

150 W State Street, Suite 5
Trenton, NJ 08608-1105

267-533-1671 – MS Teams
609-909-7033 – Trenton Office
609-393-0243 – Facsimile
cynthia.holland@exeloncorp.com

Mailing Address:
92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066

atlanticcityelectric.com

October 1, 2021

VIA ELECTRONIC MAIL
aida.camacho@bpu.nj.gov
board.secretary@bpu.nj.gov

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

RE: In the Matter of the Letter Petition of Atlantic City Electric Company
Requesting Approval of Its Rider Remote Net Energy Metering (“RNEM”)
Tariff Pursuant to N.J.A.C. 14:1-5.11 and N.J.A.C. 14:3-1.3
BPU Docket No. _____

Dear Secretary Camacho-Welch:

In accordance with N.J.A.C. 14:1-5.11 and N.J.A.C. 14:3-1.3, Atlantic City Electric Company (“ACE” or the “Company”) hereby requests that the New Jersey Board of Public Utilities (the “Board”) accept this Letter Petition in lieu of a more formal Petition requesting approval of the Company’s Rider RNM – Remote Net Metering Tariff (“Rider RNM Tariff” or “Tariff”). As further described below, the Company’s proposed Rider RNM Tariff is consistent with the statutory authorization of remote net metering, the Board’s two relevant orders on the topic, and the Board’s only other approved tariff for remote net metering service. Enclosed herewith is the proposed tariff language (**Exhibit A**). The Company proposes an effective date of December 1, 2021.¹

¹ The effective date of the Rider RNM Tariff is not necessarily the date by which all necessary billing system upgrades will be effective. As is the case with community solar and other initiatives, the necessary billing system changes will take time. Here, billing system upgrades may require further change once the Board adopts its remote net metering regulations. However, these billing system changes will not preclude developers from submitting applications to begin and proceeding through the remote net metering interconnection process as of the effective date of this Rider RNM Tariff.

Remote net metering was authorized in New Jersey as part of the Clean Energy Act, codified as N.J.S.A. 48:3-87.12. The law required the Board to, no later than 120 days after enactment, establish an application and approval process to certify public entities to act as a host customer for remote net metering generating capacity. Under the statute, a public entity certified to act as a host customer may allocate credits to other public entities within the same electric public utility service territory. The law further stated that a copy of the agreement between the public entity certified to act as a host customer and other public entities designated to receive credits shall be provided to the electric public utility before remote net metering credits may be applied to a customer bill. The law further required the Board to establish a remote net metering application process. By Order dated September 27, 2018, the Board adopted recommendations of Staff defining key terms, such as public entity; adopted the Public Entity Certification Agreement, for use by the utilities and developers; ordered Staff to present for Board approval any Agreement found to be complete; and ordered Staff to initiate a rulemaking for remote net metering. On August 18, 2021, the Board clarified its definition of public entity and approved the first completed remote net metering application in the Jersey Central Power & Light (“JCP&L”) service territory. Prior to this application approval, JCP&L received Board approval of a remote net metering tariff.

Under N.J.A.C. 14:3-1.3(a), “each public utility shall, prior to offering a utility service to the public, submit a tariff or tariff amendments to the Board for approval, with electronic copy to Rate Counsel.” Among other things, the Board requires petitioners to meet the applicable requirements for tariff filings under N.J.A.C. 14:1-5.11, which governs filings that do not propose increases in charges to customers. Consistent with the process used for prior net metering tariff changes, the Company requests approval of the proposed Rider RNM Tariff by Letter Petition in lieu of a more formal filing.²

In the absence of regulations, ACE’s proposed Rider RNM Tariff follows the statutory language and applicable Board orders regarding remote net metering. ACE’s proposed Rider RNM is also substantially similar to the approved tariff in place for JCP&L. Accordingly, ACE believes that the proposed Rider RNM Tariff is consistent with the law and will provide necessary clarity into the application approval process for the public entity customers seeking this service. No customers’ rates will be affected by the Board’s approval of the Rider RNM Tariff. The Company does not propose public hearings, which follows the process the Board has used for the Company’s prior net metering tariff proposals.

² Cf. In the Matter of the Letter Petition of Atlantic City Electric Company Requesting Approval of Certain Modifications to Its Rider Net Energy Metering (“Rider NEM”) Tariff Pursuant to N.J.A.C. 14:1-5.11, Dkt. No. ET15020139 (Nov. 16, 2015).

