

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

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| IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING THE SETTING OF THE ADMINISTRATIVE FEE AND THE REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") RECOVERY CHARGE FOR 2021 ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE (SREC II) PROGRAM | VERIFIED PETITION BPU Docket No. _____ |
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VERIFIED PETITION

Rockland Electric Company¹ (hereinafter referred to as the “the Company” or “RECO”), 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. respectfully requests that the Board of Public Utilities (“BPU” or the “Board”) accept this Petition as the Company’s proposal for cost recovery and the establishment of its annual Administrative Fee and the applicable Regional Greenhouse Gas Initiative Recovery Charge (“RGGI Surcharge”) pursuant to the Board’s Order issued on December 18, 2013 (the “December 2013 Order”) in Docket No. EO13020118 ("RECO SREC II Order").² The Company seeks approval of the proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2021 and cost recovery contained herein.

BACKGROUND

1. In the RECO SREC II Order the Board approved a Stipulation of Settlement, which

¹ 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").

² *In the Matter of the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to NJ.SA. 48:3-98. I (SREC II Program)*, Docket No. EO13020118 Order Approving Stipulation (dated December 18, 2013) ("RECO SREC II Order")

set forth how RECO would participate in an SREC-based financing plan with Jersey Central Power & Light Company ("JCP&L") and Atlantic Electric Company ("ACE"). Pursuant to this Board-approved Stipulation, RECO agreed to implement an SREC II Program whereby it would enter into SREC Purchase and Sale Agreements ("SREC-PSAs"), with solar project owners or developers ("Program Participants") selected through a competitive process. Specifically, RECO agreed to enter into SREC-PSAs with selected Program Participants for up to 4.5 MW of installed solar capacity in RECO's service territory, allocated among three program segments and solicited over a three-year period.

2. Pursuant to the SREC II Order, RECO's SREC II Program solicitations were held jointly and in conjunction with the solicitation scheduled for JCP&L and ACE. RECO, along with other EDCs, participated in nine solicitation auctions conducted by Navigant Consulting on behalf of the Board's Staff. The ninth and final solicitation auction was approved by the Board at its August 29, 2018 agenda meeting.

3. The RECO SREC II Order³ also provided that after five years "there will be a true-up of Administrative Costs (including interest, if applicable) and Program Participant Fees, and Program Participant Fees will be adjusted accordingly on a prospective basis." On February 4, 2019, the Company filed its initial Petition (the "2019 SREC II Petition") to true-up Administrative Costs and Program Participant Fees, and adjust its Administrative Fee. The 2019 SREC II Petition proposed the continuation of the Administrative Fee of \$30 per SREC because there was a large under-recovery balance of Administrative Costs that would require a large increase of the Administrative Fee to recover, and the Company was concerned that the increase in the Administrative Fee would negatively impact the Company's SREC II program. The Petition also proposed to establish its RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kWh. Following several rounds of discovery by

³ SREC II Order at 10.

the Staff of the Board (“Staff”) and Rate Counsel (together, “the Parties”), and responses by the Company, the Parties entered into a Stipulation (“2020 SREC II Stipulation”) dated December 6, 2019, which agreed to continue the Company’s Administrative Fee for calendar year 2019 at the \$30 per SREC and continue the \$30 Administrative Fee for calendar year 2020 until a review can be conducted by the parties. Further, the Parties agreed that the RGGI surcharge associated with the SREC II Program be set by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax, that RECO carry forward its unrecovered administrative fee balance for recovery from Program Participants in future annual periods with interest, and the Company will file its next SREC II filing establishing its proposed Administrative Fees and SREC II component of its RGGI surcharge for calendar year 2021 by no later than October 31, 2020. The Board approved the 2019 SREC II Stipulation on December 20, 2019 in Docket No. ER19020156.⁴

