



Agenda Date: 4/17/24
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND)
ELECTRIC COMPANY FOR APPROVAL OF A ZERO)
EMISSION CERTIFICATE RECOVERY CHARGE)
RECOVERY CHARGE)
)
) DOCKET NO. ER23120926

Parties of Record:

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

BY THE BOARD:

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (N.J.S.A. 48:3-87.3 to -87.7) which required the New Jersey Board of Public Utilities (“Board”) to implement a Zero Emission Certificate (“ZEC”) program (“Act”).¹ The Act allows the Board to authorize certain eligible nuclear energy generators to receive ZECs, which New Jersey’s electric distribution companies (“EDCs”) would be required to purchase.² The Act also required the Board to order the full recovery of EDCs’ costs associated with purchased ZECs via a non-bypassable charge imposed on each EDC’s retail distribution customers.³

The Act directs each EDC to file with the Board a tariff to recover a ZEC charge of \$0.004 per kilowatt-hour (“kWh”) from its retail distribution customers (“ZEC Charge”). The ZEC Charge constitutes the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. The ZEC Charge is one (1) component of the Zero Emissions Certificate Recovery Charge (“ZECRC”).

¹ N.J.S.A. 48:3-87.3 to -87.5.

² The EDCs are Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company, Public Service Electric and Gas Company (“PSE&G”), Rockland Electric Company (“RECO” or “Company”) and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

³ N.J.S.A. 48:3-87.5(j) (1).

The Act also directs the EDCs to return excess monies in each EDC's separate, interest-bearing account to its retail distribution customers at the end of each energy year. This constitutes the second component of RECO's ZECRC, the Return of Excess Collections Credit Rate ("RECCR").

DECEMBER 2023 PETITION

On December 29, 2023, RECO submitted a filing with the Board seeking to reconcile the excess ZEC collections from Energy Year 2023 and the balance of reconciliation for Energy Year 2022 ("Filing").

According to the Filing, the Company proposed to reconcile the excess ZECRC collection and corresponding interest over a 12-month period, commencing March 1, 2024. RECO proposed a RECCR of \$0.0051 per kWh, including Sales and Use Tax ("SUT"), based on a total under-collection of \$76,246. The total under-collection was based upon a December 2023 ending credit balance of \$43,990 and a balance for Energy Year 2023 of \$32,256.

The Company further proposed to monitor the ZECRC excess collection balance and, as it approaches zero, would file to set the RECCR to zero no later than 30 days prior to making the change effective. According to RECO, any excess balance remaining at that point would be included in the Company's next RECCR filing.

AMENDED PETITION

On February 8, 2024, RECO filed an amended petition modifying its proposal ("Amended Petition"). In the Amended Petition, the Company proposed to maintain the RECCR at its current level, which is a credit of \$0.0067 per kWh, including SUT. When adding the existing ZEC charge of \$0.4265 per kWh to the current RECCR, the total proposed ZECRC rate is a charge of \$0.4198 per kWh, including SUT.

On March 18, 2024, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter with the Board in this matter. In its letter, Rate Counsel stated that it does not object to RECO's request to maintain its RECCR at its current level. However, Rate Counsel objected to RECO's plan to adjust the RECCR to zero without filing a petition to reconcile its excess collections. Further, Rate Counsel encouraged RECO to collaborate with the other EDCs, Board Staff ("Staff") and Rate Counsel to consider alternative proposals for filing future ZECRC reconciliations in the next ZECRC filing.

On April 4, 2024, RECO filed a letter with the Board in response to Rate Counsel's letter. In the letter, the Company confirmed that it did not propose, at this time, to adjust the RECCR to zero without filing a petition to reconcile its excess collections. RECO stated, in the letter, it did not repeat that proposal in its Amended Petition, and the intention of RECO's Amended Petition was to withdraw the December 29, 2023 proposal to adjust the RECCR to zero without filing a petition to reconcile its excess collections.

DISCUSSION AND FINDINGS

The Board, having reviewed the record in this matter including the Petition, the Amended Petition, and Rate Counsel's Comments, **HEREBY APPROVES** RECO's proposed RECCR rate. Accordingly, the Board **HEREBY AUTHORIZES** RECO to maintain its RECCR credit rate of \$0.0067 per kWh, including SUT for service rendered on and after May 1, 2024. As a result, a residential electric customer will not see any changes in their bill.

The Board notes that in its January 2023 Order, the Board directed RECO to collaborate with the other EDCs, Staff, and Rate Counsel to consider alternative proposals in the next filing.⁴ The Board further notes that this did not occur. The Board made a similar directive to Butler, ACE, and PSE&G by Orders dated January 10, 2024, January 31, 2024, and March 20, 2024, respectively.⁵ To the extent that the EDCs believe this problem will continue, the Board **HEREBY DIRECTS** RECO to collaborate with the other EDCs, Staff, and Rate Counsel prior to the next ZEC Reconciliation Charge filing to attempt to find a resolution.

The Board **HEREBY DIRECTS** RECO to file revised tariffs prior to May 1, 2024.

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.


⁴ In re the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO22100632, Order dated January 25, 2023.

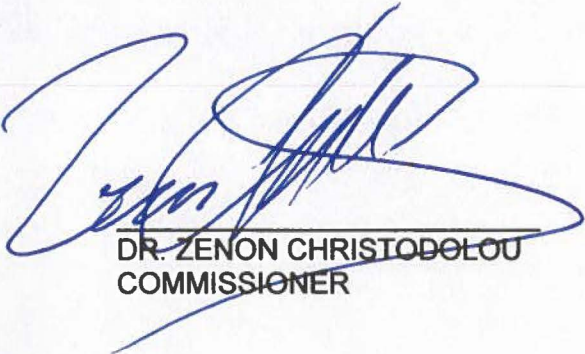
⁵ In re the Petition of Butler Electric for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO23100745, Order dated January 10, 2024; In re the Petition of Atlantic City Electric Company for Approval of a Change to its Zero Emission Certificate Recovery Charge (2023), BPU Docket No. EO23110785, Order dated January 31, 2024; and In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge (2023), BPU Docket No. ER23120911, Order dated March 20, 2024.

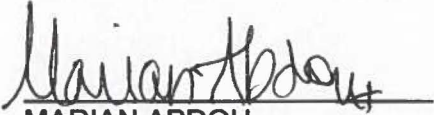
The effective date of this Board Order is April 24, 2024.

DATED: April 17, 2024

BOARD OF PUBLIC UTILITIES
BY:


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PRESIDENT


DR. ZENON CHRISTODOLOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL 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 FOR APPROVAL OF A
ZERO EMISSION CERTIFICATE RECOVERY CHARGE

DOCKET NO. ER23120926

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