



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE 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. ER20050363

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Margaret Comes, Esq., on behalf of Rockland Electric Company

BY THE BOARD:

On May 20, 2020, Rockland Electric Company ("RECO" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to recover revenues associated with the Transitional Renewable Energy Certificate Program ("TREC Program") ("2020 TREC Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by RECO, Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel"), (collectively, "Parties") intended to resolve the Company's requests related to the above docketed matter.

BACKGROUND

By Order dated December 6, 2019, the Board established the TREC Program that was designed to bridge the gap between Legacy Solar Renewable Energy Certificate Programs and a to-be-determined Successor Program.¹ The BPU directed New Jersey's Electric Distribution Companies ("EDCs") to work with Staff to jointly procure a TREC Administrator that would acquire all of the TRECs produced each year by eligible solar generation projects. The TREC Administrator would then allocate the TRECs to load serving entities based on their market share

¹ In re a New Jersey Solar Transmission Pursuant to P.L. 2018, C.17, BPU Docket No. QO19010068, Order dated December 6, 2019 ("TREC Order").

of retail sales for retirement within the generation attribute tracking system as part of the annual renewable portfolio standard compliance process.

The TREC Order further authorized the EDCs to recover reasonable and prudent costs for TREC procurement and TREC Administrator fees. According to the TREC Order, the recovery of these costs would be based on each EDC's proportionate share of retail electric sales. As a result, each EDC was to make an annual filing for its costs and the recovery method, which will be subject to approval by the Board.

By Order dated March 9, 2020, the Board prescribed that the TREC Administrator would acquire all TREC produced by eligible solar generation projects at a base compensation rate of \$152 per megawatt hours.² The TREC Administrator would then calculate the actual value of a TREC to be acquired by multiplying the base compensation rate by a factor applicable to the solar project type set forth in the table below:

Solar Project Type	TREC Factor
Subsection (t): landfill, brownfield, areas of historic fill	1.0
Grid Supply (subsection (r)) rooftop	1.0
Net metered non-residential rooftop and carport	1.0
Community solar	0.85
Grid supply (subsection (r)) ground mount	0.6
Net metered residential ground mount	0.6
Net metered residential rooftop and carport	0.6
Net metered non-residential ground mount	0.6

On April 10, 2020, the EDCs issued a joint request for proposal to 17 vendors to provide TREC administrator services for three years beginning June 2020. Four (4) bids were received on April 27, 2020. In July 2020, the EDCs executed a contract with InClimate, Inc. to serve as the TREC Administrator. The EDCs estimated the cost of the TREC Administrator Services Fees for the initial three-year period to be between \$3.4 million and \$3.8 million.

2020 TREC PETITION

On May 20, 2020, RECO filed the 2020 TREC Petition seeking approval to recover an initial revenue requirement of \$456,718 associated with the TREC Program for the period July 2020 through May 2021. RECO proposed to recover this amount under a new component of its Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge. RECO's proportionate share of retail electric sales is currently 2.14% based on the period January 2019 through December 2019. RECO is projecting 1,029,125 megawatt hours will be sold between September 2020 and May 2021.

² In re a New Jersey Solar Transmission Pursuant to P.L. 2018, C.17 – TREC Base Compensation Schedule, BPU Docket No. QO19010068, Order dated March 9, 2020.

The TREC costs include the Company's share of (a) payments for the procurement of TREC, (b) the TREC Administrator's Fee, and (c) any other applicable costs reasonable and prudently incurred by the Company in the disposition of its TREC obligations. The Company proposed to update the TREC costs on an annual basis incorporating a true-up for actuals and an estimate of the revenue requirement for the upcoming recovery period in future RGGI Recovery Charge cost recovery filings. RECO would defer any over/under recovery of the monthly actual revenue requirement compared to actual revenues.

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were held telephonically at 4:30 pm and 5:30 pm on July 8, 2020. No members of the public commented on the matter or provided written comments to the Board.

STIPULATION

Following the review of the 2020 TREC Petition and discovery, the Parties executed the Stipulation, which provides for the following³:

12. RECO will recover the revenue requirement associated with the TREC Program through a new TREC Surcharge component of the Company's RGGI Surcharge. As set forth in Exhibit A of the Stipulation, RECO's initial TREC Surcharge will be 0.0473 cents per kWh, including SUT. This is based on an estimated initial revenue requirement of \$456,718.
13. As a result of the initial TREC Surcharge, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annualized monthly bill from \$106.23 to \$106.54, or \$0.31 or 0.29 percent, based on rates in effect on July 1, 2020.
14. The TREC Surcharge 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 Surcharge component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement and actual recoveries will be deferred, with interest, for future recovery.
15. On February 1 of each year, the Company shall include in its annual RGGI Surcharge filing, information related to the TREC Surcharge component of the RGGI Surcharge to be effective for the 12 month period commencing the following June 1. The TREC Surcharge 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 12 month period commencing the following June 1.

³ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

16. 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.
17. Upon Board approval of the Stipulation, RECO shall file the revised tariff leaf in the form set forth in Exhibit B of the Stipulation. The revised tariff leaf shall become effective on the first day of the month following the Board's service of written authorization approving the Stipulation, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the 2020 TREC Petition and the Stipulation and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

Based on the Stipulation, a typical residential customer using 808 kilowatt-hours ("kWh") per summer month, and 7,800 kWh on an annual basis, will see an increase in their monthly bill of \$0.31 or 0.29 percent.

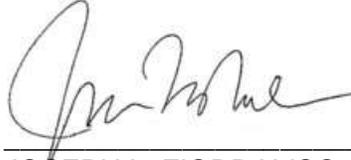
Accordingly, the Board **HEREBY AUTHORIZES** RECO to establish a new component of its RGGI Charge to recover costs associated with the TREC Program. Additionally, the Board **HEREBY ORDERS** RECO to file revised tariff sheets conforming to the terms of the Stipulation prior to September 1, 2020.

The Company's costs, including those related to TREC program administration, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

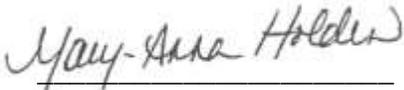
The effective date of this Order is August 22, 2020.

DATED: August 12, 2020

BOARD OF PUBLIC UTILITIES
BY:



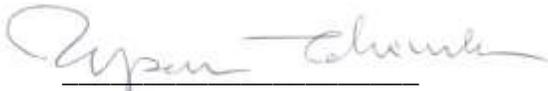
JOSEPH L. FIORDALISO
PRESIDENT



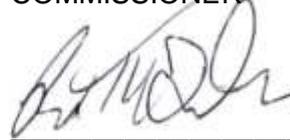
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

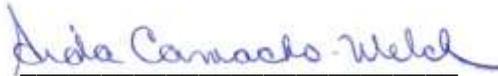


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE VERIFIED ROCKLAND ELECTRIC COMPANY FOR APPORVAL
OF THE RECOVERY OF ASSOCIATED COSTS RELATED TO THE TRANSITIONAL
RENEWABLE ENERGY CERTIFICATE PROGRAM (“TREC PROGRAM”)**

BPU DOCKET NO. ER20050363

SERVICE LIST

<p><u>Rockland Electric Company</u> 4 Irving Place Room 1815-S New York, NY 10025</p> <p>Margaret Comes, Esq. comesm@coned.com</p> <p>Jack Carley, Esq. carleyj@coned.com</p> <p>Cheryl Ruggiero ruggieroc@coned.com</p> <p>Kurt Coutain coutaink@coned.com</p> <p><u>Division of Rate Counsel:</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Stefanie A. Brand, Esq., Director sbrand@rpa.nj.gov</p> <p>Brian Lipman, Esq., Litigation Manager blipman@rpa.nj.gov</p> <p>Felicia Thomas-Friel, Esq. fthomas@rpa.nj.gov</p> <p>Sarah Steindel, Esq. ssteindel@rpa.nj.gov</p> <p>Maura Caroselli, Esq. mcaroselli@rpa.nj.gov</p> <p>Robert J. Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net</p>	<p><u>Board of Public Utilities:</u> 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Board Secretary board.secretary@bpu.nj.gov</p> <p>Paul Flanagan, Esq., Executive Director paul.flanagan@bpu.nj.gov</p> <p><u>Office of Chief Counsel</u></p> <p>Abe Silverman, Esq., General Counsel abe.silverman@bpu.nj.gov</p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Rachel Boylan, Esq. rachel.boylan@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Stacy Peterson, Director stacy.peterson@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p><u>Division of Clean Energy</u></p> <p>Benjamin Scott Hunter benjamin.hunter@bpu.nj.gov</p> <p>Ariane Benrey ariane.benrey@bpu.nj.gov</p>
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Margaret Comes
Associate Counsel
Law Department

July 23, 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: In the Matter of the 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. ER20050363**

Dear Secretary Camacho-Welch:

Enclosed for filing in the above matter is PDF of Stipulation of Settlement in the
above matter.

