

*Ind 12/27/18*

**FLORENCE K.S. DAVIS**  
Attorney at Law

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Hartford, CT 06103-1212

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fkdavis@daypitney.com

**RECEIVED  
CASE MANAGEMENT**

**DEC 24 2018**

**BOARD OF PUBLIC UTILITIES  
TRENTON, NJ**

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MAIL ROOM**

**DEC 24 2018**

**BOARD OF PUBLIC UTILITIES** December 21, 2018  
**TRENTON, NJ**

Aida Camacho-Welch,  
Secretary of the Board  
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 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 Emissions Certificates of Salem 1 Nuclear Power Plant  
BPU Docket No. ED18121338

Application for Zero Emissions Certificates of Salem 2 Nuclear Power Plant  
BPU Docket No. ED18121339

Dear Secretary Camacho-Welch:

Enclosed please find originals of the following documents, copies of which were filed in the above-referenced dockets as part of the Supplemental Information of Exelon Generation Company, LLC (“Exelon Generation”):

- Affidavit of Support of Request of Exelon Generation Regarding Confidential Treatment of Materials Submitted in Support of Application for Zero Emissions Certificates of Salem 1 Nuclear Power Plant
- Affidavit of Support of Request of Exelon Generation Regarding Confidential Treatment of Materials Submitted in Support of Application for Zero Emissions Certificates of Salem 2 Nuclear Power Plant

*Case Mgmt*

*A. Hart, Esq.*

*P. Krogman, Esq.*

*S. Peterson*

December 21, 2018

Page 2

- Certification of Base Residual Action Bids by the Salem 2 Nuclear Unit for the Past Ten (10) Years, submitted in response to Application Request S2-SSA-0008 (VII-08)
- Certification that Salem 1 Does Not Receive Payments or Credits That Would Eliminate the Need for Retirement, submitted in response to Application Request S1-SSA-03 (VI-03)
- Certification that Salem 2 Does Not Receive Payments or Credits That Would Eliminate the Need for Retirement, submitted in response to Application Request S2-SSA-03 (VI-03)
- Affidavit of Ravi S. Ganti, submitted in response to Application Request S2-SSA-38 (VII-38)
- Affidavit of Kevin Garrido, submitted in response to Application Request S1-SSA-38 (VII-38)
- Affidavit of Kevin Garrido, submitted in response to Application Request S2-SSA-38 (VII-38)

Please note that originals of the Certification of Base Residual Action Bids by the Salem 1 Nuclear Unit for the Past Ten (10) Years, submitted in response to Application Request S2-SSA-0008 (VII-08) and Affidavit of Ravi S. Ganti, submitted in response to Application Request S1-SSA-38 (VII-38), were submitted with Exelon Generation's Confidential Copy of the Salem 1 Supplemental Information, filed with the Board of Public Utilities on Wednesday, December 19, 2018.

Please contact me at 860-275-0360 if you have any questions.

Sincerely,



Florence K.S. Davis

FKSD

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 2  
Docket No:

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MAIL ROOM<sup>S2</sup>

DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Response to Application Request: S2-SSA-03 (VII-03)  
Date: 12/19/2018

**Certification That Salem 2 Does Not Receive Payments or Credits  
That Would Eliminate the Need for Retirement**

The undersigned duly authorized officer of Exelon Generation Company, LLC (“Exelon Generation”) as set forth below, hereby certifies as follows in conformance with N.J.S.A. 48:3-87.5(e)(4):

- (i) Exelon Generation is co-owner of the Salem 2 unit located in Lower Alloways Creek Township, Salem County, New Jersey holding a 42.59% ownership interest in the plant. PSEG Nuclear LLC (“PSEG Nuclear”) holds a 57.41% ownership interest in the Salem 2 unit and is the licensed operator of the plant;
- (ii) PSEG Nuclear is filing an application pursuant to the November 19, 2018, Order of the New Jersey Board of Public Utilities (“Board”), issued in Docket No. EO18080899, seeking Zero Emission Credits on behalf of itself and Exelon Generation. Exelon Generation is filing certain supplemental information (“Supplemental Information”) with respect to its ownership share of the Salem 2 unit.
- (iii) This Certification is being filed to satisfy N.J.S.A. 48:3-87.5(e)(4) and the requirements of the application process created by the Board with respect to Exelon Generation’s ownership interest in the Salem 2 unit;
- (i) Salem 2 does not receive any direct or indirect payment or credit under a law, rule, regulation, order, tariff, or other action of New Jersey or any other state, or a federal law, rule, regulation, order, tariff, or other action, or a regional compact, despite its reasonable best efforts to obtain any such payment or credit, for its fuel diversity,

resilience, air quality, or other environmental attributes that will eliminate the need for the plant to retire.