PROGRAM PARTICIPATION

4. The December 2013 Order envisioned that, as a result of all of the SREC II solicitations, RECO’s share of the statewide goal of 180 MWs for SREC II total capacity would be 4.5 MWs. The actual MW capacity level for RECO’s SREC II Program was substantially below the expected level of 4.5 MWs. This reduced participation level has had a detrimental impact on the Company’s ability to recover its administrative costs as contemplated in the SREC II Order. As demonstrated in the following section, if the cost recovery mechanism contemplated by the SREC II Order were adhered to, RECO would not be able to effectively recover its costs of administering the SREC II Program. Similarly, it would be unable to establish an Administrative Fee for 2021 without jeopardizing the program’s future

⁴ Decision and Order Approving Stipulation, *In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI" for 2019 Associated with Its Solar Renewable Energy Certificate (SREC II) Program*, BPU Docket No. ER19020156 (December 20, 2019).

viability.

PROGRAM PARTICIPANT FEES AND COST RECOVERY

5. The December 2013 Order states that “RECO will assess Application Fees, Assignment Fees and Administrative Fees (collectively, Program Participant Fees’) to Program Participants.”⁵ The December 2013 Order initially set the Administrative Fee at a charge to program participants of \$30 per SREC.⁶ The December 2013 Order further provides that, “after five years, there will be a true-up of Administrative Costs and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period.”⁷ From the inception of the SREC II Program through 2020,⁸ RECO’s under-recovered balance of Administrative Costs is \$68,952,⁹ excluding interest. RECO projects its administrative costs through calendar year 2021, with interest, to be \$159,037. Exhibits A and B, attached hereto, set forth the unrecovered Administrative Cost balance from initiation of the SREC II Program through 2020,¹⁰ plus the projected Administrative Costs and interest through calendar year 2021. Using the recovery mechanism set out in the SREC II Order, RECO’s Administrative Fee would be \$45.28 per SREC, as shown in Exhibit B. RECO believes that an increase of this magnitude from the current Administrative Fee of \$30 will cause the SREC II Program to fail, as Program Participants will likely seek to terminate their participation.

6. The SREC II Order provides that “the purpose of the Program Participant Fees is

⁵ SREC II Order at 10.

⁶ *Id.*

⁷ *Id.* at 11.

⁸ Administrative Fees for October 2020 through December 2020 are estimated.

⁹ Administrative Costs for October 2020 through December 2020 are estimated.

¹⁰ See footnotes 8 and 9.

to allow the Company to recover all of its Administrative Costs for the SREC II Program from Program Participants.”¹¹ Based upon the applicable data set forth in Exhibits A and B, and applying that data in strict adherence to the cost recovery mechanism contemplated in the SREC II Order will prohibit the Company from being able to fully recover its administrative costs as Program Participants will likely withdraw from participation. While the actual SREC II program participation level is less than was originally contemplated, RECO believes that no precipitous action should be taken at this time that could cause the SREC II Program to be detrimentally impacted. Therefore, in order to avoid the possibility of a premature termination of the SREC II Program, RECO is requesting Board approval to allow it to maintain the Administrative Fee at the current level of \$30 for calendar year 2021, and further requests that RECO be authorized to carry forward any unrecovered Program Participant Fees, including Administrative Fees, for recovery from Program Participants in a future annual period(s).

7. As shown in Exhibits D through F, based upon SREC II Program Direct Costs and SREC II Auction Revenues through 2020,¹² and projected SREC II Program Direct Costs and SREC II Auction Revenues through calendar year 2021, there is projected to be an over-recovered balance of Direct Costs, excluding interest, of \$189,848. Pursuant to the SREC II Order, any such over-recovery shall be deferred and applied to recovery of future Direct Costs.¹³ Accordingly, the Rider RGGI Surcharge for the recovery of the SREC II Program’s Direct Costs is proposed to be continued at its current charge of \$0.000000 per kWh. Exhibit G provides the proposed tariff page consistent with the proposals contained herein to be applicable through 2021.

PUBLIC NOTICE

8. The Company is not seeking any rate increase at this time in connection with its

¹¹ *Id.*

¹² SREC payments are estimated for November through December 2020.

¹³ *Id.*

SREC II Program, and therefore Public Notices will not need to be published or served pursuant *N.J.A.C.* 14:1-5.12(b)1 and 3, (c) and (d).