Respectfully submitted,


Margaret Comes

Enc.

cc: Email list

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

IN THE MATTER OF THE VERIFIED)	
PETITION OF ROCKLAND ELECTRIC)	Stipulation of Settlement
COMPANY FOR APPROVAL OF THE)	
RECOVERY OF ASSOCIATED COSTS)	
RELATED TO THE TRANSITIONAL)	BPU Docket No. ER20050363
RENEWABLE ENERGY CERTIFICATE)	
PROGRAM (“TREC” PROGRAM”))	

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Brian O. Lipman, Litigation Manager, Sarah Steindel, Assistant Deputy Rate Counsel, Maura Caroselli, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director)

Meliha Arnautovic, Deputy Attorney General for Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of July 22, 2020, by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively “Parties”) to execute this Stipulation of Settlement (“Stipulation”) and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue an Order approving this Stipulation, including the attachments and proposed sheets of the Company’s electric service tariff as set forth herein.

BACKGROUND

1. On May 20, 2020, RECO filed a petition with the Board in BPU Docket Number ER20050363 (“TREC Petition”) seeking Board approval to recover the Company’s Transition Renewable Energy Certificate (“TREC”) Financing Program (“TREC Program”) costs.

2. The TREC Petition was filed pursuant to a BPU Order dated December 6, 2019 (“TREC Order”) in Docket Number ER20050363 as part of the Board’s statewide TREC Program.

3. The TREC Order directed the Company to procure jointly with the other New Jersey electric distribution companies (“EDCs”) a TREC Administrator to administer the TREC Program. At the time of the TREC Petition, the EDCs had not selected a TREC Administrator, but estimated the cost of the TREC Administrator Service Fee to be \$900,000 annually.

4. The Board also directed the EDCs to purchase TRECs from facilities eligible to receive TRECs at prices established by the Board. In the TREC 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. Subsequently, in an Order dated March 9, 2020, the Board determined that the initial fixed base compensation per TREC would be \$152. The TREC Order assigned a “factor” to each solar facility, which determined whether the facility receives a full or only a portion of the value of a TREC. In the TREC 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.

5. Board Staff supplied the EDCs with an estimate of the number and cost of the TRECs the EDCs will be required to purchase at the Board’s initial TREC price of \$152 per

TREC over a 36-year period. The Board Staff estimate was annexed to the TREC Petition as Exhibit A.

6. In the TREC Order, the Board also determined:

[T]he EDCs may recover reasonable and prudent costs for TREC's 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.¹

7. RECO's proportionate share of retail electric sales in 2019 was 2.14 percent. As set forth in the TREC Petition, RECO's estimated share of the TREC purchases pursuant to Staff's estimate of TREC costs, plus the Company's share of the EDCs' estimated TREC Administrator Fee through May 2021 was \$456,718.

8. The Company proposed to recover its TREC Program costs through a TREC Program Surcharge ("TREC Surcharge") component of the Company's RGGI Surcharge. In its TREC Petition, the Company proposed a TREC Surcharge of 0.0473 cents per kWh [including Sales and Use Tax ("SUT")].

9. The Company proposed to annually true-up its TREC Surcharge costs as part of its annual RGGI Surcharge true-up with proposed rates effective for the 12 months commencing June 1 of the calendar year of the RGGI Surcharge filing. The Company's current RGGI Surcharge is for rates in effect for the 12 months ending May 2021. The Company proposed to update the TREC Surcharge component of its RGGI Surcharge in its February 1, 2021 RGGI Surcharge true up filing.

10. The Company conducted two public hearings on July 8, 2020 at 4:30 p.m. and 5:30 p.m. No members of the public appeared or filed written comments with the Board.

¹ December 2019 Order at p. 34.

11. Since RECO's submission of the TREC Petition, Rate Counsel and Staff have propounded detailed discovery requests, all of which the Company has responded to.

STIPULATED MATTERS

The Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

12. RECO will recover the revenue requirement associated with the TREC Program through a new TREC Surcharge component of the Company's RGGI Surcharge. As set forth in Exhibit A, RECO's initial TREC Surcharge will be 0.0473 cents per kWh, including SUT. This is based on an estimated initial revenue requirement of \$456,718.