- (ii) This concludes the “Certification That Salem 2 Does Not Receive Payments or Credits That Would Eliminate the Need for Retirement.”

## VERIFICATION

DuPage County       )  
                                   )  
 Illinois                )       ss:

I, the undersigned, being duly sworn, depose and say that the foregoing Certification of No Other Payments or Credits, to the best of my knowledge, information and belief, is true, correct, and accurate.

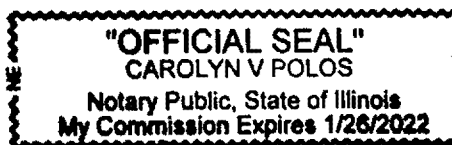


Kevin Garrido  
 Vice President Finance, Exelon Nuclear  
 Exelon Generation Company, LLC

Subscribed and sworn to before me this 19<sup>th</sup>  
 day of December, 2018.



Notary Public



By: \_\_\_\_\_



DEC 24 2018  
BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 2  
Docket No:

Response to Application Request: S2-SSA-38 (VII-38)  
Date: 12/19/2018

**AFFIDAVIT**

DuPage County        )  
                              )       ss:  
Illinois                )

I, the undersigned, being duly sworn, depose and say, on behalf of Exelon Generation Company, LLC (“Exelon Generation”) and not in my individual capacity, that:


1. I am the Vice President Finance, Exelon Nuclear of Exelon Generation, an applicant under that certain “Application for Zero Emission Certificates” (“Application”) being submitted by PSEG Nuclear LLC (“PSEG Nuclear”) on behalf of itself and Exelon Generation for the Salem 2 unit located in Lower Alloways Creek Township, Salem County, New Jersey;
2. To assist in completion of the Application, Exelon Generation has provided information to PSEG Nuclear with respect to the following questions: Section II, No. 7, Section V, No. 3 and Section VII, Nos. 7, 9, 10, 13, 15, 16, 25 and 36.
3. Additionally, Exelon Generation separately is submitting certain supplemental information (“Supplemental Information”) in support of the Application, the majority of which is competitively sensitive and could not be shared with PSEG Nuclear;
4. I have reviewed the materials provided to PSEG Nuclear on behalf of Exelon Generation for inclusion in the Application as well as the Supplemental Materials (other than as specifically stated in Paragraph 6 hereof), all of which are responsive to that certain “Confidential Application For the Zero Emissions Certificate (“ZEC”) Program,” issued November 19, 2018 by the New Jersey Board of Public Utilities, and have conducted due diligence regarding the preparation of those materials;

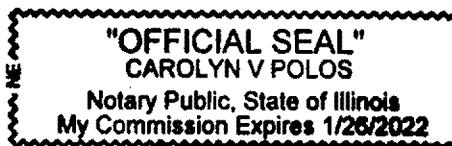
5. The statements made in this Affidavit are based upon my examination of the information described in Paragraph 4 above, upon my general knowledge of and familiarity with the operations of, and upon the performance of my duties as an officer of, Exelon Generation;
6. The accuracy of the three questions specifically relating to capacity bidding - Section II, No. 08, Section VII, No. 08 and Section VII, No. 31 - are being certified separately by Ravi S. Ganti, Senior Vice President Portfolio Management & Strategy of Exelon Generation.
7. To the best of my knowledge, information and belief, I hereby certify that the responses supplied by Exelon Generation in the Supplemental Information and the information provided to PSEG Nuclear for preparation of the Application are true, correct, accurate and complete.
8. This Affidavit is intended to satisfy the requirements of Section VII, No. 38 of the Application.



Kevin Garrido  
Vice President Finance, Exelon Nuclear  
Exelon Generation Company, LLC

Subscribed and sworn to before me this 19<sup>th</sup>  
day of December, 2018.

