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May 20, 2020

VIA EMAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

**RE: I/M/O Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related To the Transitional Renewable Energy Certificate Program (“TREC Program”)
BPU Docket No. _____**

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of Rockland Electric Company (“RECO”) (“Rockland” or “the Company”) is copy of Petition in the above matter.

Respectfully submitted,

Margaret Comes
Margaret Comes

Enc.

cc: Service list via email

Service List

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE VERIFIED)	
PETITION OF ROCKLAND ELECTRIC)	VERIFIED PETITION
FOR PPROVAL OF THE RECOVERY OF)	
ASSOCIATED COSTS RELATED TO THE)	BPU Docket No. _____
TRANSITIONAL RENEWABLE ENERGY)	
CERTIFICATE PROGRAM)	
(“TREC” PROGRAM”))	

VERIFIED PETITION

Rockland Electric Company (“RECO”, the “Company”, or “Petitioner”), a corporation of the State of New Jersey, which has an office at One Lethbridge Plaza, Suite 32 – Second Floor, Route 17 North, Mahwah, New Jersey 07430, respectfully petitions the New Jersey Board of Public Utilities (“Board” or “BPU”) as follows:

INTRODUCTION AND OVERVIEW

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service, for residential, commercial and industrial purposes within the State of New Jersey. RECO is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. (“Orange and Rockland”), and an affiliate of Consolidated Edison Company of New York, Inc. (“Con Edison”). RECO provides electric distribution service to approximately 73,000 customers in an area which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey.

2. The rates and charges for electric service furnished by Petitioner and the conditions upon which the same are furnished are set forth in Petitioner’s tariff designated B.P.U. No. 3 - Electricity.

3. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to N.J.S.A. 48:2-13, *et seq.*

4. RECO is filing this Petition seeking approval from the New Jersey Board of Public Utilities (“Board” or “BPU”) of the rates set forth in the petition and the recovery of the costs incurred by the Company for the BPU’s Transition Renewable Energy Certificates (“TRECs”) Program, pursuant to an Board’s Order¹ of December 6, 2019 (“December 2019 Order”).

BACKGROUND

5. Under the December 2019 Order, the Board established a Transition Renewable Energy Program (“TREC Program”) that was designed to bridge the gap between the Legacy Solar Renewable Energy Certificate (“SREC”) Program and a to-be-determined SREC Successor Program pursuant to the Clean Energy Act² (“the Act”). The Act directed the Board to adopt rules and regulations to close the Legacy SREC Program to new applications once the Board determines that 5.1 percent of the kilowatt-hours sold in the State by electric power suppliers and basic generation service providers has been generated by solar electric power generators connected to the distribution system (“5.1 % Milestone”).

6. In the December 2019 Order, the Board directed that one MWh of solar generation by a facility eligible for the TREC program would be the basis for the creation of one TREC, and that the fixed base compensation per TREC would be determined by the Board.

¹ Order, I/M/O A New Jersey Solar Transition Pursuant To P.L. 2018, C.17, BPU Docket No. QO19010068 (December 6, 2019) (“December 2019 Order”).

² P.L. 2018, C. 17.

Later, in the Board's Order of March 9, 2020³ (the "March 2020 Order") the Board determined that the fixed base compensation per TREC would be \$152.

7. In the December 2019 Order, the Board assigned a "factor" to each solar facility, which determines whether the facility receives a full or only a portion of the value of a TREC. In the March 2020 Order, the Board directed that the value of a TREC earned would be calculated by multiplying the "factor" assigned to each TREC facility by the base compensation.

8. In the December 2019 Order, the Board also directed the New Jersey Electric Distribution Companies (EDCs)⁴ to jointly procure a TREC Administrator. The TREC Administrator will acquire all of the Transition Renewable Energy Certificates (TRECs) produced each year by eligible solar generation projects on behalf of the EDCs. The TREC Administrator will thereafter allocate the TRECs to Load Serving Entities ("LSEs") based on market share of retail sales, for retirement within the PJM Generation Attribute Tracking System (GATS), as part of the annual Renewable Portfolio Standard ("RPS") compliance process. The December 2019 Order also required that the EDCs purchase all TRECS for the benefit of the LSEs at a fixed price to be determined by the Board.

