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July 31, 2020

**VIA ELECTRONIC MAIL ONLY**

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Ave.  
Trenton, New Jersey 08625  
Board.secretary@bpu.nj.gov

**Re:** In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a New Rate Component of its Rider RRC – RGGI Recovery Charge ("Rider RRC") for Costs Incurred Pursuant to the Mandated Transition Renewable Energy Credit ("TREC") Incentive Program ("**JCP&L Initial TREC Rate Filing**")

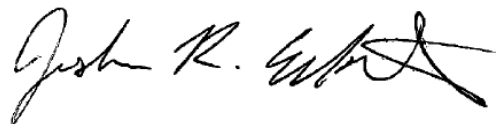
Docket No. ER20050351

Stipulation of Settlement

Dear Secretary Camacho-Welch:

On behalf of Jersey Central Power & Light Company ("JCP&L" or the "Company"), please accept the attached Stipulation of Settlement for filing in the above-referenced matter. In accordance with the Board's Order in Docket No. EO20030254, an electronic copy of this filing is being provided today to the individuals on the attached Service List. This Stipulation of Settlement fully resolves this matter.

Respectfully submitted,



Joshua R. Eckert  
Counsel of Jersey Central Power & Light Company

cc: Service List

In the Matter of Jersey Central Power & Light Company’s Verified Petition to Establish a New Rate Component of its Rider RRC – RGGI Recovery Charge (“Rider RRC”) for Costs Incurred Pursuant to the Mandated Transition Renewable Energy Credit (“TREC”) Incentive Program  
**(“JCP&L Initial TREC Rate Filing”)**

Docket No. ER20050351

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In the Matter of Jersey Central Power & Light Company's Verified Petition to Establish a New Rate Component of its Rider RRC – RGGI Recovery Charge (“Rider RRC”) for Costs Incurred Pursuant to the Mandated Transition Renewable Energy Credit (“TREC”) Incentive Program  
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Docket No. ER20050351

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

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In the Matter of Jersey Central Power & Light Company’s Verified Petition to Establish a New Rate Component of its Rider RRC – RGGI Recovery Charge (“Rider RRC”) for Costs Incurred Pursuant to the Mandated Transition Renewable Energy Credit (“TREC”) Incentive Program (“JCP&L Initial TREC Rate Filing”)	)	<b><u>Stipulation of Settlement</u></b>
	)	
	)	
	)	
	)	BPU Docket No. ER20050351
	)	
	)	
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**APPEARANCES:**

**Joshua R. Eckert, Esq.** (FirstEnergy Service Company), on behalf of Jersey Central Power & Light Company

**Felicia Thomas-Friel**, Deputy Rate Counsel, **Sarah H. Steindel**, Assistant Deputy Rate Counsel, and **Maura Caroselli**, Assistant Deputy Rate Counsel, , on behalf of the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

**Terel Klein** (Deputy Attorney General), for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

This Stipulation of Settlement (“Stipulation”) is hereby made and executed as of the dates indicated below by and among the Petitioner, Jersey Central Power & Light Company (“JCP&L” 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”).

The Parties do hereby join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue an Order approving the Stipulation, without modification, based upon the following terms:

**BACKGROUND**

On May 11, 2020, JCP&L filed a Verified Petition and supporting schedules (“JCP&L’s Initial TREC Rate Filing”) seeking to recover its *pro rata* share of certain costs associated with

the implementation of the Board's Order in In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, C.17, in Docket No. QO19010068, dated December 6, 2019 ("TREC Order").

The TREC Order directed the State's electric distribution companies ("EDCs") to procure a TREC Administrator, whose role will be (a) to acquire all of the Transition Renewable Energy Certificates ("TRECs") produced each year by eligible solar generation projects, and (b) allocate the TRECs to load serving entities for retirement within the generation attribute tracking system ("GATS") as part of the annual renewable portfolio standard compliance process. As part of the TREC procurement process, the TREC Administrator would be paid a fee ("TREC Administrator fee") for providing its services associated with the administration of the TREC process. The terms and conditions governing the determination of the TREC Administrator fee, as well as the administrative services to be provided by the TREC Administrator, are embodied in a TREC contract entered into between the TREC Administrator and the EDCs.

The TREC Order further provided that "the EDCs may recover reasonable and prudent costs for TRECs 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."

