



Rockland Electric Company  
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January 31, 2020

Honorable Aida Camacho-Welch  
Secretary  
State of New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, NJ 08625-0350



Re: Rockland Electric Company's Annual RGGI  
Surcharge True-Up Filings for 2019  
BPU Docket No. ER 20010096

Dear Secretary Camacho-Welch:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing with the Board of Public Utilities (the "Board") an original and ten copies of Leaf No. 58 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric Tariff") in draft format. This filing is submitted in accordance with General Information Section No. 34 of the Company's Electric Tariff, which requires the submission of an annual filing to reconcile any over- or under-recovered balances collected through the Regional Greenhouse Gas Initiative ("RGGI") Surcharge and to establish the RGGI Surcharge in effect the following June 1 for the following programs: (a) the Energy Efficiency Stimulus ("EES") Program; (b) the Low Income Audit II Program; (c) the Low Income Audit III Program; and (d) the Solar Renewable Energy Certificate Program ("SREC").

Per Appendix A, the Company is proposing a RGGI Surcharge that is a surcharge of 0.2643 cents per kWh, including Sales and Use Tax ("SUT") effective June 1, 2020. The proposed RGGI Surcharge includes the following components: (a) a credit of 0.0123 cents per kWh for the EES Program; (b) a surcharge of 0.0158 cents per kWh for the Low Income Audit II program; (c) a credit of 0.0038 cents per kWh for the Low Income Audit III Program; and (d) a surcharge of 0.2646 cents per kWh for the SREC Program.

EES Program

The EES Program called for a \$1.0 million increase in energy efficiency spending in 2010 through three new programs: On-Line Audit Program, Residential Enhanced Rebate Program, and Low Income Audit and Install Program. On November 19, 2009, a Stipulation of Settlement ("EES 2009 Program Stipulation") was entered into by the Company, the Staff of the New Jersey Board of Public Utilities ("Staff"), and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") detailing the proposed programs and cost recovery mechanisms. The

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Board, in its Order dated November 23, 2009 in Docket Nos. EO09010056<sup>1</sup> and EO09010061<sup>2</sup>, approved the EES Program Stipulation.

The EES 2009 Program Stipulation calls for an annual filing to be made by February 1st of each year containing the EES Program component of the RGGI Surcharge to be in effect for the twelve month period commencing the following June 1. The EES Program component of the RGGI Surcharge is set to recover any prior period under- or over-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1. The amortization of program costs for the EES Program concluded in 2018; therefore, this year's filing only includes the reconciliation of the prior period balances. The calculation of the over-collection as well as the associated interest is set forth in Appendix B. Included in this calculation of the over-collection for the review period are actual revenue requirements and recoveries for January through December 2019. As shown in Appendix B, Page 2, the total over-collection related to the EES Program equals \$169,498 including interest.

#### Low Income Audit II Program

On June 21, 2013, the Company filed a petition with the Board seeking approval to administer an energy efficiency program to recover program costs and revenue requirements through the Company's RGGI surcharge pursuant to N.J.S.A 48:3-97.1 ("June 21 Petition"). Specifically, in the June 21 Petition, the Company sought authorization to implement a Low Income Audit II Program to provide free energy efficiency measures recommended as a result of an energy audit to customers in the RECO service territory.<sup>3</sup> On April 4, 2014, a Stipulation of Settlement ("Low Income Audit II Program Stipulation") was entered into by the Company, Staff, and Rate Counsel detailing the program and cost recovery mechanism. The Board, in its Order dated April 23, 2014 in Docket No. ER13060535<sup>4</sup>, approved the Low Income Audit II Program Stipulation.

The Low Income Audit II Program Stipulation calls for an annual filing to be made by February 1st of each year containing the Low Income Audit II Program component of the RGGI Surcharge to be in effect for the twelve month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge is set to recover any prior period under- or over-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1. The calculation of the under/over-collection as well as the associated interest is set forth on Appendix C. Included in this calculation of the under/over-collection for the review period are actual revenue requirements and recoveries for January through December 2019. As shown in Appendix C, Page 2, the total under-collection related to the Low Income Audit II Program equals \$178,921, including interest. As shown in Appendix C, Page 8, the estimated revenue requirement related to the Low Income Audit II Program for calendar year 2020 equals \$38,700.

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<sup>1</sup> *I/M/O The Energy Efficiency Programs and Associated Cost Recovery Mechanisms Proceedings.*

<sup>2</sup> *I/M/O The Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery.*

<sup>3</sup> The Low Income II Program was an expansion of the Low Income and Audit program initiated in the EES Program.

