



By electronic mail

February 12, 2021

NJ Board of Public Utilities
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Post Office Box 35
Trenton, New Jersey 08625-0350
Zec.Comments@bpu.nj.gov
board.secretary@bpu.nj.gov

ATTN: Aida Camacho-Welch, Secretary

Re: BPU Docket Nos. ER20080557, ER20080558 & ER20080559

IN THE MATTER OF THE APPLICATION OF PSEG NUCLEAR, LLC AND EXELON GENERATION COMPANY, LLC FOR THE ZERO EMISSION CERTIFICATE PROGRAM - SALEM UNIT 1 IN THE MATTER OF THE APPLICATION OF PSEG NUCLEAR, LLC AND EXELON GENERATION COMPANY, LLC FOR THE ZERO EMISSION CERTIFICATE PROGRAM - SALEM UNIT 2 IN THE MATTER OF THE APPLICATION OF PSEG NUCLEAR, LLC FOR THE ZERO EMISSION CERTIFICATE PROGRAM – HOPE CREEK

Dear Secretary Camacho-Welch,

On behalf of AARP New Jersey, please accept these comments and attached 4,863 petition signatures urging the BPU reject the above referenced applications for an extension of the zero emission certificate, (ZEC), program for the Salem 1, Salem 2 and Hope Creek nuclear units.

The ability to maintain safe, affordable, and reliable utility services, including electricity, natural gas, water, telecommunications, and high-speed internet service is critical at any time and is particularly important now during this health and economic emergency in order to maintain compliance with stay-at-home orders and the ability of people to stay engaged with work, education, and loved ones while preventing the spread of the virus. This is especially critical for our most vulnerable residents who are already suffering under the weight of New Jersey's high energy costs.

AARP supports sustainable energy policies where cost effective and advocates for fair, affordable and reliable service. Regardless of whether or not the BPU is evaluating a ZEC

proposal, infrastructure upgrades or a request for an increase in base rates, it is imperative the costs and underlying assumptions concerning the rates consumers pay are fully evaluated through an open and transparent process and consider whether rates are reasonable, fair and equitable.

Many of our members are on low or fixed incomes. All of New Jersey has been affected by the pandemic. No matter how worthy a project may be, they do not have extra money to support questionable efforts --including this nuclear tax -- an effort that is questionable at best.

AARP opposed the law L. 2018, c. 16 (codified at N.J.S.A. 48:3-87.3 to -87.7) (“Act”) which required the BPU to create a program and mechanism for evaluating ZECs as it:

- Imposed an unnecessary and unfair nuclear tax on every residence and business in New Jersey – regardless of who they purchase utility service from;
- Required that every NJ business and residence subsidize the electricity costs for businesses operating and residents living in other states, further damaging New Jersey’s economy, and.
- It is not fair nor reasonable to require ratepayers boost the profits of profitable energy corporations. At the time the legislation was enacted and during the subsequent 2019 BPU proceeding to determine if a ZEC was warranted, independent analyses determined the nuclear units were profitable, economic and were not facing a retirement signal from the PJM markets.

Indeed, BPU Commissioner Chivukula stated in his opposition to awarding ZECs for these units that the corporate subsidy is “[highway robbery](#)”ⁱ perpetrated by “one of the most powerful companies in New Jersey” and is an “undue burden on the ratepayers of the State.” Commissioner Robert Gordon stated, “In my view, the Board is being directed to pay ransom and the hostages are the citizens of New Jersey.”

PSEG’s nuclear power plants were profitable then and as determined by the expert testimony of the PJM Independent Market Monitor, (IMM), and the NJ Division of Rate Counsel in the current proceeding, the three plants are economic now. The IMM finds the Board should be crediting, or otherwise providing refunds, to New Jersey’s electric consumers for the overpayments we are making now.ⁱⁱ

NJ Division of Rate Counsel Director Stefanie Brand testified on February 2, 2021:

In brief, our consultants found that the applicants have not demonstrated that the financial prospects of Salem 1, Salem 2, or Hope Creek are such that they will need to shut down over the next three years if subsidies are not awarded by the BPU. The financial analyses provided by the Companies include significant costs associated with operational and market risks that are speculative and inappropriate to charge to regulated ratepayers in New Jersey. In addition, the methodologies proposed by the Companies inflate the costs

of operating and understate the revenues PSEG and Exelon stand to review from the three nuclear units.ⁱⁱⁱ

AARP is opposed to single state, out of market payments to such facilities outside of the regional wholesale market (in this case PJM).

As the Board is aware, New Jersey is in PJM, a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. The Hope Creek and Salem plants serve the region, not just the state of New Jersey. It is not fair nor equitable to saddle New Jersey ratepayers alone with a nuclear tax for energy that is used well beyond our state's boundaries.

AARP also continues to be concerned about the lack of transparency in this proceeding. The public only has access to heavily redacted reports and testimony despite the fact that we are the ones who pay the bill for ZECs.

Along with these continuing concerns, since the law was passed and the initial ZEC program was instituted, there have been changes at the Federal Energy Regulatory Commission (FERC) level and at PJM which, as also outlined by the IMM, provide a prudent basis for rejecting the ZEC now and at least waiting until the full impacts of these decisions are understood.

Finally, and as noted by the consultant retained by the Board for this proceeding, Levitan and Associates, Inc., there is no guarantee that the plants may not close anyway, even with a ratepayer bailout.^{iv}

Now is not the time to approve these corporations' request to pile on another almost \$1 billion rate hike on the backs of struggling New Jerseyans to once again boost the profits of profitable energy corporations.

Please contact eliebman@aarp.org if you have any questions or would like additional information.

Sincerely,



Evelyn Liebman

AARP NJ Director of Advocacy

ⁱ https://www.nj.gov/rpa/docs/A-003939-18_ZEC_Appeal_Appellant's_Brief_Filed_Public_Version_9-18-19.pdf

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https://www.monitoringanalytics.com/Reports/Reports/2021/IMM_Public_Report_Analysis_of_NJ_ZEC_Applications_20210129.pdf

iii [https://www.nj.gov/rpa/docs/RPAPROD-112214-v1-ZEC II Testimony 2-1-21.pdf](https://www.nj.gov/rpa/docs/RPAPROD-112214-v1-ZEC_II_Testimony_2-1-21.pdf)

iv <https://www.bpu.state.nj.us/bpu/agenda/zec.html>