  
\_\_\_\_\_  
Notary Public



By: \_\_\_\_\_

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DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 1  
Docket No:

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DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Response to Application Request: S1-SSA-03 (VII-03)  
Date: 12/19/2018

**Certification That Salem 1 Does Not Receive Payments or Credits  
That Would Eliminate the Need for Retirement**

The undersigned duly authorized officer of Exelon Generation Company, LLC (“Exelon Generation”) as set forth below, hereby certifies as follows in conformance with N.J.S.A. 48:3-87.5(e)(4):

- (i) Exelon Generation is co-owner of the Salem 1 unit located in Lower Alloways Creek Township, Salem County, New Jersey holding a 42.59% ownership interest in the plant. PSEG Nuclear LLC (“PSEG Nuclear”) holds a 57.41% ownership interest in the Salem 1 unit and is the licensed operator of the plant;
- (ii) PSEG Nuclear is filing an application pursuant to the November 19, 2018, Order of the New Jersey Board of Public Utilities (“Board”), issued in Docket No. EO18080899, seeking Zero Emission Credits on behalf of itself and Exelon Generation. Exelon Generation is filing certain supplemental information (“Supplemental Information”) with respect to its ownership share of the Salem 1 unit.
- (iii) This Certification is being filed to satisfy N.J.S.A. 48:3-87.5(e)(4) and the requirements of the application process created by the Board with respect to Exelon Generation’s ownership interest in the Salem 1 unit;
- (i) Salem 1 does not receive any direct or indirect payment or credit under a law, rule, regulation, order, tariff, or other action of New Jersey or any other state, or a federal law, rule, regulation, order, tariff, or other action, or a regional compact, despite its reasonable best efforts to obtain any such payment or credit, for its fuel diversity,



resilience, air quality, or other environmental attributes that will eliminate the need for the plant to retire.

- (ii) This concludes the "Certification That Salem 1 Does Not Receive Payments or Credits That Would Eliminate the Need for Retirement."

# VERIFICATION

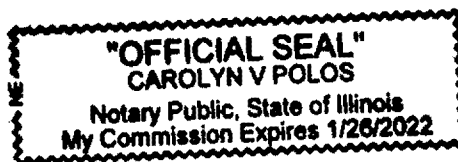
DuPage County       )  
                                   )  
 Illinois                )       ss:

I, the undersigned, being duly sworn, depose and say that the foregoing Certification of No Other Payments or Credits, to the best of my knowledge, information and belief, is true, correct, and accurate.



Kevin Garrido  
 Vice President Finance, Exelon Nuclear  
 Exelon Generation Company, LLC

Subscribed and sworn to before me this 19<sup>th</sup>  
 day of December, 2018.

  
 \_\_\_\_\_  
 Notary Public


By: \_\_\_\_\_

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 1  
Docket No:

RECEIVED  
MAIL ROOM S1

DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Response to Application Request: S1-SSA-38 (VII-38)  
Date: 12/19/2018

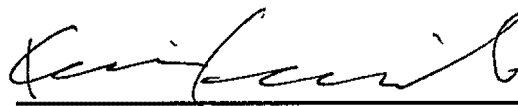
### AFFIDAVIT

DuPage County        )  
                              )       ss:  
Illinois                )

I, the undersigned, being duly sworn, depose and say, on behalf of Exelon Generation Company, LLC (“Exelon Generation”) and not in my individual capacity, that:

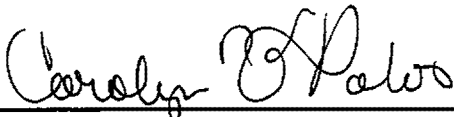
1. I am the Vice President Finance, Exelon Nuclear of Exelon Generation, an applicant under that certain “Application for Zero Emission Certificates” (“Application”) being submitted by PSEG Nuclear LLC (“PSEG Nuclear”) on behalf of itself and Exelon Generation for the Salem 1 unit located in Lower Alloways Creek Township, Salem County, New Jersey;
2. To assist in completion of the Application, Exelon Generation has provided information to PSEG Nuclear with respect to the following questions: Section II, No. 7, Section V, No. 3 and Section VII, Nos. 7, 9, 10, 13, 15, 16, 25 and 36.
3. Additionally, Exelon Generation separately is submitting certain supplemental information (“Supplemental Information”) in support of the Application, the majority of which is competitively sensitive and could not be shared with PSEG Nuclear;
4. I have reviewed the materials provided to PSEG Nuclear on behalf of Exelon Generation for inclusion in the Application as well as the Supplemental Materials (other than as specifically stated in Paragraph 6 hereof), all of which are responsive to that certain “Confidential Application For the Zero Emissions Certificate (“ZEC”) Program,” issued November 19, 2018 by the New Jersey Board of Public Utilities, and have conducted due diligence regarding the preparation of those materials;

