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June 1, 2021

VIA ELECTRONIC MAIL

aida.camacho@bpu.nj.gov

board.secretary@bpu.nj.gov

Aida Camacho-Welch
Secretary to the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company Establishing a Cost Recovery Mechanism Through the Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for the Community Solar Energy Pilot (“CSEP”) Program and Other Associated Tariff Revisions
BPU Docket No. _____

Dear Secretary Camacho-Welch:

Enclosed herewith for filing is an electronic copy of a Petition, including certain exhibits, initiating the above-entitled matter for Atlantic City Electric Company (“ACE” or the “Company”). Also attached and filed herewith is the Direct Testimony and accompanying Schedules of Thomas M. Hahn in support of the Company’s Petition. As stated in the Company’s filing, ACE proposes that the proposed surcharge will be set to \$0.000000 for the initial rate period as no costs have been incurred to date. No rate increase is proposed.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Aida Camacho-Welch

June 1, 2021

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Thank you for your cooperation and all courtesies extended. Please contact me with any questions or concerns with this filing. I am happy to provide any further assistance that I can.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Cynthia L.M. Holland".

Cynthia L.M. Holland
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Service List

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY ESTABLISHING A COST
RECOVERY MECHANISM THROUGH
THE REGIONAL GREENHOUSE GAS
INITIATIVE RECOVERY CHARGE
("RIDER RGGI") FOR THE
COMMUNITY SOLAR ENERGY PILOT
("CSEP") PROGRAM AND OTHER
ASSOCIATED TARIFF REVISIONS**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. _____
CERTIFIED PETITION**

ATLANTIC CITY ELECTRIC COMPANY (hereinafter referred to as the "Petitioner," "ACE" or the "Company"), a public utility corporation of the State of New Jersey (sometimes referred to herein as the "State") engaged in the purchase, transmission, distribution, and sale of electric energy to residential, commercial, and industrial customers across a service territory comprising eight counties located in southern New Jersey and including approximately 560,000 customers,¹ respectfully requests that the New Jersey Board of Public Utilities ("BPU" or the "Board") accept this Petition as the Company's proposal for cost recovery for the Community Solar Energy Pilot ("CSEP") Program (also referred to herein as the "CSEP Program") through the Company's Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI").

¹ Petitioner is a direct, wholly owned subsidiary of Pepco Holdings LLC ("PHILLC"), a limited liability company under the laws of the State of Delaware. PHILLC is, in turn, a wholly owned subsidiary of PH Holdco LLC ("PHLLC"), a limited liability company, existing under the laws of the State of Delaware. PHLLC is, in turn, 99.9% owned by Exelon Energy Delivery Company, LLC ("EEDC"), a Delaware limited liability company, existing under the laws of the State of Delaware. EEDC is, in turn, a limited liability company wholly owned by Exelon Corporation.

BACKGROUND

1. Pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 *et seq.*, and several statutory amendments thereto, the Board has developed numerous, successful solar programs in the State.

2. On May 23, 2018, Governor Philip D. Murphy signed the Clean Energy Act (“CEA”) into law, which, *inter alia*, required the Board to “establish[] a ‘Community Solar Energy Pilot Program’ to permit customers of an electric public utility to participate in a solar energy project that is remotely located from their properties but is within their electric public utility service territory to allow for a credit to the customer’s utility bill equal to the electricity generated that is attributed to the customer’s participation in the solar energy project.” *N.J.S.A. 48:3-87.11.a.*

3. The CEA also states that, “[s]ubject to review by the board, an electric public utility shall be entitled to full and timely cost recovery for all costs incurred in implementation and compliance” with the pilot program. *N.J.S.A. 48:3-87.11.e.*

4. Pursuant to the CEA, the Board has codified CSEP program rules for its first phase. In those regulations, the Board acknowledges that electric public utilities shall, subject to review and approval by the Board, be entitled to full cost recovery for any incremental costs incurred in the implementation, compliance, and administration of the CSEP program. *N.J.A.C. 14:8-9.3.*

5. Pursuant to *N.J.A.C. 14:8-9.7(n)*, the billing process for the CSEP program shall be administered by the electric public utilities, who shall apply the community solar bill credit to subscribers’ utility bills in proportion to each subscriber’s share of the community solar project. Consistent with the Board’s statements upon rule adoption, the community solar bill credits are distinct from net metering credits and should not be treated the same. *See 51 N.J.R. 232(a) (2019).*

6. Numerous working group meetings have been held among stakeholders, including the electric public utilities, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff since the CEA was enacted. Throughout this process, the issue of cost recovery remained unresolved while competing proposals were evaluated. The last meeting among the several parties was held on April 7, 2021. At that time, Board Staff presented recommendations for cost recovery and informally requested that each electric public utility file for cost recovery by June 1, 2021. Accordingly, the Company files this petition in accord with *N.J.A.C.* 14:1-5.11.

ACE’S CSEP PROGRAM

Program Description

7. The CSEP Program is open to customers of all rate classes who subscribe to community solar projects that are approved by the BPU in the Company’s service territory. Community solar projects and customer subscribers to those approved projects must meet the full requirements defined in *N.J.A.C.* 14:8-9.1, *et seq.*, in accordance with *N.J.S.A.* 48:3-87.11. Customers of the Company who subscribe to BPU-approved community solar projects located within ACE’s service territory may be remotely located from the subscriber’s electric service address and receive a credit on their utility bills in accordance with their participation share. Consistent with *N.J.A.C.* 14:3-1.3, the Company proposes to add a new Rider to the tariff (the “Rider CSEP”) describing the service offered under the CSEP Program.