In the petition, JCP&L proposed to establish a new rate component ("TREC Rate") of the Company's Rider RRC – RGGI Recovery Charge ("Rider RRC"). The TREC Rate is intended to allow JCP&L to recover the costs and expenses incurred by the Company as a result of its compliance with the TREC Order.

As a result of the COVID-19 pandemic, two telephonic public hearings were held on JCP&L's Initial TREC Rate Filing on July 16, 2020 at 1:00 p.m. and 4:00 p.m., respectively. No

members of the public attended or participated in the telephonic public hearings or filed written comments with the Board.

Following the filing of JCP&L's Initial TREC Rate Filing, the Parties engaged in discovery and exchanged additional information through informal discussions.

### **STIPULATION**

The undersigned Parties DO HEREBY STIPULATE AND AGREE as follows:

1. The Board should approve JCP&L's filing in this proceeding and authorize the Company to establish a TREC Rate as a new rate component of its Rider RRC, effective upon Board approval.

2. The Parties agree that JCP&L's projected revenue requirement for June 1, 2020 through September 30, 2021 is \$11,560,182 based on its proportionate share (28.37%) of the estimated costs and expenses of the procurement of TRECs and the TREC Administrator fee, as well as any other reasonable costs incurred as a result of the Company's participation in the TREC program. The projected amount of these expenditures will be trued-up in a subsequent annual Rider RRC filing. JCP&L will defer its reasonably and prudently incurred costs associated with disposition of its TREC obligations prior to the issuance of a Board order and recover such costs in the initial rate period.

3. The Parties agree that JCP&L may implement an initial TREC Rate of \$0.000523 per kilowatt-hour, exclusive of Sales and Use Tax ("SUT") (which is a TREC rate of \$0.000558, inclusive of SUT) based on the Company's projected revenue requirement. See **Attachments A through D** hereto, which set forth the calculation of JCP&L's projected revenue requirement and the resulting proposed TREC Rate.

4. The Parties agree that the rates established herein are based upon forecasted costs. All costs associated with the TREC program, including those forecasted for the previous year are subject to review by the parties in annual Rider RRC filings.

5. Monthly revenue requirements will be based upon actual costs with over/under recoveries from revenue collected being tracked with interest and included when rates are reset in the Company's future Rider RRC filings. The accrual of interest on the unamortized balance (net of deferred taxes), including any over or under-recovered amounts, will be calculated at the rate and in the manner provided for in the Company's Rider RRC Tariff. See **Attachment E**, which is a copy of JCP&L's proposed Rider RRC Tariff sheet after Board approval of the TREC Rate.

6. Based on the Company's filing, the average monthly bill of a typical residential customer using 768 kilowatt-hours per month will increase by \$0.43, or 0.4%.

7. The Parties agree that, upon the effective date of the Board's written Order approving this Stipulation, all elements of the JCP&L Initial TREC Rate Filing shall be deemed closed and resolved.

### **CONCLUSION**

8. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses, and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then the Party aggrieved thereby shall not be bound to proceed with this Stipulation, and shall have the right, upon written notice to all other Parties within ten (10) days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent

jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein:

a. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation; and

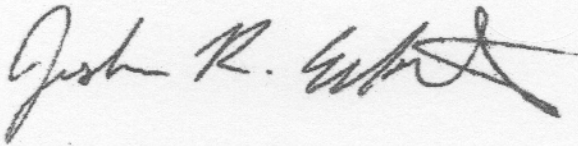
b. The contents of this Stipulation shall not be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

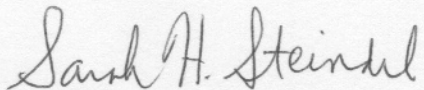


**JERSEY CENTRAL POWER & LIGHT COMPANY**



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Assistant Deputy Rate Counsel,

**Gurbir S. Grewal**  
Attorney General of New Jersey  
Attorney for Staff of the New Jersey Board of Public Utilities



By:  
Terel Klein  
Deputy Attorney General

**Jersey Central Power & Light Company ("JCP&L")  
Transition Renewable Energy Certificate (TREC) Program  
Revenue Requirements Calculation**