5. The statements made in this Affidavit are based upon my examination of the information described in Paragraph 4 above, upon my general knowledge of and familiarity with the operations of, and upon the performance of my duties as an officer of, Exelon Generation;
6. The accuracy of the three questions specifically relating to capacity bidding - Section II, No. 08, Section VII, No. 08 and Section VII, No. 31 - are being certified separately by Ravi S. Ganti, Senior Vice President Portfolio Management & Strategy of Exelon Generation.
7. To the best of my knowledge, information and belief, I hereby certify that the responses supplied by Exelon Generation in the Supplemental Information and the information provided to PSEG Nuclear for preparation of the Application are true, correct, accurate and complete.
8. This Affidavit is intended to satisfy the requirements of Section VII, No. 38 of the Application.



Kevin Garrido  
Vice President Finance, Exelon Nuclear  
Exelon Generation Company, LLC

Subscribed and sworn to before me this 19<sup>th</sup>  
day of December, 2018.



Notary Public



By: \_\_\_\_\_

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DEC 24 2018

S1

DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

NEW JERSEY BOARD OF PUBLIC UTILITIES

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

Docket No.: EO18080899

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

APPLICATION FOR ZERO EMISSIONS )  
CERTIFICATES OF SALEM 1 NUCLEAR )  
POWER PLANT )

Docket No. \_\_\_\_\_

**AFFIDAVIT IN SUPPORT OF REQUEST OF EXELON GENERATION  
REGARDING CONFIDENTIAL TREATMENT OF  
MATERIALS SUBMITTED IN SUPPORT OF APPLICATION FOR  
ZERO EMISSIONS CERTIFICATES OF SALEM 1 NUCLEAR POWER PLANT**

**AFFIDAVIT OF KEVIN GARRIDO,**

I hereby declare under penalty of perjury that:

1. My name is Kevin Garrido. I am of full age. I am Vice President of Finance Nuclear for Exelon Generation Company, LLC ("Exelon Generation" or the "Company"), and I am authorized to make this statement on behalf of Exelon Generation relating to materials submitted by Exelon Generation in response to certain questions related to the Application for the receipt of Zero Emission Certificates ("Application") for the Salem 1 Nuclear Power Plant (the "plant"), which has been submitted by the plant's co-owner and operator, PSEG Nuclear LLC ("PSEG Nuclear") to the New Jersey Board of Public Utilities ("Board") in the above-referenced proceeding.
2. This Affidavit is being provided in this proceeding being conducted under N.J.S.A. 48:3-87.3, *et seq.*, and pursuant to the Board's rules at N.J.A.C. 14:1-12.1 *et seq.*, the



Board's November 19, 2018, order issued in BPU Docket No. E018080899, and the Board's responses to Question No. 2 posted on the Board's website on December 5, 2018, concerning the confidentiality of documents submitted to the Board generally and the confidentiality of materials submitted as part of the Application.

3. The materials being submitted by Exelon Generation in response to the questions listed below ("Confidential Information") are labeled "CONFIDENTIAL" because they contain proprietary, Company sensitive, and/or financially, commercially, and competitively sensitive information that is not available to members of the general public. Without limitation of the foregoing, the release of the information set forth in the attached materials would injure Exelon Generation's financial and commercial position in the electricity and other markets by providing an unfair competitive advantage to other market participants, and would therefore be injurious to Exelon Generation shareholders and to consumers, particularly in the eastern United States, including New Jersey. The disclosure of this sensitive information would also have negative competitive impacts on the forward capacity markets in the PJM Interconnection ("PJM"), and default load procurements throughout PJM, including the New Jersey Basic Generation Service ("NJ BGS") auction, as well as on competitive supply service in New Jersey and other PJM states.
4. I am advised by counsel that Exelon Generation is submitting the Confidential Information separately from the Application submitted by PSEG Nuclear because disclosure to a competitor of such proprietary, Company sensitive, and/or financially, commercially and competitively sensitive information that is not made available to members of the general public could raise antitrust concerns, providing PSEG

Nuclear with an unfair competitive advantage over other market competitors. *See In re Flat Glass Antitrust Litig.*, 385 F.3d 350, 369 (3d Cir. 2004) (verdict finding antitrust violation supported by evidence that company provided competitor with pricing information that it had not announced publicly); *In re Ductile Iron Pipe Fittings (DIPF) Direct Purchaser Antitrust Litig.*, 2014 WL 3971620, at \*9 (D.N.J. Aug. 13, 2014) (“[P]articipation in information exchanges in highly concentrated markets involving a fungible product with inelastic demand can be indicative of anticompetitive behavior”).

