



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 JERSEY CENTRAL POWER &)
LIGHT COMPANY’S VERIFIED PETITION TO)
ESTABLISH A NEW RATE COMPONENT OF ITS RIDER)
RRC – RGGI RECOVERY CHARGE (“RIDER RRC”) FOR)
COSTS INCURRED PURSUANT TO THE MANDATED)
COMMUNITY SOLAR PROGRAM (“JCP&L INITIAL CSP)
RATE FILING”)) DOCKET NO. ER21060872

Parties of Record:

James A. Meehan, Esq., Jersey Central Power & Light Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On June 1, 2021, Jersey Central Power & Light Company (“JCP&L” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of the Company’s proposed cost recovery mechanism for the Community Solar Pilot (“CSP”) Program (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by JCP&L, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve the requests related to the above matter.

BACKGROUND AND PROCEDURAL HISTORY

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17, was signed into law, directing the Board to adopt rules and regulations establishing the Community Solar Energy Pilot Program (“Pilot Program”).² The Pilot Program provides access to local clean energy for utility customers otherwise unable to place solar generation directly on their properties.

Specifically, the Board is committed to ensuring that low-and moderate-income (“LMI”) customers are able to access community solar, and that community solar development is pursued without materially compromising the preservation of open space or protected lands in New Jersey. The

¹ Commissioner Marian Abdou did not participate.

² N.J.S.A. 48:3-87.11.

Pilot Program enables New Jersey electric utility customers to participate in a solar energy project that may be remotely located from their properties, and receive a credit on their utility bills. Additionally, the Pilot Program lays the groundwork for development and implementation of a permanent full-scale Community Solar Energy Program, in conformance with the Clean Energy Act.

On August 29, 2018, the Board approved the Pilot Program Proposed Rules (“Pilot Program Rules”). After publication in the New Jersey Register, and a 60-day comment period followed by two (2) public hearings, the Board adopted the Pilot Program Rules on January 17, 2019. On February 19, 2019, the Pilot Program Rules were published in the New Jersey Register.³ The final Pilot Program Rules provide the framework necessary for the development and implementation of community solar in New Jersey.⁴

Since the implementation of the Pilot Program, Staff received requests for clarification regarding the methodology used to determine the value of the community solar bill credit. Specifically, N.J.A.C. 14:8-9.7(a) provides that, “[t]he value of the bill credit shall be set at retail rate, inclusive of supply and delivery charges.” N.J.A.C. 14:8-9.7(b) further provides that, “[t]he calculation of the value of the bill credit shall remain in conformance with retail rate, as determined in (a) above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first.” Finally, N.J.A.C. 14:8-9.7(c) states: “[t]he credit may not be applied to non-by-passable charges.”⁵

On May 15, 2019, the State’s electric distribution companies (“EDCs”) submitted to Staff written proposals regarding the identification of non-bypassable charges, the method of retail rate calculation of the bill credit, and the process for the allocation of bill credits to community solar subscribers.

On July 10, 2019, the Board issued an Order directing the EDCs to calculate a bill credit for each rate class set at a pre-tax retail rate, including supply and delivery charges, excluding demand charges, and minus non-bypassable charges. The Board also directed the EDCs to file a sample bill for each rate class with the New Jersey Clean Energy Program, along with the underlying method of the bill credit calculation, by August 9, 2019.

On August 7, 2019, the Board issued a corrected order, amending the original July 10, 2019 order, to address the issue that the monthly fixed customer charge is excluded from the calculation of the community solar bill credit.⁶ The August 2019 Order directed the EDCs to calculate the bill credit for each rate class, set at the pre-Sales and Use Tax (“SUT”) retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges. For purposes of the Pilot Program only, the Board defined the following as non-bypassable charges: the Societal Benefits Charge, the Market Transition Charge, the Transition Bond Charge, and the Zero Emissions Certificates. Additionally, the Board determined that any future additional charges, or any future modifications to existing charges,

³ 51 N.J.R. 232(a).

⁴ See N.J.A.C. 14:8-9.1 to -9.11.

⁵ See N.J.A.C. 14:8-9.7; see also 51 N.J.R. 639(b).