<sup>4</sup> *I/M/O The Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery.*

### Low Income Audit III Program

On August 9, 2017, the Company filed a petition with the Board seeking approval to administer an energy efficiency program to recover program costs and revenue requirements through the Company's RGGI surcharge pursuant to N.J.S.A 48:3-97.1 ("August 9 Petition"). Specifically, in the August 9 Petition, the Company sought authorization to implement a Low Income Audit III Program to provide free energy efficiency measures recommended as a result of an energy audit to customers in the RECO service territory<sup>5</sup>. The program will target participation by 100 eligible customers in each year of the two-year life of the program. On March 14, 2018, a Stipulation of Settlement ("Low Income Audit III Program Stipulation") was entered into by the Company, Staff, and Rate Counsel detailing the program and cost recovery mechanism. The Board, in its Order dated March 26, 2018 in Docket No. ER17080869<sup>6</sup>, approved the Low Income Audit II Program Stipulation.

The Low Income Audit III Program Stipulation calls for an annual filing to be made by February 1 of each year containing the Low Income Audit III Program component of the RGGI Surcharge to be in effect for the twelve month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge is set to recover any prior period under- or over-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit III Program revenue requirement over the twelve-month period commencing the following June 1. The calculation of the under/over-collection as well as the associated interest is set forth on Appendix D. Included in this calculation of the under/over-collection for the review period are actual revenue requirements and recoveries for January through December 2019. As shown in Appendix D, Page 2, the total over-collection related to the Low Income Audit III Program equals \$141,849, including interest. As shown in Appendix D, Page 9, the estimated revenue requirement related to the Low Income Audit III Program for calendar year 2020 equals \$89,610.

### Solar Renewable Energy Certificate

In its Decision and Order Approving Stipulation dated July 31, 2009 in BPU Docket No. EO09020097, the Board authorized the Company to enact the SREC financing program. The costs for the SREC financing program were to be charged through a component of the Company's existing RGGI Surcharge. Such component of the RGGI Surcharge would recover the following: (1) costs incurred by the Company for the purchase of SRECs, offset by revenues received by the Company from the auction of SRECs; (2) the Company's program administrative costs; (3) an SREC transaction fee of \$39.11 per SREC; and (4) interest on over- or under-recoveries. On January 16, 2018, a Stipulation of Settlement ("SREC Cost Recovery Stipulation") was entered into by the Company, Staff, and Rate Counsel detailing the cost recovery mechanism. The Board, in its Order dated January 31, 2018 in Docket No. ER17040429<sup>7</sup>, approved the SREC Cost Recovery Stipulation.

The SREC Cost Recovery Stipulation calls for an annual filing to be made by February 1 of each year containing the SREC Program component of the RGGI Surcharge to be in effect for the twelve month period commencing the following June 1. The SREC Program component of the

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<sup>5</sup> The Low Income III Program was an expansion of the Low Income and Audit program initiated in the EES and Low Income II Programs.

<sup>6</sup> *I/M/O The Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery.*

<sup>7</sup> *I/M/O Recovery of Rockland Electric Company's SREC Program Costs.*

RGGI Surcharge is set to recover any prior period under- or over-recovered balances and to provide current recovery of the forecasted SREC program costs over the twelve-month period commencing the following June 1. The calculation of the under-collection as well as the associated interest is set forth on Appendix J. As shown in Appendix J, Page 1, the total under-collection related to the SREC Program equals \$3,022,889, including interest where applicable. As shown in Appendix J, Page 1, the estimated costs related to the SREC Program for calendar year 2020 equals \$623,164.

Low Income Audit III Minimum Filing Requirements

There were a number of minimum filing requirements that were required in Exhibit 7 of the Low Income Audit III Program Stipulation. As directed by the Low Income Audit III Program Stipulation, the Company was to include these minimum filing requirements as part of its Annual Filing. Appendices C through H contain the requested information outlined in these minimum filing requirements. The table below outlines which requirements are met by each of the Appendices attached to this filing letter.

Appendix	Minimum Filing Requirements Satisfied
D	(2) - (6) and (10)
E	(7)
F	(8)
G	(1)
H	(11)
I	(9)

Please date and time-stamp the enclosed extra copy of this letter and return it in the envelope provided.

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

William A. Atzl, Jr.  
 Director – Rate Engineering