5. Disclosure of the Confidential Information submitted by Exelon Generation in support of the Application would be compromising to Exelon Generation in several different ways:
  - a. Capacity market information. Disclosing historical or forward looking cost, investment, and operational information related to the plant, and similar information regarding the Company’s other nuclear units (the plant and other nuclear units being referred to collectively as the “nuclear units” or the “units”), would aid competitors in forming an accurate outlook of the capacity prices that the nuclear units would require to remain viable in the markets. Understanding this information, competitors could structure their bids to take advantage of the nuclear units’ costs and expectations, to inform their bids to the benefit of their own unit positions. Information that should remain confidential related to this subject include:
    - Information related to bidding activity of each unit, and its level of market participation; and

- Information related to the historical or future expectations of unit costs and revenues.

b. Corporate financial information. The Confidential Information includes certain corporate information that if disclosed could impair the competitiveness of the business, or require additional financial disclosures to the investment community. The business of Exelon Generation includes the buying and selling of assets as part of its overall strategy. Disclosure of certain financial and market information that is used internally as part of these assessments, such as valuation methodologies, cost of capital and future market outlooks, would disadvantage the Company significantly relative to competitors. Further, Exelon Generation does not publicly provide certain detailed financial information, nor does it provide a long-term view on forward market outlooks to the investment community, and would be forced to change its disclosure policy if some of this information was released.

Information that should remain confidential related to this subject includes:

- Information related to the overall financial structure of the business including cost of capital estimations;
- Information related to forward financial projections; and
- Unit specific historical or forward revenue or cost information.

6. Given the potential harms to Exelon Generation and to competitive markets associated with the disclosure of certain information as described above, the following responses and accompanying attachments should remain strictly confidential:

II-GAIO-8 (Average Unit bid price in the annual BRA)

II-GAIO-11 (current net book value)

II-GAIO-13 (historic costs, revenues, earnings)

II-GAIO-18 (current financial information)

II-GAIO-19 (current info on operation)

II-GAIO-20 (current and projected COC)

III-ZECJFIN-1 (past and projected sales, cash flow analysis)

III-ZECJFIN-2 (cost projections)

III-ZECJFIN-7 (revenue projections, including hedges, price forecasts)

V-IUD-1 (costs that would be avoided with closing)

V-IUD-2 (cost that would be incurred to shut down)

V-IUD-4 (projected impact on earnings if shut down)

VII-SSA-8 (BRA bids)

VII-SSA-17 (list of active and anticipated contracts for energy supply)

VII-SSA-30 (copies of hedges to mitigate market exposure)

VII-SSA-31 (capacity payments received from PJM)

7. The Confidential Information has been clearly labeled "CONFIDENTIAL"
8. Exelon Generation requests that the Board maintain the confidentiality of the Confidential Information for an indefinite period of time.
9. Exelon Generation consistently and vigilantly seeks to prevent disclosure of this and related information to others. Exelon Generation will at all times take measures to protect the Confidential Information from public disclosure, such measures including

but not limited to asserting claims of confidentiality in all regulatory and public proceedings, such as this case, as they arise.

10. Exelon Generation does not make the Confidential Information routinely available to the general public through any manner, including without limitation, initial and final orders in contested case adjudications, press releases, copies of speeches, pamphlets and educational materials.
11. Exelon Generation has taken all precautions available to it to prevent the public disclosure of the Confidential Information in proceedings before the applicable state utility commissions or other jurisdictional agencies.
12. To the best of Exelon Generation's knowledge, neither the Board, its Custodian, any other State or Federal agency, nor a court of competent jurisdiction, has previously made an adverse determination with respect to the confidentiality of the Confidential Information.
13. Exelon Generation requests that the Board and its Custodian maintain the Confidential Information until such time as Exelon Generation consents to its disclosure upon any request made to disclose such information, or as otherwise ordered by law.
14. I am advised by counsel that the Confidential Information is not subject to the New Jersey Open Public Records Act ("OPRA") because the materials relate to the financial condition of the plant and, as such, are addressed under N.J.S.A. 48:3-87.5(a), which states that "financial and other information required pursuant to this subsection may be submitted on a confidential basis and shall be treated and




maintained as confidential by the board and shall not be subject to public disclosure, notwithstanding any law to the contrary, including the common law.”