⁶ In re the Community Solar Energy Pilot Program, BPU Docket No. QO18060646, Order dated August 7, 2019 (“August 2019 Order”).

would be examined on a case-by-case basis to determine whether they should be considered non-bypassable for purposes of the Pilot Program. The August 2019 Order further stated that the bill credit should be based upon the applicable pre-SUT Basic Generation Service charges at the time the energy output being credited to the subscriber was produced by the community solar facility. Finally, the Board directed the EDCs to apply the bill credit to subscribers' electric utility bills based upon their respective rate class. The calculation for the bill credit would be calculated based on the customer's respective rate class as the percentage of the Community Solar project's kilowatt-hour ("kWh") output assigned to each subscribing customer by the Community Solar project's organization and reported to the EDCs via the method determined by Board Staff and the EDCs pursuant to N.J.A.C. 14:8-9.7(l).

PETITION

In the Petition, JCP&L sought approval to implement a new component, the CSP, of the Company's existing electric Rider RRC – RGGI Recovery Charge ("Rider RRC"). The CSP component would be implemented through the Rider RRC as a surcharge applied equally to all rate schedules with an initial rate of \$0.000000 per kWh as no costs have been incurred to date. As proposed by JCP&L, for the initial two-year period, the surcharge would recover costs from the previous year, while future filings may include forecasted costs after the initial two-year period as a separate part of the Company's Rider RRC tariff.

According to the Petition, the future revenue requirement associated with the CSP would include costs pertaining to: 1) modification of the Company's billing System, 2) full value of the community solar credits provided to customers; and 3) incremental administrative costs not otherwise recovered in rates. Additionally, the Company proposed to defer any over/under recovery of the monthly actual revenue requirements compared to actual revenues.

Following publication of notice in newspapers of general circulation within JCP&L's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 1:00 p.m. and 4:00 p.m. on October 21, 2021.⁷ No members of the public attended or filed written comments with the Board.

STIPULATION

Following a review of the Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:⁸

1. The Parties agree that JCP&L shall establish a new cost recovery mechanism within the Company's Rider RRC for recovery of JCP&L's prudent and reasonable incremental costs incurred pursuant to the Pilot Program. The costs will be recovered through a separate CSP Rate component of Rider RRC. The initial CSP Rate shall be set at \$0.000000 per kilowatt-hour, exclusive of SUT.
2. Attached to the Stipulation as Exhibit A is the Company's template for calculating the annual total revenue requirement necessary to recover JCP&L's costs for

⁷ Due to the COVID-19 pandemic, hearings were held telephonically.

⁸ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

- implementation and compliance with the Pilot Program. The Parties agree that JCP&L shall establish a regulatory asset for the deferral of the Company's costs associated with the Pilot Program, with the accrual of interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's Rider RRC Tariff. These costs include the following: 1) the costs of modifying JCP&L's billing system to implement the Pilot Program; 2) the full value of the Community Solar Credits provided to participating customers, and 3) any incremental administrative costs or other costs associated with the Company's implementation of and compliance with the Pilot Program, to the extent reasonable and prudently incurred and not otherwise being recovered in rates. For Pilot Program Years 1 and 2, the Parties agree that, for purposes of recovering Pilot Program costs, the surcharge for the separate rate component for Community Solar under Rider RRC will be set to recover actual Pilot Program costs incurred prior to the date of the Company's filing for recovery. The capitalization of IT Investment during the Pilot Program does not provide precedential support of applying this treatment in future/subsequent proceedings, nor does it affect the rights of any Party to take any position it deems appropriate in connection with this issue in future/subsequent proceedings.
3. The Company shall defer any costs incurred to date for the Company's implementation and compliance with the Pilot Program for inclusion in the separate CSP Rate component of Rider RRC in a future Rider RRC filing.
 4. In accordance with the Board's April 27, 2021 Order in BPU Docket Nos. QO19010040 and EO20090620, approving the Company's Energy Efficiency and Compliance Plan, JCP&L will adjust Rider RRC rates and reconcile prior period recoveries in the Company's annual Rider RRC rate adjustment filings targeted to be submitted on February 1 of each year.
 5. Monthly revenue requirements will be calculated and deferred based upon actual costs. Revenues collected will be reconciled with the amount authorized for recovery by the board, with any over/under recoveries to be tracked with interest and included in the revenue requirement when rates are reset in the Company's subsequent Rider RRC filings. Consistent with the treatment of other rate components in the Rider RRC, the CSP Rate component shall accrue interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's effective Rider RRC Tariff.
 6. Attached to the Stipulation as Exhibit B is a copy of the Company's proposed Rider RRC Tariff sheet including the CSP Rate. The Parties agree that the Rider RRC CSP Rate shall be implemented effective July 1, 2023 or as soon as the Board authorizes the effective date, whichever is later.