Cost Recovery Mechanism

8. The cost recovery mechanism proposed would be a surcharge designed on a dollar per kilowatt-hour (“kWh”) basis, applicable equally to all Rate Schedules. The amount of the surcharge will be set annually based upon actual expenditures through annual filings to the BPU by the Company, subject to Board approval. The revenue requirement is designed to recover

annual amortization of capital, plus carrying costs, and annual Operations and Maintenance (“O&M”) expenses and a true-up for any prior period over/under recovery. For the initial two-year period, the surcharge will recover costs from the previous year. Future filings may include forecasted expenditures after the initial two-year period. This surcharge will be a separate part of the Company’s Rider RGGI tariff.

9. The costs to be recovered will consist of prudent and reasonable incremental program implementation costs, incremental program administrative costs, and the recovery of customer subscriber bill credits.

10. The capital costs will primarily consist of information technology (“IT”) costs that will need to be made for changes to the Company’s billing system to implement the CSEP Program. These capital costs will be recovered through the surcharge mechanism through amortization of the costs. IT investments shall be amortized in accordance with ACE’s accounting policy and generally accepted accounting principles, which is forecasted to be a five year book amortization period and a three-year straight-line period for tax purposes. The capital costs would earn a return on the unamortized balance using the Company’s authorized rate of return from its last approved base rate case.

11. The O&M costs will primarily consist of the customer subscriber bill credits and any incremental program administrative costs needed to administer and run the program. These O&M expenses would be recovered on an annual basis. The Company’s position is consistent with the Board’s own position, as stated in the CSEP rulemaking, that customer subscriber bill credits are not the same as net metering credits.

12. Costs and revenues will be tracked as a deferred balance (regulatory liability or regulatory asset). The Company is requesting that monthly interest be applied to any over/under recovered deferred balances. In calculating monthly interest, ACE proposes that the monthly interest rate be based upon the Company's short-term debt rate or if no short-term debt is outstanding, the rate on equivalent temporary cash investments. The interest shall not exceed ACE's overall rate of return as authorized by the Board in the Company's most recent base rate case. The interest rate will be reset each month and its calculation will be based on the net of tax beginning and ending average monthly balance. ACE shall continue accruing simple interest with an annual roll-in at the end of each year.

13. The Company proposes that the surcharge will be set to \$0.000000 for the initial rate period as no costs have been incurred for the CSEP Program to date.

Effective Date

14. Pursuant to *N.J.A.C. 14:1-5.11(a)4*, the Company proposes to make the tariff changes herein described effective as of October 1, 2021.

Revised Tariffs and Supporting Testimony

15. Attached as **Exhibit A** is ACE's revised Rider RGGI tariff containing the updates described herein.

16. Attached as **Exhibit B** is the Company's proposed Rider CSEP tariff containing the terms and conditions applicable to the CSEP Program.

17. In addition, the Company's proposed cost recovery mechanism described in this Petition is supported by the **Direct Testimony and accompanying Schedules of Thomas M. Hahn**, witness for the Company.

Public Notice and Service

18. As the Company does not seek any rate increase in connection with its CSEP Program at this time, Public Notices will not need to be published or served pursuant to *N.J.A.C.* 14:1-5.12(b)1 and 3, (c) and (d). Moreover, there is no requirement for public hearings in the Company's service area. Nevertheless, in an abundance of caution, and should the Board require it, the Company provides a proposed form of notice attached hereto as **Exhibit C**.

19. Service of this filing along with the testimony, schedules, and exhibits shall be provided by electronic mail only to Rate Counsel and the Deputy Attorneys General at the Department of Law and Public Safety, Division of Law. Electronic copies of the Petition, along with the testimony, schedules, and exhibits shall also be sent to the persons identified in the Service List attached hereto. This form of service is consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254 (March 19, 2020).

20. Communications and correspondence regarding this matter should be sent to Petitioner's counsel at the following address:

Cynthia L. M. Holland, Esq.
Assistant General Counsel
Atlantic City Electric Company – 92DC42
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
(267) 533-1671
cynthia.holland@exeloncorp.com

with copies to the following representatives of the Company:

Susan DeVito
Director, Pricing and Regulatory Services
Pepco Holdings LLC – 92DC56
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
susan.devito@pepcoholdings.com

Thomas M. Hahn
Principal Rate Analyst
Atlantic City Electric Company – 63ML38
5100 Harding Highway
Mays Landing, NJ 08330
thomas.hahn@pepcoholdings.com

and

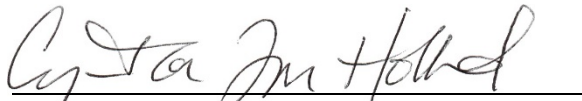
Heather Hall
Manager, Regulatory Affairs – New Jersey
Pepco Holdings LLC – 92DC56
500 North Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
heather.hall@pepcoholdings.com

WHEREFORE, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the Board of Public Utilities issue an Order as follows:

- A. **approving** the cost recovery mechanism herein as described, including revision to the Company's Rider RGGI Tariff; and further **approving** the Rider RGGI charge for recovery of the CSEP Program's Direct Costs at \$0.000000 per kWh;

- B. **approving** the Rider CSEP tariff describing the service provided by the CSEP program; and
- C. **granting** such other or further relief as may be necessary to implement the purposes stated herein.