Aida Camacho-Welch

October 1, 2021

Page 3

The Company would be pleased to meet with representatives of the Board and the Division of Rate Counsel with respect to this Letter Petition. The Company is prepared to respond to any requests for additional information from the parties. Finally, pursuant to 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, on March 19, 2020, this Letter Petition is electronically filed with the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Thank you for your consideration of this matter.

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

Enclosures

cc: Service List

Exhibit A

RIDER RNM
Remote Net Energy Metering

Limitations and Qualifications for Remote Net Metering (BPU Docket No. QO18070697, Orders dated September 17, 2018 and August 18, 2021)

The Clean Energy Act, P.L. 2018, Chapter 17, Section 6 required the BPU to establish an application and approval process to facilitate Remote Net Metering in which a public entity certified to act as a host customer with a solar electric energy project may allocate credits to other public entities within the same electric public utility service territory. On September 17, 2018, the Board established the application and approval process and defined public entity for Remote Net Metering, in Docket No. QO18070697.

To qualify for Remote Net Metering a customer must be a public entity, which is a State entity, school district, county, county agency, county authority, county community college, municipality, municipal agency, municipal authority or public university that has completed the BPU-approved application process and received BPU approval for certification as a participant eligible to receive Remote Net Metering credits. A host customer is a public entity that proposes to host a solar electric generation facility on its property in the Atlantic City Electric Co. ("ACE" or the "Company") service territory. The entities designated to receive credits are considered to be receiving customers. Receiving customers must be public entities also located in the ACE service territory. Both the host customer and the receiving customer must be a customer of record of ACE. Receiving customers must maintain positive bill payment practices on their ACE account to remain eligible for credits. There may be no more than 10 receiving customer accounts per host customer. Host customer and receiving customers must be served by Basic Generation Service ("BGS") under the same eligible rate schedule or be supplied by the same (third-party) energy supplier. None of the accounts can be included in a previous aggregation for another qualified customer facility or be a NEM customer.

Eligible public entities must follow the established application and approval process to certify public entities to act as a host customer for Remote Net Metering, requiring submittal of the BPU-approved form of "Public Entity Certification Agreement" used by the host customers and receiving customers, which shall be fully executed and provided to ACE and the BPU, reviewed by the Staff of the BPU, and approved by the BPU prior to the application of any Remote Net Metering credits. The Public Entity Certification Agreement is available on the New Jersey Clean Energy Program website as well as the Company's website in the section dedicated to information regarding net metering and interconnection processes. The standard form "Public Entity Certification Agreement" must be fully executed by the host customer and each receiving customer, be accompanied by the BPU-approved standard form of Interconnection Application (Part 1) as used for all net metered projects and be delivered to both BPU Staff and the Company. The Company and BPU Staff will review the Public Entity Certification Agreement for administrative completeness. Within 10 business days, the Company will provide its input to BPU Staff, whereupon BPU Staff will issue a notice of its findings to the contact person listed on the form. Following the issuance of a notice of administrative completeness, the Company will have 20 business days to review the application for eligibility and feasibility, including the proposed system size and all account information and make a recommendation to BPU Staff to approve or deny. In the case of a recommendation of denial, the Company will provide to BPU Staff a description of the deficiencies and potential means to correct the deficiencies. BPU Staff will present the fully executed "Public Entity Certification Agreement" and Part 1 of the Interconnection application to the Board with a recommendation for approval or denial. The BPU's approval or denial will guide the Company action. ACE is not responsible for resolving disputes which may arise between host customer and receiving customers.

Host Customer Solar Electric Generator Sizing for Remote Net Metering: The size of a host customer's solar electric generation facility shall be limited to the installed capacity that can produce electricity on an annual basis in an amount not to exceed the total average usage of the applicable host customer's electric account(s) with the Company. The host customer is not required to use more than one account for purposes of sizing the solar electric generation facility. However, the solar facility must be located on property containing at least one Company electric meter for the host customer. The host customer must identify which account(s) to use to calculate the total average usage for the previous 12 months of consumption in kWhs. The total quantity of annual, historic consumed kWh will be divided by the number of accounts, if more than one account is used, and 1,200 annual kWh per kilowatt ("kWdc") to arrive at the maximum capacity for the solar electric generation facility in kW ("kWdc" and "kWac").