DISCUSSION AND FINDING

The Board reviewed the record in this proceeding, including the Petition and the Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its

terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

Based upon the Stipulation, there is no bill impact to ratepayers at this time as no costs have been incurred by the Company.

Accordingly, the Board **HEREBY AUTHORIZES** JCP&L to establish a new component of its Rider RRC tariff to recover costs associated with the Pilot Program. The Board **HEREBY ORDERS** JCP&L to file revised tariff sheets conforming to the terms of the Stipulation prior to July 31, 2023, with an initial CSP rate of \$0.000000 per kWh, effective for service rendered on and after August 1, 2023.

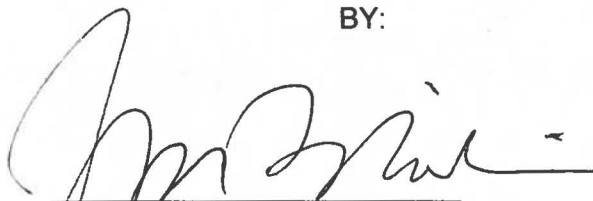
The Company's costs, including those related to the CSP, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on July 19, 2023.

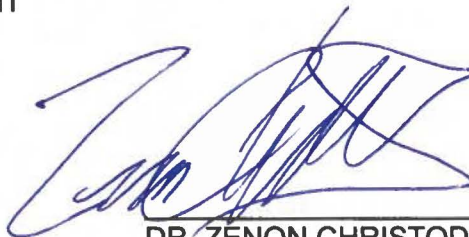
DATED: July 12, 2023

BOARD OF PUBLIC UTILITIES

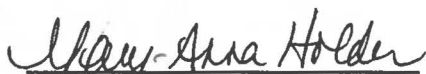
BY:



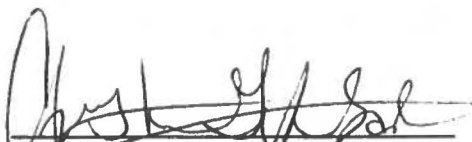
JOSEPH L. FIORDALISO
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER



CHRISTINE GUHL-SADOVY
COMMISSIONER

ATTEST:



SHERRI L. GOLDEN
SECRETARY

IN THE MATTER OF JERSEY CENTRAL POWER & LIGHT COMPANY'S VERIFIED PETITION TO ESTABLISH A NEW RATE COMPONENT OF ITS RIDER RRC – RGGI RECOVERY CHARGE ("RIDER RRC") FOR COSTS INCURRED PURSUANT TO THE MANDATED COMMUNITY SOLAR PROGRAM ("JCP&L INITIAL CSP RATE FILING")

DOCKET NO. ER21060872

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 L. Golden, Board Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy & Water</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 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, DAG pamela.owen@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Steven Chaplar steven.chaplar@law.njoag.gov</p> <p>Brandon Simmons brandon.simmons@law.njoag.gov</p>	<p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Gas Attorney mcaroselli@rpa.nj.gov</p> <p>Sarah Steindel, Esq. ssteindel@rpa.nj.gov</p> <p><u>Rate Counsel Consultant</u></p> <p>Andrea C. Crane, President The Columbia Group, Inc. 2805 East Oakland Park Blvd #401 Ft. Lauderdale, FL 33306 ctcolumbia@aol.com</p> <p><u>JCP&L</u> 300 Madison Avenue Morristown, New Jersey 07962</p> <p>James A. Meehan jameehan@firstenergycorp.com</p> <p>Lauren M. Lepkoski llepkoski@firstenergycorp.com</p> <p>Mark A. Mader mamader@firstenergycorp.com</p> <p>Kevin M. Siedt kseidt@firstenergycorp.com</p> <p>Yongmei Peng ypeng@firstenergycorp.com</p> <p>James O'Toole jotoole@firstenergycorp.com</p> <p>Thomas Donadio tdonadio@firstenergycorp.com</p> <p>Carol Pittavino cpittavino@firstenergycorp.com</p>
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Joshua R. Eckert, Esq.
(330) 690-8329
(330) 315-9165 (Fax)