Respectfully submitted,
ATLANTIC CITY ELECTRIC COMPANY



CYNTHIA L. M. HOLLAND

An Attorney at Law of the
State of New Jersey

Dated: June 1, 2021

Atlantic City Electric Company – 92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
Phone: (267) 533-1671

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY ESTABLISHING A COST
RECOVERY MECHANISM THROUGH
THE REGIONAL GREENHOUSE GAS
INITIATIVE RECOVERY CHARGE
("RIDER RGGI") FOR THE
COMMUNITY SOLAR ENERGY PILOT
("CSEP") PROGRAM AND OTHER
ASSOCIATED TARIFF REVISIONS**

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

CERTIFICATION IN SUPPORT OF PETITION

MARISSA E. HUMPHREY, of full age, certifies as follows:

1. I am the Vice President of Regulatory Policy and Strategy of and for Atlantic City Electric Company ("ACE"), the Petitioner named in the foregoing Petition. I am duly authorized to make this Certification on ACE's behalf.

2. I hereby certify that I have read the contents of the foregoing Petition to establish a cost recovery mechanism through the Regional Greenhouse Gas Initiative Recovery charge for the Community Solar Energy Pilot program and supporting documents thereto.

3. I further and finally certify that the information contained therein is true and correct to the best of my knowledge, information, and belief. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: 5/25/21


MARISSA E. HUMPHREY

Exhibit A

Proposed Tariff Sheets

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000299
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Solar Renewable Energy Certificate (SREC II) (\$/kWh) \$0.000000
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Transition Renewable Energy Certificate (TREC) (\$/kWh) \$0.000559
This charge component is intended to recover net costs associated with the Solar Transition Incentive Program.

Community Solar Energy Program (CSEP) (\$/kWh) \$0.000000
This charge component is intended to recover net costs associated with the Community Solar Energy Program.

Date of Issue:

Effective Date:

Issued by:

Exhibit A

Proposed Tariff Sheets

Redlined

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Twenty-Second~~ Revised Sheet Replaces ~~Twenty-First~~ Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This Rider is applicable to Rate Schedules RS, MGS Secondary, MGS-SEVC, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Solar Renewable Energy Certificate (SREC) (\$/kWh)

\$0.000299

This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Solar Renewable Energy Certificate (SREC II) (\$/kWh)

\$0.000000

This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate II Program.

Transition Renewable Energy Certificate (TREC) (~~\$/kWh~~)

\$0.000559

This ~~changecharge~~ component is intended to recover net costs associated with the Solar Transition Incentive Program.

Community Solar Energy Program (CSEP) (\$/kWh)

\$0.000000

This charge component is intended to recover net costs associated with the Community Solar Energy Program.

Date of Issue: ~~February 26, 2021~~

Effective Date: ~~March 1, 2021~~

~~**Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. EO18020190**~~

Issued by:

Exhibit B

CSEP Terms and Conditions

Tariff Sheets

RIDER CSEP
Community Solar Energy Pilot Program

General

The Community Solar Energy Pilot Program is open to customers of all rate classes who subscribe to community solar projects that are approved by the BPU. Community solar projects and customer subscribers to those approved projects must meet the following minimum requirements, and the full requirements defined in N.J.A.C. 14:8-9.1, et seq., in accordance with N.J.S.A. 48:3-87.11. The program provides for the participation of customers of the Company in all rate classes as subscribers to BPU approved community solar projects that are located within the service territory of the Company, but may be remotely located from the subscriber's electric service address, and receive a credit on their utility bills in accordance with their participation share. Existing solar projects may not apply to requalify as a Community Solar Energy Pilot Program project. The Pilot Program shall run for a period of no more than 36 months, divided into Program Year 1 (PY1), Program Year 2 (PY2), and Program Year 3 (PY3). PY1 shall begin February 19, 2019, and last until December 31, 2019. Subsequent program years shall begin on January 1 and last for the full calendar year. For each of the three program years, BPU staff shall initiate an annual application process. The annual capacity limit in the Company's service territory each year shall be calculated by the BPU by multiplying the Company's percentage of in-State retail electric sales by the total statewide capacity approved for that year. In PY1, this represented approximately 9.6 MW based upon the Company's 12.8% share of the 75 MW available statewide capacity. Any unallocated capacity at the end of a program year may be reallocated to subsequent program years. At least 40 percent of the annual capacity limit shall be allocated to low and moderate income community (LMI) solar projects. The application and criteria for selection of community solar projects is managed by the BPU. Only projects that are selected by the BPU will be eligible to participate in the Pilot Program. The capacity limit for individual community solar pilot projects is set at a maximum of 5 MWs per project, measured as the sum of the nameplate capacity in DC rating of all PV panels comprising the community solar facility. The minimum number of participating subscribers for each community solar project shall be set at 10 subscribers and the maximum number of participating subscribers for each community solar project shall be set at 250 subscribers per one MW installed capacity (prorated to project capacity). Each community solar project must be equipped with at least one utility grade meter to facilitate the recording of solar generation underlying the bill credit process.

Selected Definitions (N.J.A.C. 14:8-9.2):

"Community solar pilot project," "community solar project," or "project" refers to a community solar project approved by the BPU for participation in the Pilot Program, including, but not limited to, the community solar facility, project participants, and subscribers.

"Community solar subscriber organization" or "subscriber organization" means the entity, duly registered with the BPU that works to acquire original subscribers for the community solar project and/or acquires replacement subscribers over the lifetime of the community solar project and/or manages subscriptions for a community solar project. The community solar subscriber organization may or may not be, in whole, in part, or not at all, organized by the community solar developer, community solar owner, or community solar operator.

"Community solar subscriber" or "subscriber" refers to any person or entity who participates in a community solar project by means of the purchase or payment for a portion of the capacity and/or energy produced by a community solar facility. One electric meter denotes one subscriber.