COMMUNICATIONS

9. Communications and correspondence related to this Petition should be sent as follows:

Margaret Comes, Esq. Associate Counsel
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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. Approving the continuation of the Administrative Fee for calendar year 2021 at the level of \$30 per SREC;
2. Approving the Company's proposal to defer any unrecovered Program Participant Fees for recovery from program participants in future Program periods;
3. Further approving the continuation of the RGGI Surcharge for recovery of the SREC II Program's Direct Costs at \$0.000000 per kWh; and

4. Granting such other or further relief as may be necessary to implement the purposes stated herein.

Dated: October 29, 2020

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes

Margaret Comes

Associate Counsel

Consolidated Edison Company of New
York, Inc.

Law Department, 18th Floor

4 Irving Place

New York, NY 10003

Attorney for Rockland Electric Company

VERIFICATION


STATE OF NEW YORK)

: SS

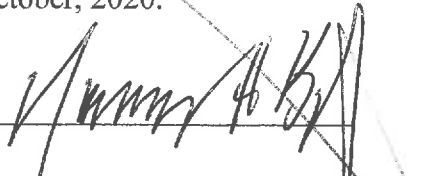
COUNTY OF ROCKLAND)

Christina C. Ho, of full age, being duly sworn according to law, on his oath deposes and says

1. I am the Vice President – Customer Service of Rockland Electric Company, the petitioner in the foregoing Petition.
2. I have read the annexed petition, and the matters and things contained therein are true to the best of my knowledge and belief.



Sworn to and subscribed to
before me this 29 day
of October, 2020.



DAVID H. BRAUNFOTEL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BR5019642
Qualified in Rockland County
My Commission Expires October 25, 2021

ROCKLAND ELECTRIC COMPANY
 Administrative Fee Development
 Administrative Cost - To be recovered from Program Participants
 Solar Renewable Energy Credit II (SREC II) Financing Program

