

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF THE MODIFICATION OF POWER PURCHASE AGREEMENTS
WITH CHAMBERS COGENERATION LIMITED PARTNERSHIP
AND LOGAN GENERATING COMPANY, L.P.**

BPU Docket No. EM21121253

Via Electronic Submission

Commissioner Dianne Solomon
Commissioner
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
P.O. Box 350

Re: I/M/O The Petition of Atlantic City Electric Company for Approval of the Modification of Power Purchase Agreements with Chambers Cogeneration Limited Partnership and Logan Generating Company, L.P., BPU Docket No. EM21121253

Dear Commissioner Solomon:

The Sierra Club, on behalf of its nearly 21,000 members throughout New Jersey, 350NJ-Rockland, on behalf of its 2,000 members, and Environment New Jersey submit these comments expressing its support for Atlantic City Electric Company's above-captioned Petition (the "ACE Petition," or "Petition") to modify its power purchase agreements with Chambers Cogeneration Limited Partnership ("Chambers") and Logan Generating Company, L.P. ("Logan") to secure the cessation of coal-firing at Chambers's and Logan's respective facilities. As explained in more detail below, granting the petition would result in significant reductions in greenhouse gas pollution, significant public health benefits due to reductions in nitrogen oxides, sulfur dioxide, and particulate matter pollution, and savings to ACE ratepayers of tens of millions of dollars.

Background

New Jersey, and indeed the entire world, is in the midst of a climate crisis brought on by excessive combustion of fossil fuels. As New Jersey recognizes, rapid action is vitally needed to

blunt the harms this crisis is already causing as well as the greater threats it poses as we continue to add to the stock of atmospheric carbon with each passing year. Indeed, New Jersey’s Energy Master Plan observes that “[t]here is near unanimous scientific consensus that the global threat of climate change is grave and that it demands swift local action and focused state leadership.”¹

Further, the New Jersey Legislature has found, “the effects of increasing levels of greenhouse gases in the atmosphere are accepted by many respected scientists and members of the international community as seriously detrimental to the ecosystems and environment of the world” and “if steps are not taken to reverse these trends, the effects on human, animal and plant life on Earth may be catastrophic.” N.J.S.A. § 26:2C-38. As such, the Legislature found and declared “that it is in the public interest to establish a greenhouse gas emissions reduction program to limit the level of Statewide greenhouse gas emissions, and greenhouse gas emissions from electricity generated outside the State but consumed in the State, to the 1990 level or below, of those emissions by the year 2020, and to reduce those emissions to 80% below the 2006 level by the year 2050.” *Id.*

Comments

Approving the Petition would help advance New Jersey’s critical goal of reducing dangerous greenhouse gas pollution. Coal-fired electric generators like Chambers and Logan are major sources of carbon dioxide, and as Table 1 shows, together, these plants have pumped out between 1.5 and 2 million tons of carbon dioxide pollution every year since 2016.

¹ 2019 New Jersey Energy Master Plan Pathway to 2050, at 11-12, *available at* https://nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf.

Table 1: Chambers and Logan Annual CO₂ Emissions (tons), 2016-2021²

Plant	2016	2017	2018	2019	2020	2021
Chambers	1,204,736.60	1,076,557.68	1,054,626.85	985,118.73	861,741.17	757,461.57
Logan	765,774.12	778,955.09	757,839.24	680,063.63	612,697.09	738,365.86
TOTAL	1,970,510.72	1,855,512.77	1,812,466.09	1,665,182.36	1,474,438.26	1,495,827.43

As the New Jersey Global Warming Response Act 80x50 Report notes, much of the progress that New Jersey has made in reducing greenhouse gas emissions in the generation sector has come from reducing or eliminating coal-firing at power plants.³ Approving the Petition so that Chambers and Logan cease burning coal is accordingly a critical component of ensuring New Jersey’s continuing progress in reducing climate-damaging emissions.⁴

In addition, Chambers and Logan emit far more pollution than just carbon—they emit pollutants like nitrogen oxides (“NO_x”) and sulfur dioxide (“SO₂”) that pose significant threats to public health.

Table 2: Chambers and Logan Annual NO_x and SO₂ Emissions (tons), 2016-2021⁵

Plant	2016	2017	2018	2019	2020	2021
Chambers NO _x	692.324	654.728	638.522	529.221	488.243	455.365
Chambers SO ₂	931.442	1056.923	769.759	679.613	594.481	477.108
Logan NO _x	410.203	427.421	420.685	400.41	357.896	443.827
Logan SO ₂	548.501	550.927	548.227	479.84	415.5	486.055

² Data taken from U.S. EPA, Air Markets Program Database, *available at* <https://ampd.epa.gov/ampd/>.