9. On April 6, 2020, the Board issued an Order⁵ requiring that eligible TREC facilities be paid for on a monthly rather than quarterly basis, and directed the EDCs and BPU Staff to accelerate the selection of the TREC Administrator. On April 10, 2020, the EDCs

³ Order, *In The Matter of a New Jersey Solar Transition Pursuant To P.L. 2018, C.17-Trec Base Compensation Schedule*, BPU Docket No. QO19010068 (March 9, 2020) ("March 9 Order").

⁴ The EDCs are Public Service Electric and Gas Company, Jersey Central Power and Light Company, Atlantic City Electric Company, and Rockland Electric Company.

⁵ Order, *I/M/O the Closure of the SREC Registration Program Pursuant to P.L. 2018, C. 17*, BPU Docket No. QO18070698 (April 6, 2020), and Order, *I/M/O the Matter of A New Jersey Solar Transition Pursuant to P.L. 2018, C.17 - Calculation Of 5.1% Milestone for SREC Program Closure*, BPU Docket No. QO19010068 (April 6, 2020) ("December 2019 Order").

jointly issued a Request for Proposal (“RFP”) to procure a TREC Administrator. As of this date, the TREC Administrator has not been selected.

10. In the December 2019 Order, the Board further determined that:

the EDCs may recover reasonable and prudent costs for TREC procurement and TREC Administrator fees. Recovery shall be based on each EDC's proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.⁶

11. RECO’s calculation of its TREC Surcharge rate and recovery costs are set out in the following paragraphs.

CALCULATION OF PROPOSED TREC SURCHARGE RATE

12. The Company is proposing to recover the revenue requirements associated with the costs of the TREC Program. Costs include the Company’s share of payments for the procurement of TREC, the TREC Administrator’s Fee, and any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations.

13. The revenue requirements associated with the costs of the TREC Program equal (TREC Procurement Payments plus the TREC Administrator Fee) times RECO’s percentage share of costs and other related expenses. Per the December 2019 Order, costs are allocated according to each EDCs’ share of billed electric sales. Exhibit B shows that RECO’s share of costs is 2.14 percent.

14. Staff provided the EDCs with an estimate of TREC creation and cost forecast. The complete 36-month forecast is attached as worksheet WS-1. Exhibit A in this filing shows

⁶ December 2019 Order at p. 34.

the RECO forecasted costs through May 2021, which is the end of the Company's current Regional Greenhouse Gas Initiative ("RGGI") surcharge period.⁷

15. As shown in Exhibit A and WS-1, in its projection of TREC costs, Staff assumed a TREC value of \$152 per TREC. The TREC Administrator has not been selected, and therefore, the EDCs estimated a cost of \$900,000 for the TREC Administrator. Columns 1 – 16 of Exhibit A and WS-1, is a program assumption from BPU Staff that represents the solar capacity (MWdc) that is available to generate TRECs at the end of each month (Column 1). Effective Generating Capacity (Column 2) is also a program assumption from BPU Staff that represents the effective solar generation capacity (MWdc) that is available throughout each month. The Production Rate Estimate (Column 3) is the amount of solar generation output that is expected from each MWdc of Effective Generating Capacity (MWh/MWdc). It is based upon data sourced from PVWatts® Calculator ("PVWatts"), which is an interactive website made available by the National Renewable Energy Laboratory (NREL). BPU Staff utilized PVWatts by entering typical system parameters for NJ solar facilities and using PVWatts output to develop the monthly Production Rate Estimates. TRECs Created (Column 4) is the monthly quantity of TRECs created by TREC eligible solar generation facilities. It is calculated based upon Effective Generation Capacity (Column 2 multiplied by the Production Estimate (Column 3)). The Solar System Allocation Percentages (Columns 5, 6 & 7) are the respective allocation percentages of the monthly generation amount from different classifications of TREC eligible solar generation systems and their associated TREC Factor (listed below):

⁷ The Company files a true-up of its RGGI Surcharge every February 1 for rates in effect for the twelve months commencing from June of the calendar year of the RGGI Surcharge filing. The Company's current RGGI surcharge is for rates in effect for the twelve months ending May 2021. The Company will update the TREC surcharge component of its RGGI Surcharge on February 1, 2021.

