



Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

State of New Jersey

BOARD OF PUBLIC UTILITIES
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President

Mary-Anna Holden
Commissioner

Dianne Solomon
Commissioner

Upendra Chivukula
Commissioner

Bob Gordon
Commissioner

April 13, 2022

To the Service List:

Re: Docket No. EO18080899 – In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants

AND

Docket No. EO21101182 – In the Matter of the Petition of Jersey Central Power & Light Company for Approval of a Change in Its Zero Emission Certificate Recovery Charge

Agenda Date: April 6, 2022 – Agenda Item: 2H

Please be advised that the New Jersey Board of Public Utilities (“Board”) is re-issuing the April 6, 2022 Order in the above-referenced matter to correct errors regarding the ZEC Recovery Charge (“ZECRC”) rate and the monthly bill impact. On page 3, the per kWh ZECRC rate was incorrectly provided as \$0.004097. The correct kWh ZECRC rate is \$0.004170. Additionally, the increase for a residential customer using approximately 650 kWh per month was incorrectly listed as \$0.04. The correct amount is an increase of \$0.05 per month.

These are the only changes to the Order, which will be re-distributed to the parties of record and the attached Service List.

Sincerely,

A handwritten signature in cursive script that reads "Carmen D. Diaz".

Carmen D. Diaz
Acting Secretary



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
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ENERGY

IN THE MATTER OF THE IMPLEMENTATION OF <u>L. 2018,</u>)	ORDER APPROVING A
<u>c. 16</u> REGARDING THE ESTABLISHMENT OF A ZERO)	MODIFIED ZERO EMISSION
EMISSION CERTIFICATE PROGRAM FOR ELIGIBLE)	CERTIFICATE RECOVERY
NUCLEAR POWER PLANTS)	CHARGE TARIFF
)	
IN THE MATTER OF THE PETITION OF JERSEY)	
CENTRAL POWER & LIGHT COMPANY FOR APPROVAL)	
OF A CHANGE IN ITS ZERO EMISSION CERTIFICATE)	DOCKET NOS. EO18080899
RECOVERY CHARGE)	AND EO21101182

Parties of Record:

Joshua R. Eckert, Esq. Jersey Central Power & Light Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (N.J.S.A. 48:3-87.3 to 87.7) (“Act”). The Act required the New Jersey Board of Public Utilities (“Board”) to implement a Zero Emission Certificate (“ZEC”) program within specified timelines. N.J.S.A. 48:3-87.3 to 87.5. Under the Act, the Board may approve certain eligible nuclear energy generators to receive ZECs, which New Jersey’s electric distribution companies (“EDCs”) would be required to purchase.¹ N.J.S.A. 48:3-87.5(b)(2); N.J.S.A. 48:3-87.5(i). The Act also provided that the Board shall order the full recovery of EDCs’ costs associated with the purchased ZECs through a non-bypassable charge imposed on each EDC’s retail distribution customers. N.J.S.A. 48:3-87.5(j).

The Act further directed each EDC to file with the Board within 150 days of the Act’s enactment, by October 22, 2018, a tariff to recover from its retail distribution customers a charge of \$0.004 per kilowatt-hour (“kWh”). N.J.S.A. 48:3-87.5(j). The Act identified this charge as the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant.

¹ The EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company (“JCP&L” or “Company”), Public Service Electric and Gas Company, Rockland Electric Company and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

Ibid. Within 60 days of the filing of each EDC tariff, and after notice, opportunity for comment, and a public hearing, the Board was required to approve the appropriate tariffs. Id. In the Act, the EDCs were also directed to return excess monies in each EDC's separate, interest bearing account to its retail distribution customers at the end of each energy year. Id.

By Order dated November 19, 2018, the Board accepted the tariff filings made by JCP&L and directed that the tariff not be implemented unless and until the Board issued a final order authorizing the implementation of the ZEC program. Subsequently, by Order dated April 18, 2019, the Board directed the EDCs to submit final tariffs to become effective on April 18, 2019.² The Board further directed the EDCs to calculate interest on their collections at their respective short-term debt rates in their respective collection accounts as allowed under the Act.