³ *See, e.g.*, Executive Summary at V (“New Jersey has made significant progress in reducing GHGs, in large part through a rapid transition from coal-powered energy generation”), *available at* <https://www.nj.gov/dep/climatechange/docs/nj-gwra-80x50-report-2020.pdf>.

⁴ This is even the case where any electricity otherwise generated at Chambers and Logan is simply replaced by generation from the PJM pool—the carbon emissions per megawatt-hour PJM system average has been dropping for years, declining more than 20% from 2016 to 2020 to 791 pounds of CO₂ per megawatt-hour. *See* PJM, 2016–2020 CO₂, SO₂ and NO_x Emission Rates, at 3, *available at* <https://www.pjm.com/-/media/library/reports-notice/special-reports/2020/2020-emissions-report.ashx>. PJM’s system as a whole is significantly cleaner than Chambers and Logan.

⁵ Data taken from U.S. EPA, Air Markets Program Database, *available at* <https://ampd.epa.gov/ampd/>.

The entire state of New Jersey has been designated “nonattainment” for failing to attain the health-based 2015 ozone National Ambient Air Quality Standard (“NAAQS”), and NO_x pollution, such as that from Chambers and Logan, is a major driving force behind New Jersey’s ground-level ozone, or smog, problems.⁶ Both ground-level ozone and sulfur dioxide negatively impact public health, particularly for children, the elderly, or those with breathing problems such as emphysema.⁷ In New Jersey, where 1 in 13 residents suffer from asthma, reducing emissions of NO_x and SO₂ is particularly critical to protecting the public’s health;⁸ ceasing coal-firing at Chambers and Logan is accordingly strongly in the public interest.

Finally, as the ACE Petition makes clear, granting the Petition would result in significant cost savings for New Jersey electricity customers. Under New Jersey law, the BPU “may approve the buyout or buydown of a power purchase agreement with a non-utility generator or a new power purchase contract . . . [if it] will result in a substantial reduction in the total stranded costs of the utility, which resulting savings will be passed through to ratepayers on a full and timely basis.”⁹ This is precisely the situation here, where granting the Petition would result in savings to ratepayers of up to \$30 million. ACE Petition at 8.

⁶ See, e.g., New Jersey Department of Environmental Protection, Attainment Area Status, at <https://www.nj.gov/dep/baqp/aas.html#:~:text=On%20June%204%2C%202018%2C%20the,ppm%20and%200.075%20ppm%20standards>.

⁷ See, e.g., U.S. EPA, Health Effects of Ozone Pollution (ozone pollution can “[a]ggravate lung diseases such as asthma, emphysema, and chronic bronchitis” and can “[i]ncrease the frequency of asthma attacks,” and “effects can be more serious in people with lung diseases such as asthma. They may lead to increased school absences, medication use, visits to doctors and emergency rooms, and hospital admissions.”) at <https://www.epa.gov/ground-level-ozone-pollution/health-effects-ozone-pollution>; U.S. EPA, Sulfur Dioxide Basics (noting that even “[s]hort-term exposures to SO₂ can harm the human respiratory system and make breathing difficult. People with asthma, particularly children, are sensitive to these effects of SO₂.”), at <https://www.epa.gov/so2-pollution/sulfur-dioxide-basics#effects>.

⁸ New Jersey Department of Health, Asthma in New Jersey (“In New Jersey, more than 600,000 adults and 167,000 children have asthma.”), at <https://www.nj.gov/health/fhs/chronic/asthma/in-nj/#:~:text=In%20New%20Jersey%2C%20more%20than,all%20races%2C%20ages%20and%20genders>.

⁹ NJ Rev. Stat. 48:3-61(l)(1).

Accordingly, granting the Petition would reduce climate-damaging greenhouse gas emissions, reduce the load of conventional air pollutants that threaten the public health, and would save New Jerseyans money—overall, a very good deal. But time is of the essence. The savings to ratepayers are maximized by revising the power purchase agreements earlier rather than later, and in the meantime Chambers and Logan will continue to emit damaging air pollution, impairing public health and inflicting damage on the climate; and a lengthy delay could lead to further delays if ACE, Chambers, and Logan are forced to renegotiate as a result.

Conclusion

For the foregoing reasons, the Sierra Club and 350NJ-Rockland urge the BPU to approve the ACE Petition as quickly as possible and before the expiration date of the negotiated settlement.

Sincerely,

/s/ Zachary M. Fabish
Senior Attorney
The Sierra Club
50 F Street NW, 8th Floor
Washington, D.C. 20001
zachary.fabish@sierraclub.org

/s/ Ted Glick
President
350NJ-Rockland
<https://world.350.org/newjersey/>

/s/ Doug O'Malley
Director
Environment New Jersey
104 Bayard Street, Fl. 6
New Brunswick, NJ 08901
Cell: 917-449-6812
Twitter: @DougOMalleyENJ