NJ EDC TREC Revenue Requirement																		
TREC Price (\$/MWh) <b>\$152.00</b>										Annual Administrator Fee <b>\$900,000</b>					JCP&L Share	28.37%		
(1)	(2)	(3)	(4)	Solar System Allocation Percentages and TREC Price Multipliers <sup>5</sup>			(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)			
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 Column 4 per Col 9	Program Assumption	Col 8 + Col 12	Col 13 x JCP&L Share per Month	Program Assumption	Col 14 + Col 15				
Calendar	New TI Project Capacity by Month's End (MWdc)	Effective Generating Capacity (MWdc)	Production Rate Estimate (MWh/MWdc)	TRECs Created (MWh)	Sub r Roof & NM NR	Community Solar	Sub r Grnd, Resi Grnd & roof, NM NR Grnd	TREC Procurement Payments (\$)	Cumulative TREC Cost / Energy Year (\$)	TRECs / Energy Year (MWh)	TREC Administrator Fee (\$)	TREC Procurement Payment + Administrator Fee (\$)	Month	TREC Procurement Payments + Admin Fee - JCP&L Share (\$)	Other Expenses (\$)	Revenue Requirement (\$)		
1	2020 July	30	5	123	615	36%	0%	64%	\$69,549	21	\$69,549	\$75,000	\$144,549	1	Jul-20	\$41,015	\$0	\$41,015
2	2020 August	40	40	115	4,600	36%	0%	64%	\$520,205	21	\$589,754	\$75,000	\$595,205	2	Aug-20	\$168,886	\$0	\$168,886
3	2020 September	35	80	100	8,000	46%	0%	54%	\$953,344	21	\$1,543,098	\$75,000	\$1,028,344	3	Sep-20	\$291,787	\$0	\$291,787
4	2020 October	30	110	84	9,240	36%	0%	64%	\$1,044,933	21	\$2,588,031	\$75,000	\$1,119,933	4	Oct-20	\$317,775	\$0	\$317,775
5	2020 November	35	145	67	9,715	36%	0%	64%	\$1,098,650	21	\$3,686,681	\$75,000	\$1,173,650	5	Nov-20	\$333,017	\$0	\$333,017
6	2020 December	30	180	58	10,440	46%	0%	54%	\$1,244,114	21	\$4,930,795	\$75,000	\$1,319,114	6	Dec-20	\$374,292	\$0	\$374,292
<b>2020 YTD</b>		<b>200</b>			<b>42,610</b>				<b>\$4,930,795</b>			<b>\$450,000</b>	<b>\$5,380,795</b>					
7	2021 January	30	220	72	15,840	34%	12%	54%	\$1,844,283	21	\$6,775,078	\$75,000	\$1,919,283	7	Jan-21	\$544,586	\$0	\$544,586
8	2021 February	20	240	84	20,160	34%	12%	54%	\$2,347,269	21	\$9,122,347	\$75,000	\$2,422,269	8	Feb-21	\$687,306	\$0	\$687,306
9	2021 March	30	270	102	27,540	40%	12%	47%	\$3,281,887	21	\$12,404,234	\$75,000	\$3,356,887	9	Mar-21	\$952,499	\$0	\$952,499
10	2021 April	20	290	113	32,770	34%	12%	54%	\$3,815,477	21	\$16,219,710	\$75,000	\$3,890,477	10	Apr-21	\$1,103,902	\$0	\$1,103,902
11	2021 May	20	310	118	36,580	34%	12%	54%	\$4,259,083	21	\$20,478,793	\$75,000	\$4,334,083	11	May-21	\$1,229,773	\$0	\$1,229,773
12	2021 June	15	325	118	38,350	46%	12%	47%	\$4,919,845	22	\$4,919,845	\$75,000	\$4,994,845	12	Jun-21	\$1,417,261	\$0	\$1,417,261
13	2021 July	15	340	123	41,820	34%	12%	54%	\$4,869,186	22	\$9,789,031	\$75,000	\$4,944,186	13	Jul-21	\$1,402,886	\$0	\$1,402,886
14	2021 August	20	360	115	41,400	34%	12%	54%	\$4,820,285	22	\$14,609,316	\$75,000	\$4,895,285	14	Aug-21	\$1,389,011	\$0	\$1,389,011
15	2021 September	20	380	100	38,000	40%	12%	47%	\$4,528,384	22	\$19,137,700	\$75,000	\$4,603,384	15	Sep-21	\$1,306,186	\$0	\$1,306,186
16	2021 October	20	400	84	33,600	34%	12%	54%	\$3,912,115	22	\$23,049,815	\$75,000	\$3,987,115	16	Oct-21	\$1,131,323	\$0	\$1,131,323
