

February 11, 2021

Via Email

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350
Zec.Comments@bpu.nj.gov

Re: In the Matter of the Application of PSEG Nuclear LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 1, BPU Docket No. ER20080557; In the Matter of the Application of PSEG Nuclear LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Salem Unit 2, BPU Docket No. ER20080558; In the Matter of the Application of PSEG Nuclear LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program – Hope Creek, BPU Docket No. ER20080559

Dear Ms. Camacho-Welch:

Thank you for the opportunity to comment in the matter in which the New Jersey Board of Public Utilities (“BPU” or “Board”) is evaluating the applications of PSEG Nuclear LLC and Exelon Generation Company, LLC for the Zero Emission Certificate Program (“ZECs”) for Salem Unit 1, Salem Unit 2 and Hope Creek nuclear power plants. This document constitutes the comments of the Center for Climate and Energy Solutions (“C2ES”). C2ES is an independent, nonprofit, nonpartisan organization dedicated to advancing practical and effective policies and actions to address our global climate change and energy challenges. The views expressed here are those of C2ES alone and while informed by our conversations with business leaders, do not necessarily reflect the views of members of the C2ES Business Environmental Leadership Council (“BELC”).

Generally, C2ES prefers an economy-wide pricing mechanism for addressing climate change. But in the absence of that, we believe that New Jersey acted correctly in establishing the ZEC program in 2018 and with the BPU's approval of the credits in the following year for the first eligibility period. In the continued absence of federal and market support and subject to the information provided by the plant owners, we strongly believe the BPU should approve ZECs for these three facilities (i.e., Salem 1, Salem 2 and Hope Creek) for the second eligibility period.

As acknowledged in New Jersey's Energy Master Plan, the continued operation of Salem 1, Salem 2 and Hope Creek, which supply nearly 40 percent of New Jersey's electricity, are critical tools to help New Jersey achieve its target of 100 percent clean energy by 2050.¹ Further, the least-cost scenario for New Jersey to meet its mid-century climate target relies on the retention of the nuclear-fueled power plants to provide reliable electricity to New Jersey homes and businesses.² Relatively short term costs today to maintain the economic viability of these nuclear plants avoids far higher future costs to achieve New Jersey's goals, which would saddle future rate payers, including those on fixed incomes, with those increases.

The costs from unabated climate change continue to mount. In 2020, the United States experienced a record 22 weather/climate disasters events with losses exceeding \$1 billion each.³ New Jersey's proximity to the coast makes it particularly susceptible to the impacts of climate change (e.g., sea level rise and more extreme storms). The long-term costs from unabated climate change will be far greater than cost of ZECs to achieve the state's

¹ 2019 New Jersey Master Plan Pathway to 2050, http://d31hzhk6di2h5.cloudfront.net/20200127/84/84/03/b2/2293766d081ff4a3cd8e60aa/NJBPU_EMP.pdf

² Ibid.

³ NOAA National Centers for Environmental Information, <https://www.ncdc.noaa.gov/billions/>

energy goals. Delaying ZECs today would effectively be passing on more costs to our children and future generations.

Unfortunately, New Jersey's carbon emissions and air pollutants are higher today than they were before Oyster Creek's retirement. As we've seen across the country, early nuclear retirements lead to increased output from natural gas and coal plants.⁴ Increases in fossil fuel combustion and the air pollution they produce negatively affect seniors and other vulnerable populations such as children with respiratory conditions like asthma. These public health impacts will be felt to an even greater extent if Salem 1, Salem 2 and Hope Creek are forced to retire prematurely.

New Jersey and the country cannot afford further emission increases. ZECs are a prudent policy that help mitigate climate change and air pollution. In light of the urgency required, the policy solution that New Jersey is pursuing offers the greatest promise to support the existing fleet well into the future and buys critical time for new deployments of solar and offshore wind and the systems and infrastructure to support them. This effort and others like it offer practical solutions to reduce emissions and stave off the worst effects of climate change.

Sincerely,



Bob Perciasepe
President
Center for Climate and Energy Solutions

⁴ Asbury Park Press, <https://www.app.com/story/opinion/columnists/2019/03/26/new-jerseys-air-subtracting-nuclear-means-more-pollution/3160745002/>