"Community solar subscription" or "subscription" refers to an agreement to participate in a community solar project, by which the subscriber receives a bill credit for a portion of the community solar capacity and/or energy produced by a community solar facility. A subscription may be measured as capacity in kW and/or energy in kWh, ownership of a panel or panels in a community solar facility, ownership of a share of a community solar project, or a fixed and/or variable monthly payment to the project operator.

Date of Issue:

Effective Date:

Issued by:

**RIDER CSEP (continued)
Community Solar Energy Pilot Program**

Interconnection Application & Requirements:

Community solar pilot projects shall comply with all current and future applicable interconnection requirements, as set forth in N.J.A.C. 14:8-9.9(a) and N.J.A.C. 14:8-5 and shall be processed by the Company following normal interconnection procedures.

Although projects are not required to have submitted an interconnection agreement or have an executed interconnection agreement prior to applying to the Pilot Program with the BPU, projects may file an interconnection application with the Company prior to being selected by the BPU at their own risk and cost. Additionally, only projects that have been approved by the BPU to participate in the Pilot Program may be assigned a place and capacity in the Company's interconnection queue. Any interconnection study conducted by the Company prior to the BPU's selection of the project shall not be considered definitive.

Subscription Requirements:

Community solar pilot project subscriptions shall not exceed 100 percent of the subscriber's historic annual usage, calculated over the past 12 months, available at the time of the application. In cases where a 12-month history is not available, the community solar subscriber organization shall estimate, in a commercially reasonable manner, a subscriber's load based on available history. No single subscriber shall subscribe to more than 40 percent of a community solar project's total annual net energy. Subscriptions are portable, provided that the subscriber remains within the original Company service territory as the community solar pilot project to which they are subscribed. Appropriate notice of the change in residence and/or location must be provided to the Company, no later than 30 days after the effective date of the change in residence and/or location. In cases of relocation, subscribers are entitled to one revision per move to their subscription size to account for a change in average consumption. Subscriptions may be sold or transferred back to the project owner or community solar subscriber organization by subscribers as specified in their subscription agreements. Subscribers may not sell or transfer a subscription to another party other than the project owner or community solar subscriber organization. A subscriber may not participate in more than one community solar project. It is the responsibility of the subscriber organization to verify that their subscribers are not already subscribed to another community solar project. The Company shall establish, in coordination with BPU staff, a standardized process by which community solar subscriber organizations can submit on a monthly basis the list of subscribers for a community solar project, and their respective participation shares. The Company shall apply the community solar bill credit to subscribers' utility bills in proportion to each subscriber's participation share, in conformance with the bill credit calculation method described below.

Community Solar Bill Credits

Participating subscriber customers will receive a dollar-based bill credit for their subscribed percentage of the monthly kilowatt-hour output of the community solar project in proportion to the subscriber's share of the community solar project as indicated on the most recent list received from the subscriber organization. The monthly dollar credit on the subscriber's bill will be the equivalent of their subscription percentage of the community solar project monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the subscriber's bill, excluding all fixed and non-by-passable charges and SUT. The non-bypassable charges are the fixed monthly customer charge, all kW demand charges (if applicable), the SBC charge, the NGC charge, the TBC charge, the MTC-Tax charge and the ZEC charge. The value of the bill credit shall be set at the retail rate for their respective service classification. The BGS bill credit for CIEP eligible customers will be set at the average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone.. Customers served by a third-party supplier will have their credit based upon the BGS rate. The subscriber's bill credit will be used to offset the subscriber's total bill up to the amount of actual metered consumption. The calculation of the value of the bill credit shall remain as described above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first, in addition to any modifications subsequently ordered by the BPU. The community solar bill credit will be specifically identified as the community solar bill credit in a separate section on the subscribers' utility bills.

Date of Issue:
Issued by:

Effective Date:

RIDER CSEP (continued)
Community Solar Energy Pilot Program

Community Solar Bill Credits (Continued)

An annualized period shall be established for each subscriber. The annualized period shall begin on the day a subscriber first earns a community solar bill credit based on the delivery of energy, and continues for a period of 12 months, until the subscription ends, or until the subscriber's Company account is closed, whichever occurs earlier. The Company may sync up the monthly billing period of subscribers and projects, by modifying, with due notice given, the monthly billing period for subscribers upon their first month of participation in the community solar project. Excess credits above the level of the metered monthly consumption shall carry over from monthly billing period to monthly billing period, with the balance of credits accumulating until the earlier of either the end of the annualized period, the closure of the subscriber's Company account, or the end of the subscriber's community solar subscription. At the end of the annualized period and/or when a subscriber's Company account is closed and/or at the end of the subscriber's community solar subscription, any excess net bill credits greater than the sum of all appropriate billable charges shall be compensated at the Company's average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone. The excess compensation must be returned to the subscriber by bill credit, wire transfer, or check. If a subscriber receives net excess credits for each of the three previous consecutive years, the subscriber organization must resize the subscriber's subscription size to ensure it does not exceed 100 percent of historic annual usage, calculated over the past 12 months, available at the time of the reassessment.

Any generation delivered to the grid that has not been allocated to a subscriber may be banked by the project operator in a dedicated project Company account for an annualized period of up to 12 months. The banked credits may be distributed by the project operator to any new or existing subscriber during that 12-month period, in conformance with subscription requirements set forth in N.J.A.C. 14:8-9.6. At the end of the up to 12-month period, any remaining generation credits shall be compensated at the Company's average prior calendar year hourly Locational Marginal Price (LMP) of energy in the ACE PJM zone. Subscribers must have an active electric account within the Company's service territory of the community solar project to which they are subscribed. Upon Company request, if required by the Company, subscribers must agree to a remote read smart meter upon EDC request, purchased and installed at EDC cost.