17	2021 November	15	415	67	27,805	34%	12%	54%	\$3,237,392	22	\$26,287,207	\$75,000	\$3,312,392	17	Nov-21	\$939,873	\$0	\$939,873
18	2021 December	7	422	58	24,476	41%	12%	47%	\$2,953,959	22	\$29,241,166	\$75,000	\$3,028,959	18	Dec-21	\$859,451	\$0	\$859,451
<b>2021 YTD</b>		<b>232</b>			<b>378,341</b>				<b>\$44,789,164</b>			<b>\$900,000</b>	<b>\$45,689,164</b>					
19	2022 January	0	432	72	31,104	41%	12%	47%	\$3,753,880	22	\$32,995,046	\$75,000	\$3,828,880	19	Jan-22	\$1,086,424	\$0	\$1,086,424
20	2022 February	0	432	84	36,288	41%	12%	47%	\$4,379,526	22	\$37,374,572	\$75,000	\$4,454,526	20	Feb-22	\$1,263,948	\$0	\$1,263,948
21	2022 March	0	432	102	44,064	41%	12%	47%	\$5,317,996	22	\$42,692,568	\$75,000	\$5,392,996	21	Mar-22	\$1,530,234	\$0	\$1,530,234
22	2022 April	0	432	113	48,816	41%	12%	47%	\$5,891,505	22	\$48,584,073	\$75,000	\$5,966,505	22	Apr-22	\$1,692,964	\$0	\$1,692,964
23	2022 May	0	432	118	50,976	41%	12%	47%	\$6,152,191	22	\$54,736,265	\$75,000	\$6,227,191	23	May-22	\$1,766,932	\$0	\$1,766,932
24	2022 June	0	432	118	50,976	41%	12%	47%	\$6,152,191	23	\$6,152,191	\$75,000	\$6,227,191	24	Jun-22	\$1,766,932	\$0	\$1,766,932
25	2022 July	0	432	123	53,136	41%	12%	47%	\$6,412,878	23	\$12,565,069	\$75,000	\$6,487,878	25	Jul-22	\$1,840,901	\$0	\$1,840,901
26	2022 August	0	432	115	49,680	41%	12%	47%	\$5,995,780	23	\$18,560,849	\$75,000	\$6,070,780	26	Aug-22	\$1,722,551	\$0	\$1,722,551
27	2022 September	0	432	100	43,200	41%	12%	47%	\$5,213,722	23	\$23,774,570	\$75,000	\$5,288,722	27	Sep-22	\$1,500,647	\$0	\$1,500,647
28	2022 October	0	432	84	36,288	41%	12%	47%	\$4,379,526	23	\$28,154,097	\$75,000	\$4,454,526	28	Oct-22	\$1,263,948	\$0	\$1,263,948
29	2022 November	0	432	67	28,944	41%	12%	47%	\$3,493,193	23	\$31,647,290	\$75,000	\$3,568,193	29	Nov-22	\$1,012,456	\$0	\$1,012,456
30	2022 December	0	432	58	25,056	41%	12%	47%	\$3,023,959	23	\$34,671,249	\$75,000	\$3,098,959	30	Dec-22	\$879,313	\$0	\$879,313
<b>2022 YTD</b>		<b>0</b>			<b>498,528</b>				<b>\$60,166,347</b>			<b>\$900,000</b>	<b>\$61,066,347</b>					
31	2023 January	0	432	72	31,104	41%	12%	47%	\$3,753,880	23	\$38,425,128	\$75,000	\$3,828,880	31	Jan-23	\$1,086,424	\$0	\$1,086,424
32	2023 February	0	432	84	36,288	41%	12%	47%	\$4,379,526	23	\$42,804,654	\$75,000	\$4,454,526	32	Feb-23	\$1,263,948	\$0	\$1,263,948
33	2023 March	0	432	102	44,064	41%	12%	47%	\$5,317,996	23	\$48,122,650	\$75,000	\$5,392,996	33	Mar-23	\$1,530,234	\$0	\$1,530,234
34	2023 April	0	432	113	48,816	41%	12%	47%	\$5,891,505	23	\$54,014,156	\$75,000	\$5,966,505	34	Apr-23	\$1,692,964	\$0	\$1,692,964
35	2023 May	0	432	118	50,976	41%	12%	47%	\$6,152,191	23	\$60,166,347	\$75,000	\$6,227,191	35	May-23	\$1,766,932	\$0	\$1,766,932
36	2023 June	0	432	118	50,976	41%	12%	47%	\$6,152,191	24	\$6,152,191	\$75,000	\$6,227,191	36	Jun-23	\$1,766,932	\$0	\$1,766,932
<b>2023 YTD</b>		<b>0</b>			<b>262,224</b>				<b>\$31,647,290</b>			<b>\$1,650,000</b>	<b>\$109,574,037</b>					
<b>Three Year Totals</b>		<b>432</b>	<b>432</b>		<b>1,181,703</b>				<b>\$141,533,596</b>		<b>\$141,533,596</b>	<b>1,181,703</b>	<b>\$6,600,000</b>	<b>\$365,943,940</b>				