15. I am further advised by counsel that the Confidential Information contained in the responses that Exelon Generation has designated as confidential, even if subject to OPRA, falls within the exemption from classification as a “government record,” as the information pertains to “proprietary commercial information,” and/or “information which, if disclosed, would give an advantage to competitors or bidders.”

N.J.S.A. 47:1A-1.1.

16. Exelon Generation submits the individual identified below as the addressee for communications related to this request:

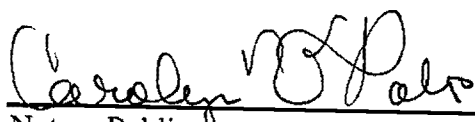
Jeanne J. Dworetzky, Esq.  
Assistant General Counsel  
Exelon Corporation  
101 Constitution Avenue, Suite 400 E  
Washington, DC 20001  
Phone: (202) 637-0346  
e-mail: Jeanne.Dworetzky@exeloncorp.com

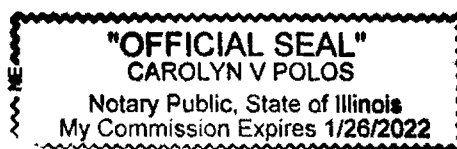
By: 

Kevin Garrido  
 Vice President Finance Exelon Nuclear  
 Exelon Generation Company, LLC  
 Exelon Generation at Cantera  
 4300 Winfield Rd  
 Warrenville, IL 60555  
 630-657-3758  
 kevin.garrido@exeloncorp.com

DuPage County       )  
                               )  
 Illinois                )       ss:

Subscribed and sworn to before me this 13<sup>th</sup>  
 day of December, 2018.

  
 Notary Public



By: \_\_\_\_\_

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DEC 24 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 2  
Docket No:

Response to Application Request: S2-SSA-0008 (VII-08)  
Date: 12/19/2018

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

**Certification of Base Residual Auction Bids by the Salem 2  
Nuclear Unit for the Past Ten (10) Years**

The undersigned duly authorized officer of Exelon Generation Company, LLC (“Exelon Generation”) as set forth below, hereby certifies as follows in order to satisfy Section VII, No. 8, SSA-8 of the Board’s application for the Zero Emissions Certificate (“ZEC”) Program:

- (i) Bids (or to be more precise, offers) into the PJM Interconnection, LLC (“PJM”) Base Residual Auction are required to be uploaded directly to PJM’s website.
- CONFIDENTIAL ATTACHMENT S2-SSA-8 (Copies of BRA Offers) consists of copies of Exelon Generation’s Salem 2 unit offers into the Base Residual Auction over the past ten (10) years, taken directly from PJM’s website, and such copies are true and correct to the best of my knowledge, information and belief.
- (i) This concludes the ”Certification of Base Residual Auction Bids by the Salem 2 Nuclear Unit for the Past Ten (10) Years.”

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Exelon Generation Company, LLC  
ZEC Application – Salem 2  
Docket No:

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

S2

Response to Application Request: S2-SSA-38 (VII-38)

Date: 12/19/2018

### AFFIDAVIT

Baltimore City            )  
                                      )  
Maryland                    )        ss:

I, the undersigned, being duly sworn, depose and say, on behalf of Exelon Generation Company, LLC (“Exelon Generation”) and not in my individual capacity, that:

1. I am the Senior Vice President Portfolio Management & Strategy of Exelon Generation, an applicant under that certain “Application for Zero Emission Certificates” (“Application”) being submitted by PSEG Nuclear LLC (“PSEG Nuclear”) on behalf of itself and Exelon Generation for the Salem 2 unit located in Lower Alloways Creek Township, Salem County, New Jersey;
2. Exelon Generation separately is submitting certain supplemental information (“Supplemental Information”), which supports the Application, the majority of which is competitively sensitive and could not be shared with PSEG Nuclear;
3. I have reviewed the responses to three questions specifically relating to capacity bidding - Section II, No. 08, Section VII, No. 08 and Section VII, No. 31 - provided in the Supplemental Information, which are responsive to that certain “Confidential Application For the Zero Emissions Certificate (“ZEC”) Program,” issued November 19, 2018 by the New Jersey Board of Public Utilities, and have conducted due diligence regarding the preparation of those materials;
4. The statements made in this Affidavit are based upon my examination of the information described in Paragraph 3 above, upon my general knowledge of and familiarity with the operations of, and upon the performance of my duties as an officer of, Exelon Generation;



