



State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)
ROCKLAND ELECTRIC COMPANY CONCERNING THE) ORDER APPROVING
SETTING OF THE ADMINISTRATIVE FEE AND THE) STIPULATION
REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”))
RECOVERY CHARGE FOR 2021 ASSOCIATED WITH)
ITS SOLAR RENEWABLE ENERGY CERTIFICATE)
 (“SREC II”) PROGRAM) DOCKET NO. ER20100691

Parties of Record:

Margaret Comes, Esq., for Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 30, 2020, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking authority to maintain the Administrative Fee and Regional Greenhouse Gas Initiative Surcharge (“RGGI Surcharge”) associated with the Company’s Solar Renewable Energy Certificate (“SREC”) Program (“SREC II Program”) for calendar year 2021 (“October 2020 Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by RECO, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”) intended to resolve the Company’s requests related to the October 2020 Petition.

Background and Procedural History

By Order dated August 7, 2008, the Board directed RECO to file with the Board a solar financing plan by January 31, 2009.¹ RECO filed its SREC-based financing program on February 2, 2009, in Docket No. EO09020097.

¹ In re the Renewable Energy Portfolio Standard, BPU Docket No. EO06100744, Order dated August 7, 2008.

By Order dated July 31, 2009, the Board authorized the Company to implement an SREC financing program.² The costs for the SREC financing program were to be charged through a component of the Company's existing RGGI Surcharge.

On November 8, 2011, the Board directed the Office of Clean Energy to initiate an assessment of New Jersey's renewable energy programs as well as address issues raised by the Solar Energy Advancement and Fair Competition Act (L. 2009, c. 289), and the 2011 Energy Master Plan.³ On May 23, 2012, the Board issued an Order directing RECO "to file within, 5 business days of service of this Order, a notice of their intention to participate or not to participate in the Extended Electric Distribution Company SREC Programs consistent with Staff's recommendations adopted by the Board herein."⁴ On September 5, 2012, RECO submitted a petition for Board approval of the Company's SREC II Program. 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 MW.⁵ The December 2013 Order set the Administrative Fee for SREC II Program participants at \$30.00 per SREC and further ordered that after five (5) years there would be a true-up of administrative costs and program participant fees, and the program participant fees would be adjusted on a prospective basis beginning January 1, 2019. Additionally, the December 2013 Order directed RECO to "assess Application Fees, Assignment and Administrative Fees (collectively, "Program Participant Fees") to program participants."

By Order dated December 20, 2019, the Board approved the maintenance of the Company's SREC II Administrative Fee at the Board's previously approved rate of \$30.00.⁶

October 2020 Petition

In the October 2020 Petition, RECO sought a modification to the cost recovery mechanism, citing lower than expected participation in the program. According to RECO, using the cost recovery provisions from the December 2013 Order, the Company would have to increase the Administrative Fee from \$30.00 to \$45.28 per SREC. RECO stated that an increase of this magnitude from the current Administrative Fee could cause the SREC II Program to fail, as program participants would likely seek to terminate their participation in the program. Accordingly, RECO requested authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods and maintain the fee at \$30.00 for calendar year 2021. Additionally, RECO sought approval to maintain its RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kWh.

² In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Program Under N.J.S.A 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009.

³ The Office of Clean Energy was subsequently renamed the Division of Clean Energy.

⁴ In re the Review of Utility Supported Solar Programs, BPU Docket No. EO11050311V, Order dated May 23, 2012 at page 28.

⁵ In re the Matter of the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to NJ.S.A. 48: 3-98.1 (SREC II Program), BPU Docket No. EO13020118, Order dated December 18, 2013 ("December 2013 Order").

⁶ In re the Matter of 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.

By Order dated December 16, 2020, the Board approved the maintenance of the Company's SREC II Administrative Fee at the Board's previously approved rate of \$30.00.⁷

Throughout the course of the proceeding, RECO updated its exhibits to reflect actual data through January 31, 2021. Based upon these updates, using the cost recovery provisions from the December 2013 Order, the resultant Administrative Fee calculated by the Company decreased from \$45.28 to \$43.14.

Since the Company's October 2020 Petition did not propose an increase in rates, public hearings were not required or held in this matter. In addition, no written comments from the public were received.

STIPULATION

Following a review of the October 2020 Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:⁸

1. The Parties agree that the Administrative Fee for the SREC II Program for calendar year 2021 shall continue at the previously approved level of \$30.00. The Parties further agree that the RGGI Surcharge associated with the SREC II Program shall continue by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax. Exhibit A, attached to the Stipulation, provides the proposed updated tariff pages (in clean and red-lined versions) that shall be applicable upon the Board's approval of the Stipulation.
2. The Parties recognize and acknowledge that the Board's December 2013 Order provides that, "After five years, there will be a true-up of Administrative Costs (including interest, if applicable) and Program Participant Fees, and Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, RECO will implement annual Program Participant Fee adjustments that will reflect any prior year under-recovery/over-recovery as well as a projection of Administrative Costs over the net annual period." The Parties agree that the Stipulation does not modify any provisions contained in the December 2013 Order. However, the Parties agree that RECO is authorized to carry forward any unrecovered administrative fee balance for recovery from Program Participants in future annual periods with interest.
3. The Company will submit updated tariff sheets within 10 business days of the effective date of the Board's Order conforming to the agreed upon rates and terms set forth in the Stipulation or on such other schedule as the Board shall determine. Additionally, the Company shall make its next SREC II filing establishing its proposed Administrative Fees and SREC II component of its RGGI surcharge for calendar year 2022 by no later than September 1, 2021.

⁷ In re the Matter of 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.

⁸ Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in the Order. Paragraphs are numbered to coincide with the Stipulation.

DISCUSSION AND FINDING

After review of the record in this matter, including the October 2020 Petition and the Stipulation, the Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

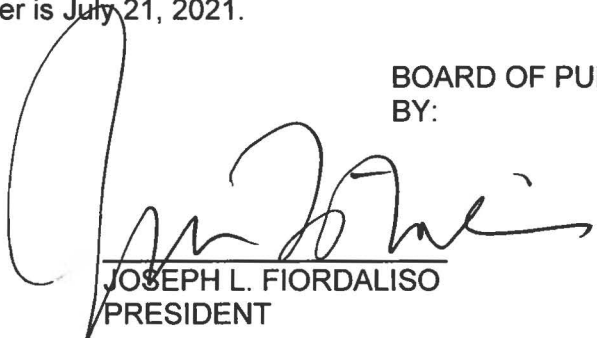
The Board **HEREBY ORDERS** the Company to: 1) continue the SREC II Administrative Fee at the Board's previously approved rate of \$30.00 for the remainder of calendar year 2021, which may be adjusted annually beginning January 1, 2022; and 2) maintain the RGGI Surcharge applicable to the SREC II Program Direct Costs at its current rate of \$0.000000 per kWh.

The Board **HEREBY DIRECTS** the Company to file revised tariff sheets conforming to the terms of the Stipulation by August 1, 2021.

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

The effective date of this Order is July 21, 2021.

DATED: 7/14/21



JOSEPH L. FIORDALISO
PRESIDENT

BOARD OF PUBLIC UTILITIES
BY:



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF 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**

DOCKET NO. ER20100691

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