Subscription Enrollments & Management

The subscriber organization must provide subscriber information for a project to the Company using the Company's online portal for subscription management, known as the Community Solar Portal ("CSP"). The online portal and informational material can be accessed at <https://www.atlanticcityelectric.com/SmartEnergy/MyGreenPowerConnection/Pages/CommunitySolarResources.aspx>.

Subscriber organizations shall indicate in CSP the LMI status for each subscriber that is LMI qualified as defined in N.J.S.A. 14:8-9.8, and by doing so the subscriber organization confirms that all LMI information entered in CSP has been verified as accurate. Additionally, the subscriber organization shall have obtained authorization from each subscriber for the utility to release that subscriber's account information to the subscriber organization as necessary. Once a project is operational, subscriber organizations shall update their subscriber information for each community solar facility every month unless there is no change from the previous month. Updates to subscriber information must be submitted electronically through CSP. Depending on timing of notification from the subscriber organization of the subscriber's subscription amount, it may take up to two billing cycles before a bill credit is applied to the subscriber's bill. Updates received by the Company on or before the 10th of each month will be effective the following month. Subscriptions may not take effect retroactively.

Date of Issue:

Effective Date:

Issued by:

Exhibit C

Draft Public Notice

**NOTICE OF
FILING AND PUBLIC HEARINGS
TO CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY**

**In the Matter of the Petition of Atlantic City Electric Company Establishing a Cost Recovery Mechanism Through the Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for the Community Solar Energy Pilot (“CSEP”) Program and Other Associated Tariff Revisions
BPU Docket No. _____**

PLEASE TAKE NOTICE that, on or about June 1, 2021, Atlantic City Electric Company (“ACE” or the “Company”) filed a Petition (the “Petition”) with the New Jersey Board of Public Utilities (the “Board” or “BPU”) to establish a cost recovery mechanism for the Community Solar Pilot (“CSEP”) Program (also referred to herein as the “CSEP Program”) through the Company’s Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”).

As filed, the Petition proposes a cost recovery mechanism as a surcharge designed on a dollar per kilowatt-hour (“kWh”) basis, applicable equally to all Rate Schedules. The amount of the surcharge will be set annually based upon actual expenditures through annual filings to the BPU by the Company, subject to Board approval. The revenue requirement is designed to recover annual amortization of capital, plus carrying costs, and annual Operations and Maintenance (“O&M”) expenses and a true-up for any prior period over/under recovery. For the initial two-year period, the surcharge will recover costs from the previous year.

The Company proposes that the surcharge will be set to \$0.000000 for the initial rate period as no costs have been incurred for the CSEP Program to date. The Company proposes to make the tariff changes herein described effective as of October 1, 2021.

This Petition was filed with the Board and copies were also served upon Rate Counsel and the Office of the Attorney General, Department of Law and Public Safety, Division of Law. Copies of the Petition are posted on ACE’s website at <https://www.atlanticcityelectric.com/Pages/PublicPostings.aspx>.

Although the Company proposes no rate increases in the Petition, the following date, time(s), and location for virtual public hearings have been scheduled on the Petition so that members of the public may present their views:

| | |
|---------------------------------------|---------------------------------------|
| Date: TBD | Date: TBD |
| Time: 4:30 P.M. | Time: 5:30 P.M. |
| Dial-in Number: (866) 326-9183 | Dial-in Number: (866) 326-9183 |
| Passcode: 617161# | Passcode: 617161# |

Due to the COVID-19 pandemic, a telephonic hearing on the Petition will be conducted at the date and times listed above by a hearing officer designated by the Board. Representatives of the Board's Staff and Rate Counsel will participate in the public hearing by phone. Members of the public are invited to listen and participate by phone through the above designated dial-in number and passcode and may express their views on this filing. Such comments will be made a part of the final record of the proceeding to be considered by the Board.

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and e-mailed comments. Members of the public may file comments with the Secretary of the Board either by e-mail in pdf or Word format to board.secretary@bpu.nj.gov or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code which can be obtained upon request by e-mailing the Board's IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>. Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All comments should include the name of the Petition and the docket number. Although both written and e-mailed comments will be given equal consideration and will be made part of the final record, the recommended method of transmittal is by e-mail or the portal to ensure timely receipt, given the COVID-19 pandemic.

Dated:

Atlantic City Electric Company

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

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC
COMPANY ESTABLISHING A COST RECOVERY MECHANISM THROUGH
THE REGIONAL GREENHOUSE GAS INITIATIVE RECOVERY CHARGE
("RIDER RGGI") FOR THE COMMUNITY SOLAR ENERGY PILOT ("CSEP")
PROGRAM AND OTHER ASSOCIATED TARIFF REVISIONS**

BPU Docket No. _____

June 1, 2021

TESTIMONY OF

Thomas M. Hahn

**ON BEHALF OF
ATLANTIC CITY ELECTRIC COMPANY**

1 **Q. Please state your name, position, and address.**

2 **A.** My name is Thomas M. Hahn. I am a Principal Rate Analyst in the
3 Regulatory Compliance Pricing Department of Pepco Holdings LLC (“PHI”), an
4 indirect, wholly owned subsidiary of Exelon Corporation (“Exelon”). I am
5 testifying on behalf of Atlantic City Electric Company (“ACE” or the “Company”).

6 **Q. What is your educational and professional background?**

7 **A.** I possess a Bachelor of Science degree in Business Administration with a
8 specialization in Accounting from Rowan University. I am also a Certified Public
9 Accountant licensed in the State of New Jersey.