DEC 24 2018

BEFORE THE

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

NEW JERSEY BOARD OF PUBLIC UTILITIES

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

Docket No.: EO18080899

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

APPLICATION FOR ZERO EMISSIONS )  
CERTIFICATES OF SALEM 2 NUCLEAR )  
POWER PLANT )

Docket No. \_\_\_\_\_

**AFFIDAVIT IN SUPPORT OF REQUEST OF EXELON GENERATION**  
**REGARDING CONFIDENTIAL TREATMENT OF**  
**MATERIALS SUBMITTED IN SUPPORT OF APPLICATION FOR**  
**ZERO EMISSIONS CERTIFICATES OF SALEM 2 NUCLEAR POWER PLANT**

**AFFIDAVIT OF KEVIN GARRIDO,**

I hereby declare under penalty of perjury that:

1. My name is Kevin Garrido. I am of full age. I am Vice President of Finance Nuclear for Exelon Generation Company, LLC ("Exelon Generation" or the "Company"), and I am authorized to make this statement on behalf of Exelon Generation relating to materials submitted by Exelon Generation in response to certain questions related to the Application for the receipt of Zero Emission Certificates ("Application") for the Salem 2 Nuclear Power Plant (the "plant"), which has been submitted by the plant's co-owner and operator, PSEG Nuclear LLC ("PSEG Nuclear") to the New Jersey Board of Public Utilities ("Board") in the above-referenced proceeding.
2. This Affidavit is being provided in this proceeding being conducted under N.J.S.A. 48:3-87.3, *et seq.*, and pursuant to the Board's rules at N.J.A.C. 14:1-12.1 *et seq.*, the



Board's November 19, 2018, order issued in BPU Docket No. E018080899, and the Board's responses to Question No. 2 posted on the Board's website on December 5, 2018, concerning the confidentiality of documents submitted to the Board generally and the confidentiality of materials submitted as part of the Application.

3. The materials being submitted by Exelon Generation in response to the questions listed below ("Confidential Information") are labeled "CONFIDENTIAL" because they contain proprietary, Company sensitive, and/or financially, commercially, and competitively sensitive information that is not available to members of the general public. Without limitation of the foregoing, the release of the information set forth in the attached materials would injure Exelon Generation's financial and commercial position in the electricity and other markets by providing an unfair competitive advantage to other market participants, and would therefore be injurious to Exelon Generation shareholders and to consumers, particularly in the eastern United States, including New Jersey. The disclosure of this sensitive information would also have negative competitive impacts on the forward capacity markets in the PJM Interconnection ("PJM"), and default load procurements throughout PJM, including the New Jersey Basic Generation Service ("NJ BGS") auction, as well as on competitive supply service in New Jersey and other PJM states.
4. I am advised by counsel that Exelon Generation is submitting the Confidential Information separately from the Application submitted by PSEG Nuclear because disclosure to a competitor of such proprietary, Company sensitive, and/or financially, commercially and competitively sensitive information that is not made available to members of the general public could raise antitrust concerns, providing PSEG

Nuclear with an unfair competitive advantage over other market competitors. *See In re Flat Glass Antitrust Litig.*, 385 F.3d 350, 369 (3d Cir. 2004) (verdict finding antitrust violation supported by evidence that company provided competitor with pricing information that it had not announced publicly); *In re Ductile Iron Pipe Fittings (DIPF) Direct Purchaser Antitrust Litig.*, 2014 WL 3971620, at \*9 (D.N.J. Aug. 13, 2014) (“[P]articipation in information exchanges in highly concentrated markets involving a fungible product with inelastic demand can be indicative of anticompetitive behavior”).

5. Disclosure of the Confidential Information submitted by Exelon Generation in support of the Application would be compromising to Exelon Generation in several different ways:
  - a. Capacity market information. Disclosing historical or forward looking cost, investment, and operational information related to the plant, and similar information regarding the Company’s other nuclear units (the plant and other nuclear units being referred to collectively as the “nuclear units” or the “units”), would aid competitors in forming an accurate outlook of the capacity prices that the nuclear units would require to remain viable in the markets. Understanding this information, competitors could structure their bids to take advantage of the nuclear units’ costs and expectations, to inform their bids to the benefit of their own unit positions. Information that should remain confidential related to this subject include:
    - Information related to bidding activity of each unit, and its level of market participation; and

- Information related to the historical or future expectations of unit costs and revenues.

b. Corporate financial information. The Confidential Information includes certain corporate information that if disclosed could impair the competitiveness of the business, or require additional financial disclosures to the investment community. The business of Exelon Generation includes the buying and selling of assets as part of its overall strategy. Disclosure of certain financial and market information that is used internally as part of these assessments, such as valuation methodologies, cost of capital and future market outlooks, would disadvantage the Company significantly relative to competitors. Further, Exelon Generation does not publicly provide certain detailed financial information, nor does it provide a long-term view on forward market outlooks to the investment community, and would be forced to change its disclosure policy if some of this information was released.