Project Type	TREC Factor
Subsection (t): landfill, brownfield, areas of historic fill.	1.00
Grid supply (subsection (r)) rooftop	1.00
Net metered non-residential rooftop and carport	1.00
Community solar	0.85
Grid supply (subsection (r)) ground mount	0.60
Net metered residential ground mount	0.60
Net metered residential rooftop and carport	0.60
Net metered non-residential ground mount	0.60

16. Attached as Exhibit B is the EDCs 2019 billed electric sales showing that RECO's share of costs is 2.14 percent.

17. Exhibit C page one shows the RGGI Surcharge and its components with the inclusion of the TREC Surcharge; Exhibit C page two shows the calculation of the TREC Surcharge; Exhibit C page three RECO's share of the TREC costs through May 2021; and Exhibit C page four shows RECO's forecasted revenues through May, 2021.⁸ The RECO forecasted TREC costs in Exhibit C page 3 are based on Exhibit A and RECO's 2.14 percent share of total TREC costs.

18. As set forth in Exhibit C, page one, RECO's proposed TREC Surcharge is 0.0473 cents per kWh (including Sales and Use Tax ("SUT") and 0.0444 cents per kWh excluding SUT. RECO's proposed RGGI Surcharge is 0.2541, including SUT, and 0.2384, excluding SUT.

19. The bill impact⁹ of the proposed RGGI Surcharge on a typical residential customer is as follows:

⁸ The cost forecast corresponds with the rate period of RECO's RGGI Surcharge true-up, which is the twelve months beginning June of each year.

⁹ The worksheet for the bill impacts is included as WS-2.

Typical Average Monthly Bill				
(Includes Sales and Use Tax)				
	Bill Amount		Increase	
	Present (2)	Proposed (3)	Amount	Percent
650 kWh average monthly use	\$104.14	\$104.45	\$0.31	0.30
925 kWh average monthly use	149.97	150.41	0.44	0.29
1,500 kWh average monthly use	245.64	246.35	0.71	0.29

20. Draft Tariff Leaves with the proposed TREC Surcharge rates are annexed as Exhibit D.
21. A proposed form of Public Notice is annexed as Exhibit E.
22. Communications and correspondence related to this Petition should be sent as follows:

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CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, RECO respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue a decision and order as follows:

1. Authorizing RECO to recover all costs identified herein associated with TREC Program cost, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and,
2. Authorizing RECO to charge the TREC Surcharge and RGGI Surcharge as set forth in this petition, or any updates or amendments to those surcharges during this proceeding; and
3. Granting such other or further relief as may be necessary to implement the purposes stated herein.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By Margaret Comes
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Attorney for Rockland Electric Company

Dated: May 19, 2020

List of Exhibits

Ex. A – TREC Projection

Ex. B – Billed Sales

Ex. C – Calculation of TREC and RGGI Surcharges

Ex. D – Tariff Sheets

Worksheets WS-1 and WS-2 in Excel

Exhibit A

Forecast Timing and Value of TRECs Created														RECO			
TREC Creation and Value by Calendar Year										Estimated Administrator Fee							
TREC \$/MWh										\$900,000							
Solar System Allocation Percentages*																	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)				
Program Assumption	Program Assumption	Program Assumption	Col 2 * Col 3	Program Assumption	Program Assumption	Program Assumption	(([Factor Col 5] * Col 5 + [Factor Col 6] * Col 6 + [Factor Col 7] * Col 7) * [TREC Price] * Col 4	Prior Col 10 + Col 8	Sum of Col 4 per Col 9	Program Assumption	Col 8 + Col 12	Col 13 * [RECO Share] per Month					
													2.14%				
										Cumulative Cost		TRECs / Energy		Estimated Admin Fee		TRECs + Admin Fee	
Calendar	Year	Month	New TI Project Capacity by Month's End (MWdc)	Effective Generating Capacity (MWdc)	Production Estimate (MWh/MW)	TRECs Created (MWh)	Sub t, Sub r Roof & NM NR Roof	Comm Solar	Sub r Grnd, Resi Grnd & roof, NM NR Grnd	Monthly TREC Cost (\$)	EY	(\$)	(MWh)	(\$)	(\$)		
0.5							1.00	0.85	0.6								
1	2020	July	30	5	123	615	36%	0%	64%	\$69,549	21	\$69,549		\$75,000	\$144,549		
2		August	40	40	115	4,600	36%	0%	64%	\$520,205	21	\$589,754		\$75,000	\$595,205		
3		September	35	80	100	8,000	46%	0%	54%	\$953,344	21	\$1,543,098		\$75,000	\$1,028,344		
4		October	30	110	84	9,240	36%	0%	64%	\$1,044,933	21	\$2,588,031		\$75,000	\$1,119,933		
5		November	35	145	67	9,715	36%	0%	64%	\$1,098,650	21	\$3,686,681		\$75,000	\$1,173,650		
6		December	30	180	58	10,440	46%	0%	54%	\$1,244,114	21	\$4,930,795		\$75,000	\$1,319,114		
			200	-		42,610				\$4,930,795		-					
2021																	
7		January	30	220	72	15,840	34%	12%	54%	\$1,844,283	21	\$6,775,078		\$75,000	\$1,919,283		
8		February	20	240	84	20,160	34%	12%	54%	\$2,347,269	21	\$9,122,347		\$75,000	\$2,422,269		
9		March	30	270	102	27,540	40%	12%	47%	\$3,281,887	21	\$12,404,234		\$75,000	\$3,356,887		
10		April	20	290	113	32,770	34%	12%	54%	\$3,815,477	21	\$16,219,710		\$75,000	\$3,890,477		
11		May	20	310	118	36,580	34%	12%	54%	\$4,259,083	21	\$20,478,793	175,500	\$75,000	\$4,334,083		

