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Board of Public Utilities



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## NOTICE<sup>1</sup>

### REQUEST FOR COMMENTS

IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, c. 16 REGARDING THE  
ESTABLISHMENT OF A ZERO EMISSION CERTIFICATE PROGRAM FOR ELIGIBLE NUCLEAR  
PLANTS

Docket No. [EO18080899](#)

AND

APPLICATION FOR ZERO EMISSION CERTIFICATES OF HOPE CREEK NUCLEAR POWER  
PLANT

Docket No. [EO18121337](#)

APPLICATION FOR ZERO EMISSION CERTIFICATES OF SALEM 1 NUCLEAR POWER PLANT

Docket No. [EO18121338](#)

APPLICATION FOR ZERO EMISSION CERTIFICATES OF SALEM 2 NUCLEAR POWER PLANT

Docket No. [EO18121339](#)

Staff of the New Jersey Board of Public Utilities (“Board”) invites all interested parties and members of the public to provide written comments regarding Board Staff’s (“Staff”) revenue review of nuclear power plants selected to receive Zero Emission Certificates (“ZECs”) during the Stub Period (April 18, 2019 through May 31, 2019) and the Initial Eligibility Period (June 1, 2019 through May 31, 2022).

#### **BACKGROUND AND PROCEDURAL HISTORY**

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (C.48:3-87.3 to -87.7) (“Act”) requiring the Board to create a program and mechanism for the issuance of ZECs (“ZEC Program”). Under the ZEC Program, the Board receives and reviews applications from nuclear generating facilities, determines eligibility, and if approved by the Board, the nuclear power plant(s) receive ZECs in accordance with the Act.

On April 18, 2019, the Board awarded ZECs to Salem 1 Nuclear Generating Plant (“Salem 1”), Salem 2 Nuclear Generating Plant (“Salem 2”), and the Hope Creek Nuclear Generating Plant (“Hope Creek”)

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<sup>1</sup> Not a paid legal advertisement.

(collectively, “Selected Nuclear Plants”) for the Stub Period and the Initial Eligibility Period.<sup>2</sup> In the April 2019 Order, the Board also directed Staff to provide the Board with recommendations regarding the ZEC Program’s continued and forward implementation (“Forward Requirements”). One Forward Requirement provided in N.J.S.A. 48:3-87.5(e)(4) and N.J.S.A. 48:3-87.5(i)(3) requires the Board to ensure that a selected nuclear plant does not receive double-payment for its fuel diversity, resilience, air quality, or other environmental attributes.

By Order dated May 20, 2020, the Board finalized the Forward Requirements including, but not limited to, the revenue review.<sup>3</sup> As noted in the May 2020 Order, the Board directed ZEC recipients to file financial documents pertaining to payments, credits, and revenues received by the unit owners for generation in the prior energy year. The Board accordingly required Staff to identify any funds found to be duplicative, and recommend that an equivalent number of ZECs, representing the real costs received in duplicate, be subtracted from the prior energy year payment obligation to the unit owners. As further noted in the May 2020 Order, Staff must submit its preliminary findings for public comment before presenting its final findings to the Board for consideration

### **THE SELECTED NUCLEAR PLANTS’ CERTIFIED DATA AND DOCUMENTS**

On July 30, 2019, Public Service Enterprise Group (“PSEG”) Service Corporation submitted data on behalf of PSEG Nuclear to the Board for Energy Year 2019. The data covered the Stub Period and included information on the megawatt hour (“MWh”) quantity generated by the Selected Nuclear Plants, employment information, and the amount of money held in the ZEC accounts. The data also included information on the MWh of electricity distributed by the Electric Distribution Companies (“EDCs”), ZEC Price and Monthly Purchase Detail calculations, and MWh generation details for the Selected Nuclear Plants from January 2017 to June 2018. Additionally, this information contained personnel affidavits and certifications from PSEG and PSEG Nuclear.

In response to the May 2020 Order, PSEG annually submitted confidential materials on behalf of PSEG Nuclear for Energy Years 2020, 2021, and 2022. Staff utilized the confidential materials to conduct the required Annual Revenue Review pursuant to the Act, specifically N.J.S.A. 48:3-87.5(e)(4) and N.J.S.A. 48:3-87.5(i)(3). The confidential materials included the Annual Revenue Review, Estimated Hedge Profit and Loss Proportion, PJM Power Hedges, MWh generation details, Selected Nuclear Plants Generation Losses, ZEC Price and Monthly Purchase Details, and employment information.

PSEG also submitted actual confidential information covering the periods of June 2018 through May 2020, June 2020 through May 2021, and June 2021 through May 2022, including the MWh of electricity distributed by the EDCs and generated by the Selected Nuclear Plants, ZEC Price and Monthly Purchase Details, and personnel affidavits and certifications.

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<sup>2</sup> In re the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant, BPU Docket No. EO18121338; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant, BPU Docket No. EO18121339; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket No. EO18121337, Order dated April 18, 2019, (“April 2019 Order”).

<sup>3</sup> In re the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant, BPU Docket No. EO18121338; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant, BPU Docket No. EO18121339; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket No. EO18121337 (Order dated May 20, 2020 at Page 12) (“May 2020 Order”).

Finally, on November 18 and 22, 2022, PSEG and Constellation Energy Corporation provided Staff additional confidential information that clarified and added to the original data submissions. This additional information comprised Confidential Revenue and Ownership data, PJM Market Revenues, PJM Generator LMP Charge Summaries, PJM Generator Portfolio Credit Summaries, PJM RPM Auction Credits, PJM Billing, Settlements & Credits, PSEG NJ Manufacturing Credit work papers, and personnel affidavits and certifications.

## **PRELIMINARY FINDINGS**

Staff thoroughly reviewed and analyzed the Selected Nuclear Plants' certified data and documentation submitted pursuant to the Act, and the May 2020 Order. Staff finds no evidence of double-payment, direct or indirect payments, or credits related to the resilience, air quality, or other environmental attributes associated with electricity generated or sold by Salem 1, Salem 2, or Hope Creek during the Stub Period or the Initial Eligibility Period.<sup>4</sup> Accordingly, Board Staff does not recommend any reduction to the payment obligation to the nuclear plant owners during the Stub Period or Initial Eligibility Period.

**The deadline for comments on this matter is 5 p.m. on July 6, 2023.**

Please submit comments directly to Docket No. EO18080899 listed above using the "Post Comments" button on the Board's [Public Document Search](#) tool. Comments are considered "public documents" for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage, <https://www.nj.gov/bpu/agenda/efiling>.

Emailed and/or written comments may also be submitted to:

**Sherri L. Golden**  
**Secretary of the Board**  
44 South Clinton Ave., 1<sup>st</sup> Floor  
PO Box 350  
Trenton, NJ 08625-0350  
Phone: 609-292-1599  
Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Dated:

*Sherri L. Golden*  
Sherri L. Golden  
Secretary of the Board

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<sup>4</sup> See N.J.S.A. 48:3-87.5(e)(4) and N.J.S.A. 48:3-87.5(i)(3).