Information that should remain confidential related to this subject includes:

- Information related to the overall financial structure of the business including cost of capital estimations;
- Information related to forward financial projections; and
- Unit specific historical or forward revenue or cost information.

6. Given the potential harms to Exelon Generation and to competitive markets associated with the disclosure of certain information as described above, the following responses and accompanying attachments should remain strictly confidential:

II-GAIO-8 (Average Unit bid price in the annual BRA)  
 II-GAIO-11 (current net book value)  
 II-GAIO-13 (historic costs, revenues, earnings)  
 II-GAIO-18 (current financial information)  
 II-GAIO-19 (current info on operation)  
 II-GAIO-20 (current and projected COC)  
 III-ZECJFIN-1 (past and projected sales, cash flow analysis)  
 III-ZECJFIN-2 (cost projections)  
 III-ZECJFIN-7 (revenue projections, including hedges, price forecasts)  
 V-IUD-1 (costs that would be avoided with closing)  
 V-IUD-2 (cost that would be incurred to shut down)  
 V-IUD-4 (projected impact on earnings if shut down)  
 VII-SSA-8 (BRA bids)  
 VII-SSA-17 (list of active and anticipated contracts for energy supply)  
 VII-SSA-30 (copies of hedges to mitigate market exposure)  
 VII-SSA-31 (capacity payments received from PJM)

7. The Confidential Information has been clearly labeled "CONFIDENTIAL"
8. Exelon Generation requests that the Board maintain the confidentiality of the Confidential Information for an indefinite period of time.
9. Exelon Generation consistently and vigilantly seeks to prevent disclosure of this and related information to others. Exelon Generation will at all times take measures to protect the Confidential Information from public disclosure, such measures including

but not limited to asserting claims of confidentiality in all regulatory and public proceedings, such as this case, as they arise.

10. Exelon Generation does not make the Confidential Information routinely available to the general public through any manner, including without limitation, initial and final orders in contested case adjudications, press releases, copies of speeches, pamphlets and educational materials.
11. Exelon Generation has taken all precautions available to it to prevent the public disclosure of the Confidential Information in proceedings before the applicable state utility commissions or other jurisdictional agencies.
12. To the best of Exelon Generation's knowledge, neither the Board, its Custodian, any other State or Federal agency, nor a court of competent jurisdiction, has previously made an adverse determination with respect to the confidentiality of the Confidential Information.
13. Exelon Generation requests that the Board and its Custodian maintain the Confidential Information until such time as Exelon Generation consents to its disclosure upon any request made to disclose such information, or as otherwise ordered by law.
14. I am advised by counsel that the Confidential Information is not subject to the New Jersey Open Public Records Act ("OPRA") because the materials relate to the financial condition of the plant and, as such, are addressed under N.J.S.A. 48:3-87.5(a), which states that "financial and other information required pursuant to this subsection may be submitted on a confidential basis and shall be treated and



maintained as confidential by the board and shall not be subject to public disclosure, notwithstanding any law to the contrary, including the common law.”

15. I am further advised by counsel that the Confidential Information contained in the responses that Exelon Generation has designated as confidential, even if subject to OPRA, falls within the exemption from classification as a “government record,” as the information pertains to “proprietary commercial information,” and/or “information which, if disclosed, would give an advantage to competitors or bidders.”

N.J.S.A. 47:1A-1.1.

16. Exelon Generation submits the individual identified below as the addressee for communications related to this request:

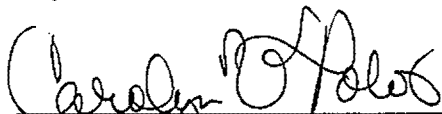
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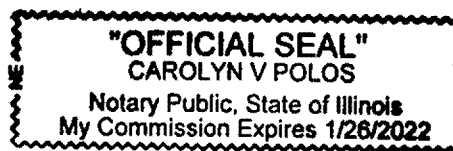
By: 

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DuPage County       )  
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 Illinois                )       ss:

Subscribed and sworn to before me this 19<sup>th</sup>  
 day of December, 2018.

  
 Notary Public



By: \_\_\_\_\_