*Notes: Allocations for certain months intentionally do not add to 100%.

Column (1): Program assumption from BPU Staff that represents the solar capacity (MWdc) that is available to generate TRECs at the end of each month.

Column (2): Program assumption from BPU Staff that represents the effective solar generation capacity (MWdc) that is available throughout each month.

Column (3): The amount of solar generation output that is expected from each MWdc of Effective Generating Capacity (MWh/MWdc). It is based upon data sourced from PVWatts® Calculator ("PVWatts"), which is an interactive website made available by the National Renewable Energy Laboratory (NREL). BPU Staff utilized PVWatts by entering typical system parameters for NJ solar facilities and using PVWatts output to develop the monthly Production Rate Estimates.

Column (4): The monthly quantity of TRECs created by TREC eligible solar generation facilities. It is calculated based upon Effective Generation Capacity (Column 2) multiplied by the Production Estimate (Column 3).

Column (5): The respective allocation percentage of the monthly generation amount from the classification of TREC eligible solar generation systems and their associated TREC Factor.

Column (6): The respective allocation percentage of the monthly generation amount from the classification of TREC eligible solar generation systems and their associated TREC Factor.

Column (7): The respective allocation percentage of the monthly generation amount from the classification of TREC eligible solar generation systems and their associated TREC Factor.

Column (8): The sum product of monthly TRECs Created (Column 4) and the Solar System Allocation Percentages and their corresponding TREC Price Multipliers (Columns 5, 6 & 7).

Column (12): The monthly expense for the TREC Administrator to manage and implement the TREC Program on behalf the NJ EDCs.

Column (13): The sum of the TREC Procurement Payment (Column 8) and the TREC Administrator Fee (Column 12).

Column (14): RECO's share of the TREC Procurement Payments + Administrator Fee.

Exhibit B

**Actual Billed Sales Volumes
Electric kWh**

	1	2	3	4	5	6	7	8	9	10	11	12		
	2019 January	2019 February	2019 March	2019 April	2019 May	2019 June	2019 July	2019 August	2019 September	2019 October	2019 November	2019 December	Total	
PSE&G	3,472,005,204	3,351,621,056	3,202,163,059	2,923,580,867	2,822,983,863	3,248,911,858	4,133,299,028	4,325,839,886	3,745,915,833	3,151,586,382	2,927,014,413	3,336,064,044	40,640,985,493	57.12%
JCP&L	1,812,110,003	1,679,817,468	1,575,269,797	1,390,698,301	1,355,704,052	1,571,256,544	2,050,540,188	2,262,213,672	1,951,237,791	1,568,621,399	1,372,331,356	1,599,589,737	20,189,390,308	28.37%
ACE	749,418,969	678,560,889	655,578,040	586,121,430	592,639,954	701,061,303	955,470,107	1,040,966,487	917,258,921	667,991,887	596,450,488	656,071,962	8,797,590,437	12.36%
RECO	127,661,261	114,237,067	104,885,088	109,253,614	110,132,430	123,975,834	168,634,790	173,412,533	141,636,572	117,380,024	114,699,379	119,500,727	1,525,409,319	2.14%
Total	6,161,195,437	5,824,236,480	5,537,895,984	5,009,654,212	4,881,460,299	5,645,205,539	7,307,944,113	7,802,432,578	6,756,049,117	5,505,579,692	5,010,495,636	5,711,226,470	71,153,375,557	100.00%

