

ZEC MEDIA STATEMENT

February 14, 2019

According to Ralph LaRossa, President and COO, PSEG Power:

Today PSEG filed its response to comments regarding the company's ZEC applications, with an emphasis on four key points:

- PSEG's applications demonstrate conclusively that the financial and environmental standards required under New Jersey's ZEC legislation have been met.
- Most of the intervenors' and participants' objections are transparent attempts to reopen issues that were settled by the Legislature.
- The intervenors and participants made numerous errors and inaccurate assumptions in their comments on our applications.
- The financial information PSEG has provided demonstrates unequivocally that its nuclear units will not cover their costs and risks, as provided by the statute. This is why we have made the decision to close the New Jersey plants unless each plant is awarded ZECs.

To be more specific:

Complete applications: We are confident that PSEG's ZEC applications, on behalf of the Salem 1, Salem 2 and Hope Creek nuclear plants, provide complete responses and demonstrate, conclusively, that the financial and environmental standards under New Jersey's Zero Emission Certificate legislation have been met. Moreover, **we are confident that each of PSEG's three New Jersey nuclear plants qualifies for ZECs under terms of the law.**

Reopening issues: The legislative process that resulted in New Jersey's Zero Emission Certificate legislation was a complex and thorough process that covered many months of testimony and debate. The majority of the objections raised by intervenors and participants are transparent attempts to reopen issues that were settled last year when the Legislature and governor voted and signed the ZEC Act into law and, therefore, **should be rejected and disregarded.**

Errors and assumptions: In their comments on PSEG's ZEC applications, intervenors and participants included numerous errors and inaccurate assumptions. Among the most egregious examples, intervenors based their analyses on price projections that bear no resemblance to actual prices realized by the plants. **This major flaw results in well over \$100 million in inflated revenue projections.** Intervenors overstated the plants' projected energy revenues by using "on peak" prices versus "around-the-clock" prices. In another example, the intervenors attempt to exclude risks – as if it were possible to operate a heavily regulated, complex nuclear power plant in a risk-free environment.

Retirement: Throughout the legislative process, PSEG was clear that, without ZECs or an unforeseen change in energy market conditions, **we would have no choice but to retire our New Jersey nuclear units prematurely.** Since then, the independent Board of Directors of Public Service Enterprise Group Inc. also has voted to confirm that all three of PSEG's New Jersey nuclear plants will be retired unless each plant is awarded ZECs.

“New Jersey’s Zero Emission Certificate law established a clear set of rules for nuclear plants to apply and qualify for ZECS,” said Ralph LaRossa, president and COO of PSEG Power. “We are confident that PSEG’s plants have proven that they meet every one of the state’s qualifications.”

“Without the nuclear plants, everyone – including the intervenors – agrees that prices will go up. The consequences for all New Jerseyans will be unfortunate – higher electricity prices, reduced air quality and reduced fuel diversity,” LaRossa said. “And, if nuclear is no longer part of the energy mix, the state will lose its largest source of emissions-free generation and will be significantly challenged in its ability to meet its clean energy goals. It’s a shame that the intervenors do not value the environmental attributes of the plants.”