June 7, 2023

VIA ELECTRONIC MAIL ONLY

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

Re: In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a New Rate Component of Its Rider RRC – RGGI Recovery Charge ("Rider RRC") for Costs Incurred Pursuant to The Mandated Community Solar Program ("JCP&L Initial CSP Rate Filing")

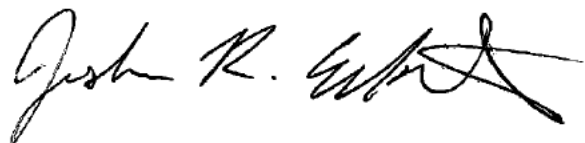
Stipulation of Settlement
BPU Docket No. ER21060872

Dear Secretary Golden:

Attached please find for filing a fully executed Stipulation of Settlement in the above-referenced matter. This Stipulation of Settlement fully resolves this matter. Additionally, Jersey Central Power & Light Company ("JCP&L") hereby respectfully requests that James A. Meehan, Esq. (jameehan@firstenergycorp.com) be included on any future correspondence to JCP&L regarding this matter.

Copies of this filing are being provided by electronic mail only. No physical copies will follow. Please kindly confirm your receipt and acceptance of this filing by electronic mail at your earliest convenience.

Respectfully submitted,



Joshua R. Eckert
Counsel for Jersey Central Power & Light Company

cc: Email Distribution

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

In the Matter of Jersey Central Power & Light Company’s Verified Petition to Establish a New Rate Component of Its Rider RRC – RGGI Recovery Charge (“Rider RRC”) for Costs Incurred Pursuant to The Mandated Community Solar Program (“JCP&L Initial CSP Rate Filing”))))))))))))	BPU Docket No. ER21060872
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APPEARANCES:

Joshua R. Eckert, Esq. (FirstEnergy Service Company), on behalf of Jersey Central Power & Light Company

Maura Caroselli, Managing Attorney and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, on behalf of the New Jersey 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)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below by and among the Petitioner, Jersey Central Power & Light Company (“JCP&L” or the “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (each a “Party”, and, collectively, the “Parties”).

The Parties do hereby join in recommending that the New Jersey Board of Public Utilities (“Board”) issue an Order approving the Stipulation, without modification, based upon the following terms:

BACKGROUND

On May 23, 2018, the Clean Energy Act (codified, in relevant part, as N.J.S.A. 48:87.11) (“CEA” or the “Act”) was signed into law. The Act required that the Board “adopt . . . rules and

regulations establishing a Community Solar Energy Pilot Program to permit customers of an electric public utility to participate in a solar energy project that is remotely located from their properties but is within their electric public utility service territory to allow for a credit to the customer's utility bill equal to the electricity generated that is attributed to the customer's participation in the solar energy project." N.J.S.A. 48:3-87.11(a) (quotations omitted). The Act further provides that the Board "adopt rules and regulations . . . to convert the Community Solar Energy Pilot Program to a permanent program." N.J.S.A. 48:3-87.11(f). The Act also provides that "[s]ubject to review by the board, an electric public utility shall be entitled to full and timely cost recovery for all costs incurred in implementation and compliance with this section." N.J.S.A. 48:3-87.11(e).

On February 19, 2019, the Board adopted regulations pertaining to the Community Solar Energy Pilot Program ("Pilot Program"). The regulations provide the Board's framework for the development and implementation of community solar through the first three years of the Pilot Program. On December 20, 2019, the Board granted conditional approvals to 45 community solar projects for the first year of the Pilot Program, 16 of which were in JCP&L's service territory. On October 28, 2021, the Board granted conditional approvals to 105 community solar projects for the second year of the Pilot Program, 28 of which were in JCP&L's service territory. As of the date of this filing, only one (1) of the approved community solar projects in JCP&L's service territory is operational.

Discussions concerning cost recovery for the Pilot Program were held among the electric public utilities, Rate Counsel, and Staff, but no resolution was reached. On April 7, 2021, Staff presented recommendations for cost recovery and informally requested that each electric public utility file by June 1, 2021.