**Transition Renewable Energy Certificate (TREC) Program  
Actual Billed Sales (kWh)  
by Electric Distributon Company ("EDC")**

Mo.#	1	2	3	4	5	6	7	8	9	10	11	12		
Year	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019		%
Month	January	February	March	April	May	June	July	August	September	October	November	December	Total	of 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%
<b>Total</b>	<b>6,161,195,437</b>	<b>5,824,236,480</b>	<b>5,537,895,984</b>	<b>5,009,654,212</b>	<b>4,881,460,299</b>	<b>5,645,205,539</b>	<b>7,307,944,113</b>	<b>7,802,432,578</b>	<b>6,756,049,117</b>	<b>5,505,579,692</b>	<b>5,010,495,636</b>	<b>5,711,226,470</b>	<b>71,153,375,557</b>	<b>100.00%</b>

Jersey Central Power & Light Company  
 2018 RGGI Recovery Charge - Rider RRC Filing  
 Transition Renewable Energy Certificate ("TREC") Program  
 Proposed Rate Calculations  
 Expenditures For the Period July 2020 through Sept.2021  
 Proposed Rate Effective September 1, 2020

<b>Calculation of a Proposed Increase in Rider RRC Composite Rate</b>	Effective Sept.1, 2020	Refer to Attachment D
<b>Computation of Initial Rider RRC - TREC Program Tariff Rate</b>		
1 TREC Revenue Requirements (July 2020 through September 2021)	\$ 11,560,182.00	Line 3
2 Add: Forecast TREC Program Costs Incurred Prior to July 1, 2020	-	Line 6
3 Total TREC Revenue Requirements (July 2020 through September 2021)	\$ 11,560,182.00	L2 + L3
4 Forecast MWh Retail Sales for the 13 Months Ended September 30, 2021	22,118,184	Line 1
5 Proposed Rider RRC-TREC before SUT (\$/kWh) at Sept.1, 2020	\$ 0.000523	L4 ÷ L5 ÷ 1000

**Jersey Central Power & Light Company ("JCP&L")  
Transition Renewable Energy Certificate (TREC) Program  
Forecast (Over)/Under Calculation  
For the Period July 2020 to Sept.2021**