Exhibit C

ROCKLAND ELECTRIC COMPANY

Determination of Regional Gas Initiative ("RGGI") Surcharge

<u>RGGI Rate Components</u>	<u>Excl. SUT (¢/kWh)</u>	<u>Incl. SUT (¢/kWh)</u>
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I	0.2143	0.2285
SREC II	0.0000	0.0000
TREC	<u>0.0444</u>	<u>0.0473</u>
Total	0.2384	0.2541

ROCKLAND ELECTRIC COMPANY

2020 TREC Program Component of RGGI Surcharge

TREC Program Costs 2020

Projected 2020 TREC Program Costs	\$439,031
Projected 2020 TREC Administrative Costs	<u>17,687</u>
Total Recovery Balance	\$456,718

TREC Rate Development

TREC Program Component of RGGI Surcharge	\$456,718
Projected Sales (kWh) for 9-months ended May 2021	1,029,125,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000444
Sales and Use Tax ("SUT")	1.06625
TREC Program Surcharge	\$0.000473

ROCKLAND ELECTRIC COMPANY

Determination of Transition Renewable Energy Certificate Program ("TREC")

TREC Projected Program Costs: June 2020 - May 2021 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>TREC (2)</u>	<u>TREC Administrator</u>	<u>Total</u>
Jun-20	\$0	\$0	\$0
Jul-20	1,491	1,608	3,099
Aug-20	11,152	1,608	12,760
Sep-20	20,438	1,608	22,046
Oct-20	22,402	1,608	24,009
Nov-20	23,553	1,608	25,161
Dec-20	26,672	1,608	28,280
Jan-21	39,538	1,608	41,146
Feb-21	50,322	1,608	51,929
Mar-21	70,358	1,608	71,966
Apr-21	81,797	1,608	83,405
May-21	<u>91,308</u>	<u>1,608</u>	<u>92,915</u>
Total	\$439,031	\$17,687	\$456,718

Notes: ¹ Rate component of RGGI relating to recovery of Transition Renewable Energy Certificate Program ("TREC") costs as described in paragraphs (3) and (4) on Leaf No. 58B of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity.

² At the time of this filing, there is no approved Transition Renewable Energy Certificate settlement. The Company's projected TREC spending for the twelve month period ending May 2021 reflects the Staff estimates as of FY20.

ROCKLAND ELECTRIC COMPANY

Determination of Transition Renewable Energy Certificate Program ("TREC") Surcharge

Collection of TREC Program Costs: June 2020 - May 2021

<u>Month</u>	<u>Forecasted Sales (in</u>	<u>Estimated TREC Collections</u>
Jun-20		
Jul-20		
Aug-20		
Sep-20	142,657	63,310
Oct-20	117,246	52,033
Nov-20	108,406	48,110
Dec-20	119,355	52,969
Jan-21	123,455	54,788
Feb-21	111,920	49,669
Mar-21	103,283	45,836
Apr-21	99,585	44,195
May-21	<u>103,218</u>	<u>45,807</u>
Total	1,029,125	\$456,718

Exhibit D

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”); ~~and~~
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs; ~~and~~
- (e) Transition Renewable Energy Certificate Program (“TREC Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.~~25412068~~ cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I Program	0.2143	0.2285
SREC II Program	0.0000	0.0000
<u>TREC Program</u>	<u>0.0444</u>	<u>0.0473</u>
Total RGGI Surcharge	0. 23841940	0. 25412068

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-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.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

DRAFT

Revised Leaf No. 58B
Superseding Revised Leaf No. 58B

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(d) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(e) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for ~~the EES Program component, the Low Income Audit II Program component, and the SREC Program each~~ component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

DRAFT

Revised Leaf No. 58
Superseding Revised Leaf No. 58

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs; and
- (e) Transition Renewable Energy Certificate Program (“TREC Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.2541 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I Program	0.2143	0.2285
SREC II Program	0.0000	0.0000
TREC Program	0.0444	0.0473
Total RGGI Surcharge	0.2384	0.2541

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-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.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(d) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(e) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

