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NOTICE¹

NOTICE TO ALL NEW JERSEY ELECTRIC DISTRIBUTION CUSTOMERS, ELECTRICITY SUPPLIERS, ELECTRIC DISTRIBUTION COMPANIES, ELECTRIC GENERATORS, AND OTHER STAKEHOLDERS

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

NOTICE OF PUBLIC MEETING BPU Docket No. EO18080899

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (C.48:3-87.3 to -87.7) ("Act"). The Act requires the New Jersey Board of Public Utilities ("Board") to create a program and mechanism for the issuance of Zero Emission Certificates ("ZECs"), each of which is intended to represent the fuel diversity, air quality, and other environmental attributes of one megawatt-hour of electricity generated by an eligible nuclear power plant selected by the Board to participate in the program. Under the program, the Board may determine the need to issue ZECs to certain eligible nuclear energy generators for the state of New Jersey's energy supply, which in turn will be purchased by the state's Electric Distribution Companies ("EDCs"). The Act identifies the steps required to establish this program, including program logistics, funding, costs, application, eligibility requirements, selection process, and the timelines associated with each aspect of the legislation.

On April 18, 2019, the Board designated three nuclear power plants as eligible to receive ZECs for an initial eligibility period from April 18, 2019 until May 31, 2022.

The Board is now seeking public comment on certain questions regarding the post-eligibility determination activities. The information considered relevant by the Board is listed in the questions below:

- (1) N.J.S.A. 48:3-87.5(m) requires that "[t]he owner of a selected nuclear power plant shall, within two years after receiving ZECs, conduct a study and prepare a written report in cooperation with selected experts, to determine the optimal use of dry cask storage of spent nuclear fuel at its site, considering environmental impacts, worker safety, and cost impacts."

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- What aspects of dry cask storage should this study address?
- What should be the ultimate goal of this study; i.e., costs, safety of process, applicable standards to employ?
- What, if anything, should be considered outside of environmental impacts, worker safety, neighborhood safety, and cost impacts?
- What information is important to the State? Items such as licensing, inspection and certification reports, cask life-cycle limits and cask replacement, and security?

(2) N.J.S.A. 48:3-87.5(i)(3) states that “[t]o ensure that a selected nuclear power plant shall not receive double-payment for its fuel diversity, resilience, air quality, or other environmental attributes, the board shall annually determine the dollar amount received by the selected nuclear power plant in an energy year pursuant to a law, rule, regulation, order, tariff, or other action of this State or any other state, or a federal law, rule, regulation, order, tariff, or other action, or a regional compact. . . .” It further states: “. . . the number of ZECs purchased by each electric public utility from a selected nuclear power plant for an energy year shall be reduced by the number of ZECs equal in value to the dollar amount determined by the board in this paragraph, multiplied by the percentage of electricity distributed in the State by the electric public utility as compared to other electric public utilities in the State. To the extent that the board determines that a selected nuclear plant receives revenues for its fuel diversity, resilience, air quality, or other environmental attributes, the board shall immediately reduce the number of ZECs on a prospective basis consistent with the level of such revenues.”

- What unit revenues (federal, RTO, local incentives, etc.) should the Board consider for fuel diversity, resilience, air quality, and other environmental attributes to include?
- What should the timing and process be by which the Board reviews the revenues, makes its determination, and, if applicable, reduces the number of ZECs to the plant?

(3) N.J.S.A. 48:3-87.5(h)(3) states that “[a] selected nuclear power plant shall annually certify to the board that it will continue operations at full or near full capacity for the duration of the period of its eligibility to receive ZECs, except with respect to nuclear power plant shutdowns for necessary maintenance and refueling.”

- How should the Board define “full or near full capacity” for the purposes of this requirement?

(4) The Act allows for additional three-year eligibility periods beyond the initial eligibility period. N.J.S.A. 48:3-87.5(h)(2) states: “No later than 13 months prior to the conclusion of the initial eligibility period established pursuant to [the Act], and no later than 13 months prior to the conclusion of each three energy year eligibility period thereafter, a nuclear power plant may demonstrate its eligibility to the board and the board may certify the nuclear power plant’s eligibility to receive ZECs for additional eligibility periods of three energy years, consistent with the provisions of this act.”

- How should the Board structure the procedural schedule for the additional eligibility periods? For example, how much information should be due to the Board 13 months prior to the conclusion of each eligibility period, and how long before the end of each eligibility period should the Board reach its decision?

(5) The Act contains two instances in which the Board may modify the \$0.004 per kilowatt-hour charge used to fund the ZEC program at N.J.S.A. 48:3-87.5(j)(3)(a) and N.J.S.A. 48:3-87.5(j)(3)(c).

- How should the Board determine whether or not the charge should be modified, and if applicable, to what level should the charge be modified?
- What specific data should be used to make such a determination? Should the Board's determination be based on actual data or projections?
- What type of procedural process should be utilized for this analysis?

(6) N.J.S.A. 48:3-87.6 requires that the Board issue a study on the ZEC program on or before May 23, 2028.

- What information should the Board collect to form the basis of this study?

Copies of the Act are available for inspection at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Post Office Box 350, Trenton, New Jersey 08625 during normal business hours 9:00 a.m. - 4:30 p.m., Monday through Friday. Additionally, the Act can also be found at the following link: https://www.njleg.state.nj.us/2018/Bills/PL18/16_.PDF.

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the Board hereby gives notice that a public meeting on this matter has been scheduled at the following date, time, and place:

Date: Wednesday, September 4, 2019
Time: 1:00 p.m. to 3:00 p.m.
Location: Middlesex County Administration Building
Freeholders Meeting Room
75 Bayard Street, 1st Floor, New Brunswick, NJ

Members of the public are invited to attend and present their views. Information provided at the public meeting will become part of the record of the docket and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations for disabled citizens to the Office of the Secretary of the Board at (609) 777-3300 at least 48 hours prior to the scheduled hearing so that appropriate arrangements can be made.

Customers and members of the public may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 3rd Floor, Suite 314, Post Office Box 350, Trenton, New Jersey 08625-0350, Attn: Aida Camacho-Welch, regardless of whether they attend the public hearings. Written comments may also be submitted electronically to Zec.Comments@bpu.nj.gov in PDF or Word format. All comments must be received on or before noon on Monday, September 30, 2019.

Please note that this public meeting is limited to comments concerning the ZEC program's post-eligibility determination processes. Please take further notice that the questions contained herein have been prepared by Board Staff for comment purposes only.



Aida Camacho-Welch
Secretary of the Board

Dated: August 21, 2019