Attachment D

Page 1 of 2

Line #	TREC (Over)/Under Calculation	Formulae	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021
1	Forecast Monthly Rider RRC Sales (in kWh)		-	-	1,958,624,158	1,563,738,651	1,418,375,420	1,528,060,347	1,819,146,815	1,674,642,210
2	Proposed TREC Rate effective 9/1/2020 in (\$/kWh)		\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523
3	TREC Revenue	L1 × L2	\$ -	\$ -	\$ 1,023,685	\$ 817,296	\$ 741,321	\$ 798,649	\$ 950,786	\$ 875,260
4	Revenue Requirements		41,015	168,886	291,787	317,775	333,017	374,292	544,586	687,306
5	Monthly Over/(Under) Recovery	L3 - L4	\$ (41,015)	\$ (168,886)	\$ 731,898	\$ 499,521	\$ 408,304	\$ 424,357	\$ 406,200	\$ 187,954
6	Beginning Deferred TREC Program Costs Balance *		-	(41,015)	(209,901)	521,997	1,021,518	1,429,822	1,854,179	2,260,379
7	Ending Deferred TREC Program Costs Balance	L5 + L6	\$ (41,015)	\$ (209,901)	\$ 521,997	\$ 1,021,518	\$ 1,429,822	\$ 1,854,179	\$ 2,260,379	\$ 2,448,333
<b>Computation of Interest on Over/Under Recovery</b>										
8	Average Deferred TREC Program Costs Balance	(L6 + L7) ÷ 2	\$ (20,508)	\$ (125,458)	\$ 156,048	\$ 771,758	\$ 1,225,670	\$ 1,642,001	\$ 2,057,279	\$ 2,354,356
9	Combined Tax Rate %		28.110%	28.110%	28.110%	28.110%	28.110%	28.110%	28.110%	28.110%
10	Accumulated Deferred RRC Income Taxes	L8 × L9	\$ (5,765)	\$ (35,266)	\$ 43,865	\$ 216,941	\$ 344,536	\$ 461,566	\$ 578,301	\$ 661,809
11	AVERAGE RRC Principal Balance Excl.Dfd.Taxes	L9 - L10	\$ (14,743)	\$ (90,192)	\$ 112,183	\$ 554,816	\$ 881,134	\$ 1,180,434	\$ 1,478,978	\$ 1,692,547
12	Multiply by: Total Rider RRC Program Interest Rate		0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
13	Divided By: Months Per Year		12	12	12	12	12	12	12	12
14	Interest (Income)/Expense	(L11×L12)÷L13	\$ (10)	\$ (62)	\$ 78	\$ 384	\$ 609	\$ 816	\$ 1,023	\$ 1,171
15	Beginning Deferred TREC Program Costs Balance		-	(10)	(72)	6	390	999	1,815	2,838
16	Ending Deferred TREC Program Costs Balance	L14 + L15	\$ (10)	\$ (72)	\$ 6	\$ 390	\$ 999	\$ 1,815	\$ 2,838	\$ 4,009
17	Ending Deferred TREC Program Costs Balance Incl.Interest	L7 + L16	\$ (41,025)	\$ (209,973)	\$ 522,003	\$ 1,021,908	\$ 1,430,821	\$ 1,855,994	\$ 2,263,217	\$ 2,452,342

\* TREC Program Costs Incurred prior to July 1, 2020 per Line 2, Attachment C

**Jersey Central Power & Light Company ("JCP&L")  
Transition Renewable Energy Certificate (TREC) Program  
Forecast (Over)/Under Calculation  
For the Period July 2020 to Sept.2021**

Line #	TREC (Over)/Under Calculation	Formulae	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	Totals July 2020 to Sept.2021
1	Forecast Monthly Rider RRC Sales (in kWh)		1,562,278,319	1,423,842,902	1,413,711,611	1,648,376,895	1,998,195,139	2,165,467,886	1,943,723,534	22,118,183,887
2	Proposed TREC Rate effective 9/1/2020 in (\$/kWh)		\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523	\$ 0.000523
3	TREC Revenue	L1 × L2	\$ 816,533	\$ 744,179	\$ 738,884	\$ 861,533	\$ 1,044,367	\$ 1,131,793	\$ 1,015,897	\$ 11,560,183
4	Revenue Requirements		952,499	1,103,902	1,229,773	1,417,261	1,402,886	1,389,011	1,306,186	11,560,182
5	Monthly Over/(Under) Recovery	L3 - L4	\$ (135,966)	\$ (359,723)	\$ (490,889)	\$ (555,728)	\$ (358,519)	\$ (257,218)	\$ (290,289)	\$ 1
6	Beginning Deferred TREC Program Costs Balance *		2,448,333	2,312,367	1,952,644	1,461,755	906,027	547,508	290,290	-
7	Ending Deferred TREC Program Costs Balance	L5 + L6	\$ 2,312,367	\$ 1,952,644	\$ 1,461,755	\$ 906,027	\$ 547,508	\$ 290,290	\$ 1	\$ 1
<b>Computation of Interest on Over/Under Recovery</b>										
8	Average Deferred TREC Program Costs Balance	(L6 + L7) ÷ 2	\$ 2,380,350	\$ 2,132,506	\$ 1,707,200	\$ 1,183,891	\$ 726,768	\$ 418,899	\$ 145,146	
9	Combined Tax Rate %		28.110%	28.110%	28.110%	28.110%	28.110%	28.110%	28.110%	
10	Accumulated Deferred RRC Income Taxes	L8 × L9	\$ 669,116	\$ 599,447	\$ 479,894	\$ 332,792	\$ 204,294	\$ 117,753	\$ 40,800	
11	AVERAGE RRC Principal Balance Excl.Dfd.Taxes	L9 - L10	\$ 1,711,234	\$ 1,533,058	\$ 1,227,306	\$ 851,099	\$ 522,473	\$ 301,146	\$ 104,345	
12	Multiply by: Total Rider RRC Program Interest Rate		0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	
13	Divided By: Months Per Year		12	12	12	12	12	12	12	
14	Interest (Income)/Expense	(L11×L12)÷L13	\$ 1,184	\$ 1,060	\$ 849	\$ 589	\$ 361	\$ 208	\$ 72	\$ 8,332
15	Beginning Deferred TREC Program Costs Balance		4,009	5,193	6,253	7,102	7,691	8,052	8,260	-
16	Ending Deferred TREC Program Costs Balance	L14 + L15	\$ 5,193	\$ 6,253	\$ 7,102	\$ 7,691	\$ 8,052	\$ 8,260	\$ 8,332	\$ 8,332
17	Ending Deferred TREC Program Costs Balance Incl.Interest	L7 + L16	\$ 2,317,560	\$ 1,958,897	\$ 1,468,857	\$ 913,718	\$ 555,560	\$ 298,550	\$ 8,333	\$ 8,333

