0229	0.0244
Clean Energy Act Program	0.0505	0.0539
CSEP Program	0.0000	0.0000
Total RGGI Surcharge	0.3293	0.3512

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(a) Low Income Audit II Program

The Low Income Audit II Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit II Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

(b) Low Income Audit III Program

The Low Income Audit III Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit III Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit III Program and actual recoveries through the Low Income Audit III Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit III Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit III Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit III Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE (Continued)

(c) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year's RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year's over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(d) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE (Continued)

(e) Clean Energy Act

The Clean Energy Act component of the RGGI will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Clean Energy Act component of the following year's RGGI. The difference between the actual monthly revenue requirement associated with the Clean Energy Act EE and PDR programs and actual recoveries through the Clean Energy Act component of the RGGI will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection. The initial Clean Energy Act component of the RGGI rate will become effective on July 1, 2021. Thereafter, on February 1 of each year, the Company shall file with the Board the Clean Energy Act component of the RGGI to be effective for the twelve-month period commencing on the following June 1. The Clean Energy Act component of the RGGI shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Clean Energy Act EE and PDR programs revenue requirement over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430