STIPULATION

1. The Parties agree that JCP&L shall establish a new cost recovery mechanism within the Company's Rider RRC – RGGI Recovery Charge ("Rider RRC") for recovery of JCP&L's prudent and reasonable incremental costs incurred pursuant to the Pilot Program. The costs will be recovered through a separate Community Solar Program ("CSP") Rate component of Rider RRC. The initial CSP Rate shall be set at \$0.000000 per kilowatt-hour, exclusive of New Jersey Sales and Use Tax ("SUT").

2. Attached hereto as Exhibit A is the Company's template for calculating the annual total revenue requirement necessary to recover JCP&L's costs for implementation and compliance with the Pilot Program. The Parties agree that JCP&L shall establish a regulatory asset for the deferral of the Company's costs associated with the Pilot Program, with the accrual of interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's Rider RRC Tariff. These costs include the following: 1) the costs of modifying JCP&L's billing system to implement the Pilot Program; 2) the full value of the Community Solar Credits¹ provided to participating customers, and 3) any incremental administrative costs or other costs associated with the Company's implementation of and compliance with the Pilot Program, to the extent reasonable and prudently incurred and not otherwise being recovered in rates. For Pilot Program Years 1 and 2, the Parties agree that, for purposes of recovering Pilot Program costs, the surcharge for the separate rate component for Community Solar under Rider RRC will be set to recover actual Pilot Program costs incurred prior to the date of the Company's filing for recovery. The capitalization of IT Investment during the Pilot Program does not provide precedential support of applying this

¹ This is the aggregate dollar credit that is given to the Pilot Program participants, calculated in accordance with the approved methodology set forth in the 2019 Order and as clarified by Secretary's Letter issued September 18, 2019.

treatment in future/subsequent proceedings, nor does it affect the rights of any Party to take any position it deems appropriate in connection with this issue in future/subsequent proceedings.

3. The Company shall defer any costs incurred to date for the Company's implementation and compliance with the Pilot Program for inclusion in the separate Community Solar Program ("CSP") Rate component of Rider RRC in a future Rider RRC filing.

4. In accordance with the Board's April 27, 2021 Order in BPU Docket Nos. QO19010040 and EO20090620, approving the Company's Energy Efficiency and Compliance Plan, JCP&L will adjust Rider RRC rates and reconcile prior period recoveries in the Company's annual Rider RRC rate adjustment filings targeted to be submitted on February 1 of each year.

5. Monthly revenue requirements will be calculated and deferred based upon actual costs. Revenues collected will be reconciled with the amount authorized for recovery by the BPU, with any over/under recoveries to be tracked with interest and included in the revenue requirement when rates are reset in the Company's subsequent Rider RRC filings. Consistent with the treatment of other rate components in the Rider RRC, the CSP Rate component shall accrue interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, at the rate and in the manner provided for in the Company's effective Rider RRC Tariff.

6. Attached hereto as **Exhibit B** is a copy of the Company's proposed Rider RRC Tariff sheet including the CSP Rate. The Parties agree that the Rider RRC CSP Rate shall be implemented effective July 1, 2023 or as soon as the Board authorizes the effective date, whichever is later.

7. The Parties agree that, upon the effective date of the Board's written Order approving this Stipulation, all elements of the JCP&L Initial CSP Rate Filing shall be deemed closed and resolved.

CONCLUSION

8. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses, and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then the Party aggrieved thereby shall not be bound to proceed with this Stipulation, and shall have the right, upon written notice to all other Parties within ten (10) days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

9. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

10. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

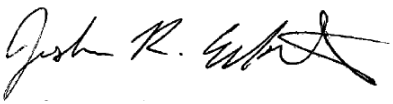
a. By executing this Stipulation, no Party waives any rights it possesses under any prior stipulation, except where the terms of this Stipulation supersede such prior stipulations; and

b. The contents of this Stipulation shall not be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

11. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

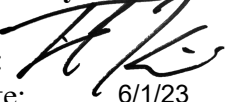
JERSEY CENTRAL POWER & LIGHT COMPANY

By: 
Date: 5/31/23
Joshua R. Eckert
Counsel for Jersey Central Power & Light Company

Brian O. Lipman, Esq.
Director, Division of Rate Counsel

By: */s/ Sarah H. Steindel*
Date: 6/5/2023
Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel

Matthew J. Platkin
Attorney General of New Jersey
Attorney for Staff of the New Jersey Board of Public Utilities

By: 
Date: 6/1/23
Terel Klein
Deputy Attorney General

**Jersey Central Power and Light Company
Community Solar Program ("CSP")
Revenue Requirement Calculation**

**Exhibit A
Page 1 of 2**

IT Systems Investment Depreciation	5.00
Monthly WACC Effective 5/1/22	0.77812%
Federal & State Income tax rate	28.11%
2 year Treasury plus 60 BP	0.77%

(1)	(2)	(3)	(4)	(5)	(6) = 2-5	(7)	(8) = 4	(9) = (7-8)*28.11%	(10)	(11)	(12) = 6-11	(13)	(14)	(15) = 4+13+14
Investment Month	IT Investments	Cumulative Gross Plant	IT Investment Depreciation	Accumulated Depreciation	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Beginning Accumulated Deferred Tax	Ending Accumulated Deferred Tax	Net Investment	Return Component	Customer Credits & O & M Expenses	Revenue Requirements
Jul-21	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Aug-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jan-22	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feb-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mar-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apr-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jun-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jul-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Aug-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Footnote:

- The revenue requirements included in column 14 (Customer Credits and O & M expense) included the payment of full value of the Community Solar Credits provided to Customers and the cost of receivables, to the extent not otherwise recovery in rates, associated with its implementation of the Program.

Jersey Central Power & Light Company
RGGI Recovery Charge - Rider RRC Filing
Community Solar Program ("CSP")
Proposed Rate Calculations
Expenditures for the Period July 2021 through December 2021
Proposed Rate Effective August 1, 2022

	Effective
Calculation of a Proposed	1-Aug-22
Increase in Rider RRC Composite Rate	
1 Actual Revenue Requirement (July 2021 through December 2021)	\$ 0
2 Carrying Charge on (over)/under recovery (2 year treasury + 60 BP)	0.00
3 Projected Revenue Requirement (January 2022 through December 2022)	0.00
4 Total CSP Revenue Requirement (July 2021 through December 2022)	0.00
5 Forecasted MWh Retail Sales for the 12 months ended June 30, 2022	0.00
6 Proposed Rider RRC-CSP before SUT (\$/kWh) at July 2021	\$ 0.000000

* For the rate calculation after the Board's approval of the Initial CSP Rate, actual amounts and forecasted expenditures will be included.

** The Actual Revenue Requirement includes all costs authorized to be deferred by the Company implementing the CSP Program.

**Rider RRC
RGGI Recovery Charge**

APPLICABILITY: Rider RRC provides a charge for the costs associated with demand response/energy efficiency/renewable energy programs directed by the BPU as detailed below. The RGGI Recovery Charge (RRC) is applicable to all KWH usage of any Full Service Customer or Delivery Service Customer, as follows

For service rendered effective **July 1, 2023:**

RRC = \$0.001451 per KWH (\$0.001547 per KWH including SUT)

The above RRC provides recovery for the followings:

Solar Renewable Energy Certificates Financing Program (SREC I & II)

Pursuant to BPU Orders dated March 27, 2009 and September 16, 2009 (Docket No. EO08090840) approving an SREC-based financing program (SREC I), pursuant to BPU Order dated December 18, 2013 (Docket No. EO12080750) approving the SREC II, and pursuant to BPU Order dated December 20, 2019 (Docket No. ER19070806) approving the Stipulation of Settlement, the Company shall include an SREC I & II Rate of **\$(0.000152)** per kWh (**\$(0.000162)** per kWh including SUT) in RRC effective January 1, 2023.

Transition Renewable Energy Certificate Incentive Program (TREC Program)

On December 6, 2019, the Board issued an Order in Docket No. QO19010068 (“December 6, 2019 Order”), establishing a transition renewable energy certificate (“TREC”) program to be implemented upon the attainment of 5.1% of the retail electric sales in the State being from solar. Solar projects that become operational after the State’s attainment of the 5.1% milestone but prior to the implementation of a successor solar program will be eligible to participate in the TREC Program, as determined by the Board. The December 6, 2019 Order required the New Jersey Electric Distribution Companies (“EDCs”) to purchase all TRECs generated and authorized the EDCs to recover their reasonable and prudent costs incurred for the purchase of TRECs and the fees charged by a TREC Administrator (generally, “TREC Program Costs”). The December 6, 2019 Order further provided that “[r]ecovery shall be based on each EDC’s proportionate share of retail electric sales.”