Date of Issue:

Effective Date:

Issued by:

RIDER RNM (Continued)
Remote Net Energy Metering

Billing and Credits for Remote Net Metering: No more than 10 receiving accounts may be party to a Public Entity Certification Agreement and no less than 10% of the solar electric generating facility output may be allocated to a receiving customer account and intended primarily to offset all or part of the receiving customer's own electricity requirements except to the extent that 10% of the solar electric generating facility output is greater. Receiving customers must maintain positive payment practices on their ACE accounts to remain eligible to receive credits. The terms and conditions of the Public Entity Certification Agreement, including all designated receiving accounts and their associated percentage of output allocations, shall be fixed throughout the annualized period with the exception of a once per annum opportunity to reallocate upon BPU's approval of a revision to a Public Entity Certification Agreement, which is re-executed with all parties' approval, including the Company. The host customer shall agree to the installation of a revenue grade production meter at its expense that is specified, owned, and installed by the Company. This revenue grade production meter will record the solar generation at the host site. On a monthly basis, the Company shall use the metered kWh data produced by the solar electric generation facility on the host customer property to calculate the credits due to receiving customers. The monthly output will be allocated to receiving customers according to the percentage allotments indicated on the approved Public Entity Certification Agreement. The value of a Remote Net Metering credit will reflect a rough approximation of the generation, transmission and distribution value of a kWh produced by the solar electric generation facility. Each credited kWh for a receiving customer shall offset the variable kWh charges of a receiving customer, except for the SBC charge. No fixed, demand (\$/kW), customer or SBC charges shall be offset by a remote net metering credit. On a monthly basis, the Company will credit an apportioned amount of kWh output from the solar facility in the form of kWh to be deducted from the kWh consumed by the receiving customers according to the percentage allotments indicated on the approved Public Entity Certification Agreement. The apportioned amount of solar electricity generated in kWh, the gross amount of electricity consumed and the net amount of kWh after credit allocation will be identified on the monthly electric bills of the designated receiving customer account. The receiving customers will be charged the SBC amounts attributable to the apportioned credit kWh. The application of an annualized period as currently used in the net metering rules at N.J.A.C. 14:8-4.2 shall apply to remote net metering host customers and receiving customers. Any excess generation for an individual receiving customer account after a monthly credit allocation shall be carried over to the next month within the annualized period. If an individual receiving customer account holds credits at the end of an annualized period, the account shall be trued up consistent with current net metering practice, with excess kWh compensated at the average annual LMP in the Company's transmission zone.

Remote Net Metering customers shall be responsible for all interconnection costs.

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Service List

BPU

Aida Camacho-Welch •
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
aida.camacho@bpu.nj.gov
board.secretary@bpu.nj.gov

Stacy Peterson
Deputy Executive Director
stacy.peterson@bpu.nj.gov

Paul Lupo
paul.lupo@bpu.nj.gov

Abraham Silverman, Esq.
abe.silverman@bpu.nj.gov

Heather Weisband, Esq.
heather.weisband@bpu.nj.gov

William Barkasy
william.barkasy@bpu.nj.gov

Kelly Mooij
kelly.mooij@bpu.nj.gov

Ariane Benrey
ariane.benrey@bpu.nj.gov

B. Scott Hunter
benjamin.hunter@bpu.nj.gov

Suzanne Patnaude
suzanne.patnaude@bpu.nj.gov

Donna Thomas
donna.thomas@bpu.nj.gov

DIVISION OF LAW

Daren Eppley, Chief
Deputy Attorney General
Division of Law
Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, NJ 08625
daren.eppley@law.njoag.gov

Pamela L. Owen, Assistant Chief
Deputy Attorney General
pamela.owen@law.njoag.gov

Brandon C. Simmons, Esq.
brandon.simmons@law.njoag.gov

Steven A. Chaplar, Esq.
steven.chaplar@law.njoag.gov

RATE COUNSEL

Brian O. Lipman, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
blipman@rpa.nj.gov

Sarah H. Steindel, Esq.
ssteinde@rpa.nj.gov

ACE

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

Susan DeVito
Director, Pricing and Regulatory
Services
susan.devito@pepcoholdings.com

Thomas M. Hahn
Principal Rate Analyst
thomas.hahn@pepcoholdings.com

Heather Hall
Manager, Regulatory Affairs –
New Jersey
heather.hall@pepcoholdings.com