13. As a result of the initial TREC Surcharge, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annualized monthly bill from \$106.23 to \$106.54, or \$0.31 or 0.29 percent, based on rates in effect on July 1, 2020.

14. The TREC Surcharge 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 Surcharge component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement and actual recoveries will be deferred, with interest, for future recovery.

15. On February 1 of each year, the Company shall include in its annual RGGI Surcharge filing, information related to the TREC Surcharge component of the RGGI Surcharge to be effective for the 12 month period commencing the following June 1. The TREC Surcharge 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 12 month period commencing the following June 1.

16. 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.

17. Upon Board approval of this Stipulation, RECO shall file the revised tariff leaf in the form set forth in Exhibit B hereto. The revised tariff leaf shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

CONCLUSION

18. The Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein.

19. Each Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

20. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the Company's TREC Petition. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Parties are not waiving any legal or procedural rights,

arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Parties shall be placed in the same position that they were in immediately prior to its execution.

21. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. Although binding on the Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Parties agree that the unique resolution of the issues relating to the TREC Petition shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

22. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

23. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

24. This Stipulation may be executed in one or more counterparts. Each Party has caused its duly authorized representative to execute below and deliver this Stipulation.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for **PETITIONER**, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do **HEREBY AGREE** to the form and execution of this Agreement.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

**DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR**

By: Brian O. Lipman
~~Sarah Steindel~~, Brian O. Lipman
Assistant Deputy Rate Counsel
7/22/2020

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
GURBIR S. GREWAL, ATTORNEY GENERAL OF NEW JERSEY**

By: /s Meliha Arnautovic DAG
Meliha Arnautovic
Deputy Attorney General

DATED: July 20, 2020

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") Surcharge

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

<u>Month</u>	<u>Projected Program Costs</u>		
	<u>TREC (2)</u>	<u>TREC Administrator Fee (3)</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")

² Based on RECO share of Staff's estimate of EDC TREC purchases

³ Based on RECO share of EDCs Estimate (\$900,000) of TREC Administrator Services Fee

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 (MWH)</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

ROCKLAND ELECTRIC COMPANY

**Determination of Transition Renewable Energy Certificate Program ("TREC")
June 2020 through May 2021 Cost Recovery Period**

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Total
RECO	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
TREC Revenue Requirement ¹	\$0	\$3,099	\$12,760	\$22,046	\$24,009	\$25,161	\$28,280	\$41,146	\$51,929	\$71,966	\$83,405	\$92,915	\$456,718
Prior Period Reconciliation Adj.	\$0												\$0
Monthly Recoveries	\$0	\$0	\$0	\$63,310	\$52,033	\$48,110	\$52,969	\$54,788	\$49,669	\$45,836	\$44,195	\$45,807	\$456,718
(Over)/Under Recovery	\$0	\$3,099	\$12,760	(\$41,264)	(\$28,023)	(\$22,949)	(\$24,689)	(\$13,642)	\$2,260	\$26,130	\$39,210	\$47,108	\$0
Beginning Balance - (Over)/Under Recovery	\$0	\$0	\$3,099	\$15,859	(\$25,405)	(\$53,428)	(\$76,377)	(\$101,066)	(\$114,708)	(\$112,448)	(\$86,318)	(\$47,108)	
Ending Balance (Over)/Under Recovery	\$0	\$3,099	\$15,859	(\$25,405)	(\$53,428)	(\$76,377)	(\$101,066)	(\$114,708)	(\$112,448)	(\$86,318)	(\$47,108)	\$0	
Average Balance (Over)/Under	\$0	\$1,549	\$9,479	(\$4,773)	(\$39,417)	(\$64,903)	(\$88,722)	(\$107,887)	(\$113,578)	(\$99,383)	(\$66,713)	(\$23,554)	
Average Balance (Over)/Under - Net of Tax	\$0.00	\$1,114	\$6,814	(\$3,431)	(\$28,337)	(\$46,659)	(\$63,782)	(\$77,560)	(\$81,651)	(\$71,447)	(\$47,960)	(\$16,933)	
Interest Rate (Annual) ²	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	\$0	\$1	\$4	(\$2)	(\$17)	(\$29)	(\$39)	(\$48)	(\$50)	(\$44)	(\$30)	(\$10)	(\$265)
													Total (Over)/Under Collection Including Interest
													<u>(\$265)</u>

Notes: ¹ Revenue based on TREC production estimates and annual administrative costs

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

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”); ~~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 ~~0.25410-2068~~ 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	0.49402384	0.20682541

(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

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