10 **Q. Please describe and summarize your employment experience in the utility
11 industry.**

12 **A.** I joined PHI in 2005 as a Senior Accountant in the Revenue Accounting
13 Department. Since that time, I have held positions as Accounting Coordinator,
14 Revenue Accounting Supervisor, and Senior Account Manager – Supplier
15 Relations. In September 2012, I transferred into the Regulatory Compliance
16 Pricing Department in the position of Regulatory Affairs Lead. In June 2014, I was
17 promoted to Senior Regulatory Affairs Coordinator. As a result of the merger of
18 Exelon and PHI, my title was changed to my current position of Principal Rate
19 Analyst.

20 **Q. What is the purpose of your testimony?**

21 **A.** The purpose of my testimony is to describe the Company's proposed
22 mechanism to recover the costs associated with the Community Solar Energy Pilot
23 Program (“the Program”).

1 **Q. Please describe the cost recovery mechanism proposed for the Company’s**
2 **Community Solar Energy Pilot Program.**

3 **A.** The cost recovery mechanism proposed would be a surcharge designed on
4 a dollar per kilowatt-hour (“kWh”) basis, applicable equally to all Rate Schedules.
5 The amount of the surcharge will be set annually based upon actual expenditures
6 through annual utility New Jersey Board of Public Utilities (“BPU” or the “Board”)
7 filings, subject to Board approval. The revenue requirement is designed to recover
8 annual amortization of capital, plus carrying costs, and annual O&M expenses and
9 a true-up for any prior period over/under recovery. For the initial two-year period
10 the surcharge will recover costs from the previous year. Future filings may include
11 forecasted expenditures after the initial two-year period. This surcharge will be a
12 separate component on the Company’s Rider Regional Greenhouse Gas Initiative
13 Recovery Charge (“RGGI”) tariff. The surcharge will be set to \$0.000000 for the
14 initial rate period as no costs have yet to be incurred for the Program. An illustrative
15 calculation of the revenue requirement and the rate design is attached as Schedule
16 TMH-1.

17 **Q. What type of costs will be requested to be recovered?**

18 **A.** The costs to be recovered will consist of prudent and reasonable incremental
19 program implementation costs, incremental program administrative costs, and the
20 recovery of customer subscriber bill credits.

21 **Q. What costs will be considered capital costs?**

22 **A.** The capital costs will primarily consist of information technology (“IT”)
23 costs that will need to be made for changes to our billing system to implement the

1 Program. These capital costs will be recovered through the surcharge mechanism
2 through amortization of the costs. IT investments shall be amortized in accordance
3 with ACE’s accounting policy and generally accepted accounting principles, which
4 is forecasted to be a five-year book amortization period and a three-year straight-
5 line period for tax purposes. The capital costs would earn a return on the
6 unamortized balance using the Company’s authorized rate of return from its last
7 approved base rate case.

8 **Q. What costs will be considered O&M costs?**

9 **A.** The Operations and Maintenance (“O&M”) costs will primarily consist of
10 the customer subscriber bill credits and any incremental program administrative
11 costs needed to administer and run the program. The customer subscriber bill
12 credits are calculated based on the methodology approved by the BPU in Docket
13 No. QO18060646, Order dated August 7, 2019 and Secretary Letter dated
14 September 18, 2019. The customer subscriber bill credits are calculated for each
15 rate class, at the Pre-Sales and Use Tax (“SUT”) retail rate, including supply and
16 delivery charges, excluding demand charges and the monthly fixed customer
17 charge, and minus non-bypassable charges. The Board defined the non-bypassable
18 charges as the Societal Benefits Charge (“SBC”), the Market Transition Charge
19 (“MTC”), the Transition Bond Charge (“TBC”), the Non-Utility Generation
20 Charge (“NGC”), the Market Transition Charge-Tax (“MTC-Tax”), and the Zero
21 Emission Certificate Charge (“ZEC”). These O&M expenses would be recovered
22 on an annual basis.

1 **Q. What is the basis for the recoverability of the customer subscriber bill credits?**

2 **A.** The basis for recoverability is that these customer subscriber bill credits are
3 direct credits or payments to the customer; these credits are not based on metered
4 usage at the customer's premises. This customer subscriber bill credit is unlike Net
5 Energy Metering in which a customer has a meter that records energy consumed as
6 well as produced at the customer's premises. The Community Solar Energy
7 Program is a subscription program in which the customer is buying a share of the
8 energy produced by a community solar facility. In the final rule adoption of the
9 Community Solar Energy Pilot Program Rules, BPU responded to the public
10 comments with the clarification that the Program was not like Net Energy Metering.
11 The Company agrees with BPU Staff's stated recommendation that the customer
12 subscriber bill credits be treated as an O&M expense and recovered through the
13 recovery mechanism proposed in my testimony.

14 **Q. How will the prior period over/under recovery balances be tracked?**

15 **A.** Costs and revenues will be tracked as a deferred balance (regulatory
16 liability or regulatory asset). The Company is requesting that monthly interest be
17 applied to any over/under recovered deferred balances. In calculating monthly
18 interest, the Company is proposing the monthly interest rate be based upon the
19 Company's short-term debt rate, or if no short-term debt is outstanding, the rate on
20 equivalent temporary cash investments. The interest shall not exceed ACE's overall
21 rate of return as authorized by the Board in the Company's most recent base rate
22 case. The interest rate will be reset each month and its calculation will be based on
23 the net of tax beginning and ending average monthly balance. The Company shall

1 continue accruing simple interest with an annual roll-in at the end of each year.

2 **Please review the attachments to your testimony.**

3 **A.** An illustrative revenue requirements spreadsheet is attached as Schedule
4 TMH-1. The proposed RGGI Tariff Sheet is included as Exhibit A.

5 **Q. Does this conclude your testimony?**

6 **A.** Yes.