Forecast Timing and Value of TRECs Created

TREC Creation and Value by Calendar Year										Estimated Administrator Fee \$900,000							
				TREC \$/MWh \$152.00			Solar System Allocation Percentages*			(8)	(9)	(10)	(11)	(12)	(13)	(14)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	((Factor Col 5) * Col 5 + [Factor Col 6] * Col 6 + [Factor Col 7] * Col 7) * [TREC Price] * Col 4			Prior Col 10 + Col 8	Sum of Col 4 per Col 9	Program Assumption	Col 8 + Col 12	Col 13 * [RECO Share] per Month			
Calendar	Year	Month	New TI Project Capacity by Month's End (MWdc)	Effective Generating Capacity (MWdc)	Production Estimate (MWh/MW)	TRECs Created (MWh)	Sub t, Sub r Roof & NM NR Roof	Sub r Grnd, Resi Grnd & roof, NM Comm Solar	Sub r Grnd, Resi Grnd & roof, NM NR Grnd	Monthly TREC Cost (\$)	EY	Cumulative Cost by Energy Year (\$)	TRECs / Energy Year (MWh)	Estimated Admin Fee (\$)	TRECs + Admin Fee (\$)	Month	RECO Revenue Requirement
0.5							1.00	0.85	0.6								
1	2020	July	30	5	123	615	36%	0%	64%	\$69,549	21	\$69,549		\$75,000	\$144,549	Jul-20	\$3,099
2		August	40	40	115	4,600	36%	0%	64%	\$520,205	21	\$589,754		\$75,000	\$595,205	Aug-20	\$12,760
3		September	35	80	100	8,000	46%	0%	54%	\$953,344	21	\$1,543,098		\$75,000	\$1,028,344	Sep-20	\$22,046
4		October	30	110	84	9,240	36%	0%	64%	\$1,044,933	21	\$2,588,031		\$75,000	\$1,119,933	Oct-20	\$24,009
5		November	35	145	67	9,715	36%	0%	64%	\$1,098,650	21	\$3,686,681		\$75,000	\$1,173,650	Nov-20	\$25,161
6		December	30	180	58	10,440	46%	0%	54%	\$1,244,114	21	\$4,930,795		\$75,000	\$1,319,114	Dec-20	\$28,280
			200	-		42,610				\$4,930,795		-				Jan-21	\$41,146
7	2021	January	30	220	72	15,840	34%	12%	54%	\$1,844,283	21	\$6,775,078		\$75,000	\$1,919,283	Feb-21	\$51,929
8		February	20	240	84	20,160	34%	12%	54%	\$2,347,269	21	\$9,122,347		\$75,000	\$2,422,269	Mar-21	\$71,966
9		March	30	270	102	27,540	40%	12%	47%	\$3,281,887	21	\$12,404,234		\$75,000	\$3,356,887	Apr-21	\$83,405
10		April	20	290	113	32,770	34%	12%	54%	\$3,815,477	21	\$16,219,710		\$75,000	\$3,890,477	May-21	\$92,915
11		May	20	310	118	36,580	34%	12%	54%	\$4,259,083	21	\$20,478,793	175,500	\$75,000	\$4,334,083	Jun-21	
12		June	15	325	118	38,350	46%	12%	47%	\$4,919,845	22	\$4,919,845		\$75,000	\$4,994,845	Jul-21	
13		July	15	340	123	41,820	34%	12%	54%	\$4,869,186	22	\$9,789,031		\$75,000	\$4,944,186	Aug-21	
14		August	20	360	115	41,400	34%	12%	54%	\$4,820,285	22	\$14,609,316		\$75,000	\$4,895,285	Sep-21	
15		September	20	380	100	38,000	40%	12%	47%	\$4,528,384	22	\$19,137,700		\$75,000	\$4,603,384	Oct-21	
16		October	20	400	84	33,600	34%	12%	54%	\$3,912,115	22	\$23,049,815		\$75,000	\$3,987,115	Nov-21	
17		November	15	415	67	27,805	34%	12%	54%	\$3,237,392	22	\$26,287,207		\$75,000	\$3,312,392	Dec-21	
18		December	7	422	58	24,476	41%	12%	47%	\$2,953,959	22	\$29,241,166		\$75,000	\$3,028,959	Jan-22	
			232			378,341				\$44,789,164		-				Feb-22	
																Mar-22	
19	2022	January	0	432	72	31,104	41%	12%	47%	\$3,753,880	22	\$32,995,046		\$75,000	\$3,828,880	Apr-22	
20		February	0	432	84	36,288	41%	12%	47%	\$4,379,526	22	\$37,374,572		\$75,000	\$4,454,526	May-22	
21		March	0	432	102	44,064	41%	12%	47%	\$5,317,996	22	\$42,692,568		\$75,000	\$5,392,996	Jun-22	
22		April	0	432	113	48,816	41%	12%	47%	\$5,891,505	22	\$48,584,073		\$75,000	\$5,966,505	Jul-22	
23		May	0	432	118	50,976	41%	12%	47%	\$6,152,191	22	\$54,736,265	456,699	\$75,000	\$6,227,191	Aug-22	
24		June	0	432	118	50,976	41%	12%	47%	\$6,152,191	23	\$6,152,191		\$75,000	\$6,227,191	Sep-22	
25		July	0	432	123	53,136	41%	12%	47%	\$6,412,878	23	\$12,565,069		\$75,000	\$6,487,878	Oct-22	
26		August	0	432	115	49,680	41%	12%	47%	\$5,995,780	23	\$18,560,849		\$75,000	\$6,070,780	Nov-22	
27		September	0	432	100	43,200	41%	12%	47%	\$5,213,722	23	\$23,774,570		\$75,000	\$5,288,722	Dec-22	
28		October	0	432	84	36,288	41%	12%	47%	\$4,379,526	23	\$28,154,097		\$75,000	\$4,454,526	Jan-23	
29		November	0	432	67	28,944	41%	12%	47%	\$3,493,193	23	\$31,647,290		\$75,000	\$3,568,193	Feb-23	
30		December	0	432	58	25,056	41%	12%	47%	\$3,023,959	23	\$34,671,249		\$75,000	\$3,098,959	Mar-23	
					1,154	498,528				\$60,166,347						Apr-23	
																May-23	
																Jun-23	
31	2023	January	0	432	72	31104	41%	12%	47%	\$3,753,880	23	\$38,425,128		\$75,000	\$3,828,880		
32		February	0	432	84	36288	41%	12%	47%	\$4,379,526	23	\$42,804,654		\$75,000	\$4,454,526		
33		March	0	432	102	44064	41%	12%	47%	\$5,317,996	23	\$48,122,650		\$75,000	\$5,392,996		
34		April	0	432	113	48816	41%	12%	47%	\$5,891,505	23	\$54,014,156		\$75,000	\$5,966,505		
35		May	0	432	118	50976	41%	12%	47%	\$6,152,191	23	\$60,166,347	498,528	\$75,000	\$6,227,191		
36		June	0	432	118	50976	41%	12%	47%	\$6,152,191	24	\$66,318,539	50,976	\$75,000	\$6,227,191		