Via Board Orders dated July 10, 2019 and May 20, 2020, the Board directed the EDCs to submit various data to the Board for review on a yearly basis.³

By Order dated December 16, 2020, the Board approved JCP&L's request to revise its ZEC Recovery Charge ("ZECRC") rate to (\$0.004097) per kWh, including Sales and Use Tax ("SUT").⁴

October 2021 Letter Petition

On October 15, 2021, JCP&L submitted a filing with the Board seeking to refund the excess ZEC collections and corresponding interest related to Energy Year 2021 ("Letter Petition").

In the Letter Petition, the Company proposed to refund the excess ZECRC Collection and corresponding interest over a 12-month period, commencing January 1, 2022, through the previously established Return of Excess Collections Credit Rate ("RECCR"), which is a component of the ZECRC tariff and currently set at (\$0.000158) per kWh, excluding SUT. The proposed RECCR is (\$0.000089) per kWh, excluding SUT. The Company indicated that it will

² In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

³ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order determining the Forward Steps in the ZEC Program and Currently Approved Applications, Order dated July 10, 2019 (mandating yearly compliance filings in July); See also In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order Finalizing the Forward Steps In the ZEC Program and Modifications to the Application, Order dated May 20, 2020 (confirming, in part, yearly filing requirements).

⁴ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Jersey Central Power and Light Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 AND EO18091002, Order dated December 16, 2020.

monitor the ZECRC excess collection balance and, as it approaches zero, propose to make a filing at the Board at least 30 days in advance of JCP&L's intention to implement the rate change in the ZECRC to zero. According to JCP&L, any excess balance remaining at that point will be included in the Company's next RECCR filing.

In the Petition the Company requested "that if future RECCR adjustments are required, rate changes be handled via a compliance filing, as the credit will fluctuate between Energy Years." See Petition at p. 2. The Company proposed to make a compliance filing "no later than 30 days prior to any change to the RECCR." Id.

In the filing, JCP&L indicated that the total over-recovery to be returned to customers for Energy Year 2021 is \$1,759,431. This includes interest calculated at the Company's short-term debt rate.

After notice in newspapers and general circulation within the Company's service territory, telephonic public hearings were held on January 6, 2022 at 4:30 p.m. and 5:30 p.m.⁵ No members of the public attended the hearing. Additionally, no written comments were received by the Board.

On March 21, 2022, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter with the Board in this matter. In its letter, Rate Counsel stated that it did not object to JCP&L's request to refund the excess of the 2020 Energy Year ZEC collection to its customers over a 12-month period. In addition, Rate Counsel stated that it did not object to the proposed adjustment sought to the ZECRC for Energy Year 2022, but that it was unclear how a compliance filing with a 30-day notice would satisfy the Board's statutory public hearing notice requirements proposed adjusted rate would lead to an increase in rates.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, and as such, the Board **HEREBY APPROVES** JCP&L's proposed ZECRC rate and tariff. The Board **HEREBY APPROVES** a revised total JCP&L ZECRC rate of \$0.004170 per kWh, including SUT, for service rendered on and after May 1, 2022. As a result, a residential customer using approximately 650 kWh per month will see an increase of \$0.05 in their monthly bill.

Pursuant to N.J.S.A. 48:2-32.4 and 48:2-32.6, public hearings are required to be held to review applications by gas and electric light, heat and power companies other than municipally owned companies "for significant increases, changes, or alterations in their rate schedules..." The Board **HEREBY NOTES** that any reduction to a credit rate is considered to be an increase in that rate and the customer's respective bill. The Board declines at this time to predetermine that JCP&L's future RECCR adjustment filings will not require, or will not otherwise justify according to the Board's discretion, the holding of public hearings. Accordingly, the Board **HEREBY DENIES** JCP&L's request that if future RECCR adjustments are required, rate changes be handled via a 30-day compliance filing.

The Board **HEREBY DIRECTS** JCP&L to file revised tariffs by May 1, 2022.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

⁵ Due to the COVID-19 Pandemic, the public hearings were held telephonically.

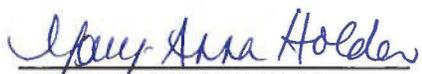
The effective date of this Order is April 13, 2022.

DATED: April 6, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



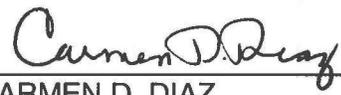
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY

In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants

In the Matter of the Petition of Jersey Central Power & Light Company for Approval of a Zero Emission Certificate Recovery Charge

BPU Docket Nos. EO18080899 and EO21101182

SERVICE LIST

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