Schedule TMH-1

ATLANTIC CITY ELECTRIC COMPANY
Community Solar Cost Recovery
Revenue Requirements Rate Design
October 2021 -September 2022

SECTION I - FORECASTED SALES

Forecasted Monthly Delivered Sales (MWH)

| | |
|--------|------------------|
| Oct-21 | 587,909 |
| Nov-21 | 572,584 |
| Dec-21 | 616,173 |
| Jan-22 | 718,090 |
| Feb-22 | 697,300 |
| Mar-22 | 634,359 |
| Apr-22 | 603,757 |
| May-22 | 539,715 |
| Jun-22 | 674,309 |
| Jul-22 | 863,253 |
| Aug-22 | 955,071 |
| Sep-22 | 888,371 |
| | <u>8,350,890</u> |

SECTION II - PRIOR YEAR TRUE UP

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) | (21) | |
|--------|---------------------------------|------------------------------|---------------------------------------|----------------------------|-----------------------|--------------------|----------------------------|---------------------------|----------------------|--|-------------|--------------------------|---|-----------------------|---|--|------------------------------------|--------------------------------|----------------------|----------|------|
| Month | = Col 4 from the previous month | | = Monthly Amortization postings to GL | = Col 2 + Col 3 - Col 4 | | | = Col 5 - Col 7 | | = Col 8 x (Col 9)/12 | = Col 10 x 1/(1-Composite Tax Factor) | | =Col 4 + Col 11 + Col 12 | | = Col 14 - Col 13 | | = (Col 16 + Col 17)/2 | =Col 18 x (1-Composite Tax Factor) | | = Col 19 x Col 20/12 | | |
| | Unamortized Beginning Balance | Actual Capital Program Costs | Actual Amortization | Unamortized Ending Balance | Deferred Tax Activity | Accum Deferred Tax | Unamortized Ending Balance | Net of Accum Deferred Tax | Estimated CCRF | Estimated CCRF Adjusted for Income Tax | O&M Expense | Revenue Requirement | Actual Monthly CS Surcharge Net Revenue | Over/(Under) Recovery | Over/(Under) Recovery Beginning Monthly Balance | Over/(Under) Recovery Ending Monthly Balance | Avg Monthly Balance | Net of Tax Avg Monthly Balance | STD Rate | Interest | |
| Jun-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.25% | \$ - |
| Jul-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.15% | \$ - |
| Aug-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.15% | \$ - |
| Sep-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.15% | \$ - |
| Oct-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.15% | \$ - |
| Nov-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.17% | \$ - |
| Dec-20 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.21% | \$ - |
| Jan-21 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.23% | \$ - |
| Feb-21 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.18% | \$ - |
| Mar-21 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.17% | \$ - |
| Apr-21 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.17% | \$ - |
| May-21 | \$ - | \$ - | \$ - | \$ - | \$0 | \$ - | \$ - | \$ - | 6.44% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | 0.17% | \$ - |

SECTION III RGGI RECOVERY CHARGE (CSEP COMPONENT) CALCULATION

| | | |
|--|---------------|--------------------------|
| Over/Under - Prior Period | \$ - | Col 17 (May 21) |
| Interest | \$ - | Col 21 (Jun 21 - May 21) |
| Forecasted Revenue Requirement | \$ - | |
| Total Annual Amount to be Recovered | \$ - | |
| Retail Sales - kwh | 8,350,890,089 | |
| \$/KWH Surcharge | \$ - | |
| BPU Assessment | \$ - | |
| \$/KWH Surcharge with SUT | \$ - | |

ACE - NEW JERSEY

RGGI Surcharge Workpaper
 Community Solar Energy Program
 Amortization Table

5 Year Recovery Book
3 Year Recovery Tax

| Month | Unamortized Beginning Balance | Additional Program Costs | Amortization | Unamortized Ending Balance |
|--------|-------------------------------------|--------------------------------|--------------|----------------------------------|
| Jun-20 | \$ - | \$ - | \$ - | \$ - |
| Jul-20 | \$ - | \$ - | \$ - | \$ - |
| Aug-20 | \$ - | \$ - | \$ - | \$ - |
| Sep-20 | \$ - | \$ - | \$ - | \$ - |
| Oct-20 | \$ - | \$ - | \$ - | \$ - |
| Nov-20 | \$ - | \$ - | \$ - | \$ - |
| Dec-20 | \$ - | \$ - | \$ - | \$ - |
| Jan-21 | \$ - | \$ - | \$ - | \$ - |
| Feb-21 | \$ - | \$ - | \$ - | \$ - |
| Mar-21 | \$ - | \$ - | \$ - | \$ - |
| Apr-21 | \$ - | \$ - | \$ - | \$ - |
| May-21 | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |

| Book Amortization Table | | |
|-------------------------|----------|-------|
| Monthly | SubTotal | Count |
| 0 | | |
| 0 | 0 | 1 |
| 0 | 0 | 2 |
| 0 | 0 | 3 |
| 0 | 0 | 4 |
| 0 | 0 | 5 |
| 0 | 0 | 6 |
| 0 | 0 | 7 |
| 0 | 0 | 8 |
| 0 | 0 | 9 |
| 0 | 0 | 10 |
| 0 | 0 | 11 |

| Tax Amortization Table | | |
|------------------------|----------|-------|
| Monthly | SubTotal | Count |
| 0 | | |
| 0 | 0 | 1 |
| 0 | 0 | 2 |
| 0 | 0 | 3 |
| 0 | 0 | 4 |
| 0 | 0 | 5 |
| 0 | 0 | 6 |
| 0 | 0 | 7 |
| 0 | 0 | 8 |
| 0 | 0 | 9 |
| 0 | 0 | 10 |
| 0 | 0 | 11 |

| Amortization True-Up Calculation | |
|----------------------------------|------|
| Total Annual Amort Needed | \$ - |
| Actual Amortization Booked | \$ - |
| Difference | \$ - |

