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February 12, 2021

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

VIA E-MAIL

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 for the Zero Emission Certificate Program – Hope Creek, BPU Docket No. ER20080559

Dear Secretary Camacho-Welch,

The Edison Electric Institute (EEI) respectfully submits this letter to the New Jersey Board of Public Utilities (BPU or Commission) in support of the Applications in the above-referenced dockets. EEI monitors various commission proceedings across the country, including those that relate to the current and future operation of nuclear generation as well as other clean energy resources, and appreciates the opportunity to provide the BPU with a national perspective on the important role that nuclear energy plays in our clean energy future.

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans and operated in all 50 states and the District of Columbia. EEI's members include all the investor-owned electric companies that serve customers in New Jersey. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. EEI's member companies deliver safe, reliable, affordable, and increasingly clean electricity that powers the economy, preserves our health, and enhances the lives of all Americans.

EEI members are committed to a clean energy future and are working to get as clean as they can, while keeping affordability and reliability for customers front and center. A wide range of factors are driving the electric power industry's transformation, including declining costs for natural gas and renewable energy resources, technological improvements, changing customer expectations, federal and state regulations and policies, and the increasing use of distributed energy resources. As a result, the mix of resources used to generate electricity in the United States has changed dramatically over the last decade and is growing cleaner.

In 2019, renewable energy production and consumption both reached record highs,¹ and today more than one-third of America's electricity comes from carbon-free resources, including nuclear energy, hydropower, solar, and wind.² It is important to highlight the critical role that nuclear energy has played in the industry's transition to cleaner fuels: nuclear energy comprised half of the carbon-free electricity provided to customers last year nationwide. The outsized role of nuclear in providing clean energy to New Jersey is even more significant: 40 percent of all electricity comes from nuclear generators, representing 90 percent of the carbon free energy provided to New Jersey customers.

Advancing clean energy and mitigating climate change are top of mind for New Jersey, as is illustrated by the BPU's issuance of the 2019 Energy Master Plan Pathway to 2050 (Energy Master Plan). Specifically, the Energy Master Plan Detailed Governor Murphy's goal of 100 percent clean energy by 2050 and New Jersey Global Warming Response Act of 2007's (GWRA) goal to reduce state and economy-wide greenhouse gas emissions 80 percent below 2006 levels by 2050. These goals cannot be attained in a cost-effective manner without the continued operation of New Jersey's zero carbon emissions nuclear fleet.³

Zero Emissions Certificates (ZECs) are essential in the near-term for keeping Salem 1, Salem 2, and Hope Creek operational and for New Jersey meeting the goals in the Energy Master Plan in a cost-effective way that protects customers. Current market structures and regulatory regimes—particularly those at both the national and regional levels—do not explicitly value the wide range of climate, environmental, fuel diversity, resilience, or affordability benefits that nuclear energy provides. This lack of recognition of nuclear power's many benefits is, in large measure, why the New Jersey legislature originally passed the ZEC Act. The ZEC Act was specifically designed to prevent the premature retirement of nuclear plants and tasked the BPU with a process to evaluate the Applications. The evaluation before the BPU here is a critical step for the BPU to assist in meeting the state's clean energy goals by ensuring New Jersey's existing nuclear generators remain generating carbon-free power.

The loss of Salem 1, Salem 2, and Hope Creek would be a significant set back – both in New Jersey and in the nation – as we strive to increase the use of clean energy and reduce greenhouse gas emissions as the carbon-free generation provided by these units likely would be replaced by emitting resources from PJM. The BPU need look no further than the closure of Oyster Creek in 2018, where now all of the electricity generated to replace Oyster Creeks' output has come from natural gas and coal, resulting in annual additional carbon emissions of 3.1 million tons. This outcome is not unique to Oyster Creek, as the 2014 closure of the Yankee nuclear unit in Vermont saw a 2.9 percent increase in emissions in New England the following year.

Further, nuclear generation provides additional benefits beyond the provision of carbon-free power, as nuclear generation does not emit criteria or toxic air pollutants that have direct impacts on human health. One of the most painful lessons of the current pandemic is that those people who already have pulmonary conditions are more likely to experience more severe COVID symptoms, as the coronavirus causes respiratory distress. Starting in the fall of 2020, and as documented by the

¹ See EIA, U.S. Energy Facts Explained: Consumption and Production (May 7, 2020), <https://www.eia.gov/energyexplained/us-energy-facts/>.

² See EIA, Electricity Explained: Electricity in the United States (Mar. 20, 2020), https://www.eia.gov/energyexplained/index.php?page=electricity_in_the_united_states.

³ These conclusions are echoed in Rocky Mountain Institute's Integrated Energy Plan, available at: https://nj.gov/emp/pdf/New_Jersey_2019_IEP_Technical_Appendix.pdf.

American Lung Association,⁴ scientists have noted a correlation between air pollution exposure and higher COVID mortality rates, particularly in communities of color. To protect communities suffering from exposure to air pollution, it is essential to preserve existing, non-emitting nuclear units, and ensure that those communities do not bear the burden of any increased utilization of sources that emit air pollutants like particulate matter and nitrogen oxides (which contribute to the formation of ground-level ozone).⁵

Finally, as we all navigate the economic and other difficulties brought on by the pandemic, keeping the cost of electricity affordable is critical. Currently, numerous electricity customers are facing economic distress and are struggling to pay bills, including their utility bills. EEI's member companies continue to work closely with customers, consumer advocates, and regulators across the country to create payment programs and options designed to keep customers' lights on at the time they need it most. The \$10/MWh ZEC remains a least-cost way to preserve clean affordable generation in New Jersey, especially in light of the ongoing pandemic and the fact that generation costs typically comprise the largest part of customers' electricity bills. Moreover, when compared to other subsidies available for zero emission generation in New Jersey, continuing the award of ZECs for these units at \$10/MWh is consistent with the goal of keeping electricity affordable for all struggling customers, without compromising on the state's clean energy goals.

Nuclear power is an essential element of the electric power sector's ongoing clean energy transformation. As of the end of 2019, the electric power sector had reduced its carbon dioxide (CO₂) emissions by 33 percent compared to peak levels in 2005—the lowest level in more than 30 years. Investor-owned electric companies—those that make up EEI's membership—have reduced CO₂ levels even further, by approximately 45 percent when compared with 2005. The predictability and certainty that will come from the award of ZEC payments for Salem 1, Salem 2, and Hope Creek will keep these units online and generating carbon-free power that will help continue the clean energy transition at affordable prices while meeting demand in an environmentally sound manner consistent with New Jersey's overall climate goals.

EEI thanks you for the opportunity to provide comments in this important proceeding, and urges the BPU to thoughtfully consider these comments before rendering a decision in the above-referenced dockets.

Respectfully submitted,



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⁴ See American Lung Association, "Understanding the link between COVID-19 Mortality and Air Pollution," accessed February 8, 2021, <https://www.lung.org/blog/covid-19-mortality-and-air-pollution>.

⁵ See *Ibid*