The TREC Rate recovers JCP&L’s proportional share of TREC Program Costs, including, but not limited to, those costs associated with the purchase of TRECs, fees charged by the TREC Administrator, and any additional costs or expenses incurred by JCP&L as a result of the Company’s participation in or implementation of the TREC program.

The TREC Rate for all customer classes is **\$0.001068** per kWh (**\$0.001139** per kWh including SUT), effective January 1, 2023.

Solar Successor Incentive Program (SuSI Program)

On July 28, 2021, the Board issued an order establishing the Solar Successor Incentive (“SuSI”) program (“SuSI Order”) pursuant to the New Jersey Clean Energy Act and the Solar Act of 2021. The SuSI Order established a new renewable energy certificate, SREC-IIs, and required that the New Jersey Electric Distribution Companies (“EDCs”) purchase all SREC-IIs generated and authorized the EDCs to recover their reasonable and prudent costs for SREC-II procurement and SREC-II Administrator fees (generally, “SuSI Program Costs”). The SuSI Order further provided that “[r]ecovery shall be based on each EDC’s proportionate share of retail electric sales.”

The SuSI Rate recovers JCP&L’s proportional share of SuSI Program Costs, including, but not limited to, those costs associated with the purchase of SREC-IIs, fees charged by the SREC-II Administrator, and any additional costs or expenses incurred by JCP&L as a result of the Company’s participation in or implementation of the SuSI program.

The SuSI Rate for all customer classes is **\$0.000079/kWh** (**\$0.000084/kWh** including SUT), effective January 1, 2023.

Issued:

Effective:

**Filed pursuant to Order of Board of Public Utilities
Docket No. dated**

Issued by James V. Fakult, President
300 Madison Avenue, Morristown, NJ 07962-1911

**Rider RRC
RGGI Recovery Charge**

Community Solar Pilot Program (CSP)

Pursuant to N.J.S.A. 48:3-87.11, the Board established a Community Solar Pilot Program. The CSP Rate recovers JCP&L's costs and expenses associated with its implementation of and compliance with the Community Solar Pilot Program, including, but not limited to, recovery of the full value of the cost of community solar credits issued to participating customers, the cost of modifying the Company's systems to implement billing changes for community solar, and incremental administrative costs associated with JCP&L's implementation of and compliance with the Community Solar Pilot Program, to the extent not otherwise recovered in rates. The CSP Rate for all customer classes is \$0.000000/kWh (\$0.000000/kWh including SUT), effective July 1, 2023.

Energy Efficiency and Conservation Program (EE&C)

Pursuant to the BPU Order dated June 10, 2020 directing New Jersey's electric and natural gas companies to establish programs that reduce the use of electricity and natural gas within their territories and the BPU Order dated April 27, 2021 approving the Stipulation of Settlement, the Company shall include a EE&C Charge in RRC effective July 1, 2021. The EE&C Charge provides for recovery of revenue requirements associated with Energy Efficiency and Peak Demand Reduction Programs as approved by the BPU.

Effective January 1, 2023, EE&C rate for service classification is as follows:

EE&C = \$0.000456 per KWH (\$0.000486 per KWH including SUT)

The Company will submit to the BPU annually an application to recover the revenue requirements for the forthcoming Program Year starting July 1st of each year and ending June 30th of the following year. Pursuant to the BPU Order at Docket Nos. QO1901040, QO19060748 & QO17091004, the revenue requirements will include a return of and on EE&C program investments and a reconciliation of actual revenues with actual costs on an annual basis.

The RRC costs shall accrue interest on any over or under recovered balances of such costs at the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the Company's overall rate of return as approved by the BPU. Such interest rate shall be reset each month. The interest calculation shall be based on the net of tax beginning and end average monthly balance, consistent with the methodology in the Board's Final Order dated May 17, 2004 (Docket No. ER02080506 et al.), compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

The Company will make annual filings to true-up the RRC on or before February 1 of each calendar year and will request rate changes, if any, to be implemented on July 1 of the filing year.

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