2.14%

Totals After Three Years	-	-	-	262,224					
		432	-	1,181,703	251,419,903	\$135,381,405	\$1,181,703	\$2,700,000	\$144,233,596

Notes: *Allocations for certain months intentionally do not add to 100%.

ROCKLAND ELECTRIC COMPANY

Impact of RGGI Change on a Typical Residential Customer*

	<u>Annualized</u>		<u>Bill Amounts</u>			<u>Percent Changes</u>		
	<u>\$(a)</u>	<u>% Change</u>	<u>Summer</u>	<u>Winter</u>	<u>Annualized</u>	<u>Summer</u>	<u>Winter</u>	<u>Annualized</u>
Average monthly usage (kWh)	650		808	571	650			
Average Monthly Bill Rates	\$104.14		\$124.89	\$93.77	\$104.14			
Average Monthly Bill with New RGGI	\$104.45		\$125.27	\$94.04	\$104.45			
Change	\$0.31	0.30%	\$0.38	\$0.27	\$0.31	0.30%	0.29%	0.30%

* Based on combined RGGI of

0.2541 ¢/kWh

\$1,249.68
\$1,253.40
\$3.72
0.30%

	<u>Excluding SUT</u>	<u>Including SUT</u>
EES Program	(0.00024)	(0.00025)
Low Income Audit II Program	(0.00003)	(0.00003)
Low Income Audit III Program	0.00006	0.00006
SREC I ⁴	0.00214	0.00229
SREC II	0.00000	0.00000
TREC	<u>0.000444</u>	<u>0.000473</u>
RGGI	<u>0.002384</u> \$/kWh	<u>0.002541</u>

Select Usage Scenario **2**

Usage Scenarios

	<u>Summer</u>	<u>Winter</u>	<u>Annualized</u>	<u>Check</u>	<u>Ratio</u>
1	1,150	813	925		1.4145141
2	808	571	650	650	
3	1,864	1,318	1,500	1,500	
			11,100		
			7,800		

18,000