SREC II Administrative Monthly Over/Under Recovered Balances

| Month | (1) Administrative Fees* | (2) Administrative Costs* | (3) Over/(Under) Recovery | (4) Over/(Under) Recovery | (5) Beginning Monthly Balance | (6) Over/(Under) Recovery Ending Monthly Balance | (7) Avg Monthly Balance | (8) Net of Tax Avg Monthly Balance | (9) Interest Rate | (10) Monthly Interest |
|--------|-----------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|---|----------------------------|---------------------------------------|----------------------|--------------------------|
| Oct-13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.93% | \$0 |
| Nov-13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.93% | \$0 |
| Dec-13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.90% | \$0 |
| Jan-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.99% | \$0 |
| Feb-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.90% | \$0 |
| Mar-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.92% | \$0 |
| Apr-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.04% | \$0 |
| May-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.01% | \$0 |
| Jun-14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.99% | \$0 |
| Jul-14 | 0 | 720 | 720 | 0 | 720 | 360 | 213 | 0 | 1.07% | \$0 |
| Aug-14 | 0 | 240 | 240 | 720 | 959 | 840 | 497 | 0 | 1.07% | \$0 |
| Sep-14 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.13% | \$1 |
| Oct-14 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.13% | \$1 |
| Nov-14 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.12% | \$1 |
| Dec-14 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.09% | \$1 |
| Jan-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.26% | \$1 |
| Feb-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.09% | \$1 |
| Mar-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.26% | \$1 |
| Apr-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.15% | \$1 |
| May-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.20% | \$1 |
| Jun-15 | 0 | 0 | 0 | 959 | 959 | 959 | 567 | 0 | 1.24% | \$1 |
| Jul-15 | 0 | 9,350 | 9,350 | 959 | 10,309 | 5,634 | 3,333 | 0 | 1.29% | \$4 |
| Aug-15 | 0 | 0 | 0 | 10,309 | 10,309 | 10,309 | 6,098 | 0 | 1.28% | \$7 |
| Sep-15 | 0 | 874 | 874 | 10,309 | 11,183 | 10,746 | 6,356 | 0 | 1.30% | \$7 |
| Oct-15 | 0 | 2,104 | 2,104 | 11,183 | 13,286 | 12,235 | 7,237 | 0 | 1.24% | \$7 |
| Nov-15 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.37% | \$9 |
| Dec-15 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.51% | \$10 |
| Jan-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.62% | \$11 |
| Feb-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.35% | \$9 |
| Mar-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.45% | \$9 |
| Apr-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.36% | \$9 |
| May-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.40% | \$9 |
| Jun-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.51% | \$10 |
| Jul-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.19% | \$8 |
| Aug-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.27% | \$8 |
| Sep-16 | 0 | 0 | 0 | 13,286 | 13,286 | 13,286 | 7,859 | 0 | 1.38% | \$9 |
| Oct-16 | 0 | 6,750 | 6,750 | 13,286 | 20,037 | 16,662 | 9,855 | 0 | 1.40% | \$11 |
| Nov-16 | 0 | 0 | 0 | 20,037 | 20,037 | 20,037 | 11,852 | 0 | 1.43% | \$14 |
| Dec-16 | 0 | 0 | 0 | 20,037 | 20,037 | 20,037 | 11,852 | 0 | 1.74% | \$17 |
| Jan-17 | 0 | 4,943 | 4,943 | 20,037 | 24,980 | 22,508 | 13,314 | 0 | 1.82% | \$20 |
| Feb-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.82% | \$22 |
| Mar-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.89% | \$23 |
| Apr-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.84% | \$23 |
| May-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.88% | \$23 |
| Jun-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.88% | \$23 |
| Jul-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 2.01% | \$25 |
| Aug-17 | 0 | 0 | 0 | 24,980 | 24,980 | 24,980 | 14,776 | 0 | 1.94% | \$24 |
| Sep-17 | 150 | 0 | (150) | 24,980 | 24,830 | 24,905 | 14,731 | 0 | 1.95% | \$24 |
| Oct-17 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 14,687 | 0 | 2.09% | \$26 |
| Nov-17 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 14,687 | 0 | 2.21% | \$27 |
| Dec-17 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 14,687 | 0 | 2.38% | \$29 |
| Jan-18 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 17,850 | 0 | 2.52% | \$37 |
| Feb-18 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 17,850 | 0 | 2.76% | \$41 |
| Mar-18 | 0 | 0 | 0 | 24,830 | 24,830 | 24,830 | 17,850 | 0 | 2.82% | \$42 |
| Apr-18 | 0 | 653 | 653 | 24,830 | 25,483 | 25,157 | 18,085 | 0 | 2.85% | \$43 |
| May-18 | 0 | (1,307) | (1,307) | 25,483 | 24,177 | 24,830 | 17,850 | 0 | 3.10% | \$46 |
| Jun-18 | 0 | 0 | 0 | 24,177 | 24,177 | 24,177 | 17,381 | 0 | 3.07% | \$44 |
| Jul-18 | 0 | 0 | 0 | 24,177 | 24,177 | 24,177 | 17,381 | 0 | 3.17% | \$46 |
| Aug-18 | 0 | 0 | 0 | 24,177 | 24,177 | 24,177 | 17,381 | 0 | 3.27% | \$47 |
| Sep-18 | 0 | 0 | 0 | 24,177 | 24,177 | 24,177 | 17,381 | 0 | 3.26% | \$47 |
| Oct-18 | 0 | 0 | 0 | 24,177 | 24,177 | 24,177 | 17,381 | 0 | 3.42% | \$50 |
| Nov-18 | 300 | 0 | (300) | 24,177 | 23,877 | 24,027 | 17,273 | 0 | 3.44% | \$50 |
| Dec-18 | 0 | 15,026 | 15,026 | 23,877 | 38,903 | 31,390 | 22,566 | 0 | 3.43% | \$65 |
| Jan-19 | 0 | 500 | 500 | 38,903 | 39,403 | 39,153 | 28,147 | 0 | 3.10% | \$73 |
| Feb-19 | 1,000 | 0 | (1,000) | 39,403 | 38,403 | 38,903 | 27,968 | 0 | 3.12% | \$73 |
| Mar-19 | 0 | 0 | 0 | 38,403 | 38,403 | 38,403 | 27,608 | 0 | 3.15% | \$72 |
| Apr-19 | 0 | 0 | 0 | 38,403 | 38,403 | 38,403 | 27,608 | 0 | 2.93% | \$67 |
| May-19 | 0 | 0 | 0 | 38,403 | 38,403 | 38,403 | 27,608 | 0 | 2.91% | \$67 |
| Jun-19 | 0 | 4,744 | 4,744 | 38,403 | 43,148 | 40,775 | 29,313 | 0 | 2.42% | \$59 |
| Jul-19 | 1,000 | 2,209 | 1,209 | 43,148 | 44,357 | 43,752 | 31,453 | 0 | 2.38% | \$62 |
| Aug-19 | 0 | 0 | 0 | 44,357 | 44,357 | 44,357 | 31,888 | 0 | 2.33% | \$62 |
| Sep-19 | 17,400 | 22,684 | 5,284 | 44,357 | 49,641 | 46,999 | 33,787 | 0 | 2.07% | \$58 |
| Oct-19 | 0 | 0 | 0 | 49,641 | 49,641 | 49,641 | 35,687 | 0 | 2.16% | \$64 |