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Community Solar Energy Program

ACE Capital Structure

As of April 1, 2019

| <u>Capital Structure</u> | <u>Weight</u> | <u>Rate</u> | Weighted <u>Rate</u> | After <u>Tax</u> | Before <u>Tax</u> | |
|--------------------------|---------------|-------------|-------------------------|---------------------|----------------------|--------|
| Long Term Debt | 50.06% | 4.58% | 2.29% | 1.65% | 2.29% | 28.11% |
| Preferred Stock | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Common Stock | <u>49.94%</u> | 9.60% | <u>4.79%</u> | <u>4.79%</u> | <u>6.66%</u> | |
| Total | 100.00% | | 7.08% | 6.44% | 8.95% | |

ATLANTIC CITY ELECTRIC COMPANY
 Computation of NJ Tax Factors
 As of April 1, 2021

| Line No. | Description | Statutory Tax Rate |
|----------|-------------------------|--------------------|
| 1 | BPU Assessment | 0.269% |
| 2 | NJ Income Tax Rate | 9.000% |
| 3 | Federal Income Tax Rate | 21.00% |

| Line No. | Description | Computation | Total Tax Factor | Income Tax Factor |
|----------|------------------------------------|-------------------------------------|------------------|-------------------|
| 4 | BPU Assessment | line 1 | 0.2690% | 0.0000% |
| 5 | NJ Income Tax Factor | (100%-line 1) x line 2 | 8.9758% | 9.0000% |
| 6 | Federal Income Tax Factor | (100% - (line 4 + line 5)) x line 3 | 19.0586% | 19.1100% |
| 7 | Composite Tax Factor | line 4 + line 5 + line 6 | 28.3034% | 28.1100% |
| 8 | Complement of Composite Tax Factor | 100% - (line 4 + line 5 + line 6) | 71.6966% | 71.8900% |

As of April 1, 2021

| Line No. | Description | Statutory Tax Rate |
|----------|-------------------------|--------------------|
| 1 | BPU Assessment | 0.269% |
| 2 | NJ Income Tax Rate | 9.000% |
| 3 | Federal Income Tax Rate | 21.00% |

| Line No. | Description | Computation | Total Tax Factor | Income Tax Factor |
|----------|------------------------------------|-------------------------------------|------------------|-------------------|
| 4 | BPU Assessment | line 1 | 0.2690% | 0.0000% |
| 5 | NJ Income Tax Factor | (100%-line 1) x line 2 | 8.9758% | 9.0000% |
| 6 | Federal Income Tax Factor | (100% - (line 4 + line 5)) x line 3 | 19.0586% | 19.1100% |
| 7 | Composite Tax Factor | line 4 + line 5 + line 6 | 28.3034% | 28.1100% |
| 8 | Complement of Composite Tax Factor | 100% - (line 4 + line 5 + line 6) | 71.6966% | 71.8900% |

ATLANTIC CITY ELECTRIC COMPANY

RGGI Recovery Charge

Community Solar Energy Program

New Jersey Deferral Calculation Interest Rates

(1)**(2)**

| <u>Date</u> | <u>ACE Short-Term Debt Rate</u> |
|-------------|---------------------------------|
| Jun-20 | 0.25% |
| Jul-20 | 0.15% |
| Aug-20 | 0.15% |
| Sep-20 | 0.15% |
| Oct-20 | 0.15% |
| Nov-20 | 0.17% |
| Dec-20 | 0.21% |
| Jan-21 | 0.23% |
| Feb-21 | 0.18% |
| Mar-21 | 0.17% |
| Apr-21 | 0.17% |
| May-21 | 0.17% |

**IN THE MATTER OF THE PETITION
OF ATLANTIC CITY ELECTRIC
COMPANY ESTABLISHING A COST
RECOVERY MECHANISM THROUGH
THE REGIONAL GREENHOUSE GAS
INITIATIVE RECOVERY CHARGE
("RIDER RGGI") FOR THE
COMMUNITY SOLAR ENERGY PILOT
("CSEP") PROGRAM AND OTHER
ASSOCIATED TARIFF REVISIONS**

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

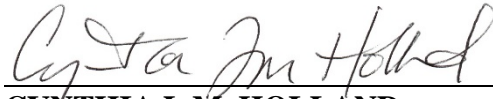
CERTIFICATION OF SERVICE

CYNTHIA L.M. HOLLAND, of full age, certifies as follows:

1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.
2. I hereby certify that, on June 1, 2021, I caused the within Petition and the supporting testimony, schedules, and exhibits thereto, to be filed with the New Jersey Board of Public Utilities (the "Board" or "BPU") through its eFiling Portal. I also caused an electronic copy to be sent to the Board Secretary's office at board.secretary@bpu.state.nj.us.
3. I further certify that, on June 1, 2021, I caused a complete copy of the Petition and the supporting testimony, schedules, and exhibits thereto, to be sent by electronic mail to each of the parties listed in the attached Service List.
4. Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, only electronic copies of this Petition have been served on persons on the Service List.

5. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: June 1, 2021



CYNTHIA L.M. HOLLAND

An Attorney at Law of the
State of New Jersey

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In the Matter of the Petition of Atlantic City Electric Company Establishing a Cost Recovery Mechanism Through the Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for the Community Solar Energy Pilot (“CSEP”) Program and Other Associated Tariff Revisions
BPU Docket No. _____

Service List

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