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March 18, 2022

Via Electronic Mail

Hon. 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
Aida.Camacho@bpu.nj.gov

**Re: In the Matter of the Petition of Atlantic City Electric Company for Approval
of a Change to Its Zero Emission Certificate Recovery Charge (10/2021)
BPU Docket No.: EO21101179**

Dear Secretary Camacho-Welch:

Please accept for filing these comments on behalf of the Division of Rate Counsel ("Rate Counsel") regarding the Atlantic City Electric Company ("ACE" or "company") petition referenced above.

As directed by the Board's Order in Docket No. EO20030254, dated March 19, 2020, Rate Counsel hereby submits this filing via electronic email only to the Board Secretary and service list. **Please acknowledge receipt of these comments.** Thank you for your consideration and attention to this matter.

In May 2018 the State of New Jersey established the Zero Emissions Certificate ("ZEC") Program and ordered the Board of Public Utilities ("Board" or "BPU") to create a mechanism for the issuance of ZECs, which represent "the fuel diversity, air quality and other environmental attributes" of one megawatt-hour of nuclear generation, N.J.S.A. 48:3-87.4, and to create a Zero

Emissions Certificate Recovery Charge (“ZECRC”). In the enabling legislation New Jersey also directed the New Jersey electric distribution companies (“EDCs”) to return excess monies collected in each EDC’s separate ZECRC interest-bearing account to its retail distribution customers at the end of each energy year. N.J.S.A. 48:3-87.5 3. j.(2).

On October 14, 2021, ACE filed a petition seeking a change in the ZEC Reconciliation Charge Credit Rate to adjust the refund of excess collections from Energy Year 2021 (“Petition”). The Company is seeking to refund the excess ZECRC collections and corresponding interest over an 11- month period commencing February 1, 2022.

ACE states as a result of this adjustment, the proposed ZEC Reconciliation Charge Credit Rate would change from (\$0.000156) per kilowatt-hour (“kWh”) (before New Jersey Sales and Use Tax [“SUT”]) to (\$0.000078) per kWh (before SUT), and with the inclusion of SUT, the rate would change from (\$0.000166) per kWh to (\$0.000083) per kWh. ACE Petition, p. 2.

Because the refund rate is being reduced, if the Board approves the Company’s request, the net effect will be an increase in customer bills. The bill of a typical residential customer using 680kWh per month from \$138.92 to \$138.98, or \$.06 or approximately 0.04% with the exact amount of a customer’s bill increase dependent upon the amount of electricity used. Id.

ACE also states that for Energy Year 2022 and going forward, the Company will monitor the ZECRC excess collection balance and, as the balance approaches zero, it proposes to file a petition, thirty days before it intends to implement the rate change in the ZEC Reconciliation Charge Rate to zero. The Company plans to include any excess balance remaining at that point in the Company’s next ZEC Reconciliation Charge Rate filing. ACE is also proposing that future adjustments to the ZEC Reconciliation Charge Rate be handled through compliance filings as they state the credit will fluctuate between Energy Years. The Company states it will make a

compliance filing no later than 30 days prior to any change to the ZEC Reconciliation Charge Rate. Id.

COMMENTS

Rate Counsel has reviewed the petition and discovery responses for this matter and based on the facts and responses specific to this petition, does not object to ACE's request to refund the excess of the 2020 Energy Year ZEC collection to its customers over an 11-month period. In addition, Rate Counsel does not object to the proposed ZECRC future adjustment procedure sought for Energy Year 2022 and going forward. In addition, Rate Counsel does not object to the proposed adjustment sought to the ZECRC for Energy Year 2022, however it is unclear to Rate Counsel how a compliance filing with a thirty day notice would satisfy the Board's statutory public hearing notice requirements if the proposed adjusted rate would lead to an increase in rates.

Respectfully submitted,

BRIAN O. LIPMAN, DIRECTOR
DIVISION OF RATE COUNSEL

By: /s/ Bethany Rocque-Romaine
Bethany Rocque-Romaine, Esq.
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c: Service list (via electronic mail)

**In the Matter of the Petition of
Atlantic City Electric Company
for Approval of Changes to its
Zero Emission Certificate
Recovery Charge (10/2021)
BPU Docket No.: EO21101179
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