* October through December 2020 Administrative Fees and Costs are estimated

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

| Month | Administrative Fees* | Administrative Cost* | Over/(Under) Recovery | Over/(Under) Recovery Beginning Monthly Balance | Over/(Under) Recovery Ending Monthly Balance | Avg Monthly Balance | Net of Tax Avg Monthly Balance | Interest Rate | Monthly Interest |
|--------|----------------------|----------------------|-----------------------|---|--|---------------------|--------------------------------|---------------|--------------------|
| Nov-19 | 10,230 | 13,337 | 3,107 | 49,641 | 52,747 | 51,194 | 36,803 | 2.16% | \$66 |
| Dec-19 | 0 | 4,550 | 4,550 | 52,747 | 57,297 | 55,022 | 39,555 | 2.21% | \$73 |
| Jan-20 | 0 | 500 | 500 | 57,297 | 57,797 | 57,547 | 41,371 | 2.18% | \$75 |
| Feb-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 1.96% | \$68 |
| Mar-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 1.44% | \$50 |
| Apr-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 0.83% | \$29 |
| May-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 0.80% | \$28 |
| Jun-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 0.74% | \$26 |
| Jul-20 | 0 | 0 | 0 | 57,797 | 57,797 | 57,797 | 41,550 | 0.77% | \$27 |
| Aug-20 | 14,670 | 19,125 | 4,455 | 57,797 | 62,252 | 60,024 | 43,152 | 0.71% | \$26 |
| Sep-20 | 0 | 0 | 0 | 62,252 | 62,252 | 62,252 | 44,753 | 0.73% | \$27 |
| Oct-20 | 6,750 | 8,800 | 2,050 | 62,252 | 64,302 | 63,277 | 45,490 | 0.73% | \$28 Est. Interest |
| Nov-20 | 0 | 4,650 | 4,650 | 64,302 | 68,952 | 66,627 | 47,898 | 0.73% | \$29 Est. Interest |
| Dec-20 | 0 | 0 | 0 | 68,952 | 68,952 | 68,952 | 49,569 | 0.73% | \$30 Est. Interest |
| | 51,500 | 120,452 | 68,952 | | | | | | \$2,260 |

| Tax Factor | Pre 1/1/2018 | Eff 1/1/2018 |
|-------------------------|--------------|--------------|
| Federal Income Tax Rate | 35.00% | 21.00% |
| State Income Tax Rate | 9.00% | 9.00% |
| Tax Factor | 0.4085 | 0.2811 |