\* TREC Program Costs Incurred prior to July 1, 2020 per Line 2, Attachment C

**ATTACHMENT E**

**PROPOSED RIDER RRC TARIFF SHEET**

<p><b>Rider RRC</b> <b>RGGI Recovery Charge</b></p>
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**APPLICABILITY:** Rider RRC provides a charge for the costs associated with demand response/energy efficiency/renewable energy programs directed by the BPU as detailed below. The RGGI Recovery Charge (RRC) is applicable to all KWH usage of any Full Service Customer or Delivery Service Customer.

For service rendered effective September 1, 2020:

RRC = \$0.000523 per KWH (\$0.000558 per KWH including SUT)

The above RRC provides recovery for the followings:

**Solar Renewable Energy Certificates Financing Program (SREC I & II)**

Pursuant to BPU Orders dated March 27, 2009 and September 16, 2009 (Docket No. EO08090840) approving an SREC-based financing program (SREC I), pursuant to BPU Order dated December 18, 2013 (Docket No. EO12080750) approving the SREC II, and pursuant to BPU Order dated December 20, 2019 (Docket No. ER19070806) approving the Stipulation of Settlement, the Company shall include an SREC I & II Rate of \$0.000000 per kWh in RRC effective January 1, 2020.

**Transition Renewable Energy Credit Incentive Program (TREC Program)**

On December 19, 2019, the Board issued an Order in Docket No. QO19010068 ("December 19, 2019 Order"), establishing a transition renewable energy credit ("TREC") program to be implemented upon the attainment of 5.1% of the retail electric sales in the State being from solar. Solar projects that become operational after the State's attainment of the 5.1% milestone but prior to the implementation of a successor solar program will be eligible to participate in the TREC Program, as determined by the Board. The December 19, 2019 Order required the New Jersey Electric Distribution Companies ("EDCs") to purchase all TRECs generated and authorized the EDCs to recover their reasonable and prudent costs incurred for the purchase of TRECs and the fees charged by a TREC Administrator (generally, "TREC Program Costs"). The December 19, 2019 Order further provided that "[r]ecovery shall be based on each EDC's proportionate share of retail electric sales."

The TREC Rate recovers JCP&L's proportional share of TREC Program Costs, including, but not limited to, those costs associated with the purchase of TRECs, fees charged by the TREC Administrator, and any additional costs or expenses incurred by JCP&L as a result of the Company's participation in or implementation of the TREC program.

The TREC Rate for all customer classes is \$0.000523/kWh, effective September 1, 2020.

The combined SREC I & II and TREC Rate effective September 1, 2020 shall be \$0.000523 per kWh.

The RRC costs shall accrue interest on any over or under recovered balances of such costs at the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the Company's overall rate of return as approved by the BPU. Such interest rate shall be reset each month. The interest calculation shall be based on the net of tax beginning and end average monthly balance, consistent with the methodology in the Board's Final Order dated May 17, 2004 (Docket No. ER02080506 et al.), compounded annually (added to the balance on which interest is accrued annually) on January 1 of each year.

The RRC is subject to annual true-up.

**Issued:**

**Effective:**

**Filed pursuant to Order of Board of Public Utilities  
Docket No.**

**dated**