* October through December 2020 Administrative Fees and Costs are estimated

Exhibit B

ROCKLAND ELECTRIC COMPANY

Administrative Fee Development

Administrative Cost - To be recover from Program Participants

Solar Renewable Energy Credit II (SREC II) Financing Program SREC II

Administrative Costs Deferred Balance (Over)/Under Recovery 2020

Projected Administrative Costs for 2021

Interest for 2020

\$ 68,952

\$ 158,596

\$ 441

(A) Total Administrative Costs to be Recovered as of 2021* \$ 227,989

(B) Projected Number of SREC's - 2021 5,035

(A)/(B) Administrative Fee - 2021 \$ 45.28

*Includes estimate of October -December 2020

ROCKLAND ELECTRIC COMPANY

Forecasted Calculation of Over/Under Recovery Associated with SREC II Program Component of RGGI
Surcharge Calendar Year 2020

| | <u>Jan-20</u> | <u>Feb-20</u> | <u>Mar-20</u> | <u>Apr-20</u> | <u>May-20</u> | <u>Jun-20</u> | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Total</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Est | Est | Est | |
| Admin & Program Development | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,000 | 0 | 4,000 |
| Transaction Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,125 | 0 | 8,800 | 650 | 0 | 28,575 |
| Contracted Processes, Insp & Other QC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,125 | 0 | 8,800 | 4,650 | 0 | 32,575 |

Notes:
Oct - Dec Administrative costs and fees are estimated

Exhibit D

ROCKLAND ELECTRIC COMPANY

**Over/Under Recovery Associated with SREC Program Component of RGGI Surcharge
Calendar Year 2019**

| | <u>Jan-19</u> | <u>Feb-19</u> | <u>Mar-19</u> | <u>Apr-19</u> | <u>May-19</u> | <u>Jun-19</u> | <u>Jul-19</u> | <u>Aug-19</u> | <u>Sep-19</u> | <u>Oct-19</u> | <u>Nov-19</u> | <u>Dec-19</u> | <u>Total</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | |
| Total SRECs sold at auction | | | - | | | | | | 0 | - | 0 | | 0 |
| Total SRECs payment | | | - | | | - | | | (84,674) | | (49,783) | - | (134,457) |
| Total Net Cost of SRECs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (84,674) | 0 | (49,783) | 0 | (134,457) |

Exhibit E

ROCKLAND ELECTRIC COMPANY

Actual and Forecasted Over/Under Recovery Associated with SREC II Program Component of RGGI Surcharge Calendar Year 2020

| | <u>Jan-20</u> | <u>Feb-20</u> | <u>Mar-20</u> | <u>Apr-20</u> | <u>May-20</u> | <u>Jun-20</u> | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Total</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Est | Est | |
| Total SRECs sold at auction | | | - | | | | | 0 | | 284,544.30 | | | 284,544 |
| Total SRECs payment | | | - | | | - | | (71,389) | - | - | (32,848) | - | (104,237) |
| Total Net Cost of SRECs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (71,389) | 0 | 284,544 | (32,848) | 0 | 180,307 |

:

Exhibit F

ROCKLAND ELECTRIC COMPANY

**Forecasted Calculation of Over/Under Recovery Associated with SREC II Program Component of RGGI Surcharge
Calendar Year 2021**

| | <u>Jan-21</u> | <u>Feb-21</u> | <u>Mar-21</u> | <u>Apr-21</u> | <u>May-21</u> | <u>Jun-21</u> | <u>Jul-21</u> | <u>Aug-21</u> | <u>Sep-21</u> | <u>Oct-21</u> | <u>Nov-21</u> | <u>Dec-21</u> | <u>Total</u> |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Est | Est | Est | Est | Est | Est | Est | Est | Est | Est | Est | Est | |
| Total SRECs sold at auction | | | - | 257,523.75 | | | | 0 | | 412,038.00 | | | 669,562 |
| Total SRECs payment | (131,391) | | - | (131,391) | | - | (131,391) | - | - | (131,391) | | - | (525,564) |
| Total Net Cost of SRECs | (131,391) | 0 | 0 | 126,133 | 0 | 0 | (131,391) | 0 | 0 | 280,647 | 0 | 0 | 143,998 |

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) Transitional 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)

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