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May 13, 2022

**IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC  
AND GAS COMPANY FOR APPROVAL OF THE RECOVERY OF  
ASSOCIATED COSTS RELATED TO THE SOLAR SUCCESSOR  
INCENTIVE PROGRAM (“SUSI”)  
BPU DOCKET NO. ER21121242**

**VIA ELECTRONIC MAIL**

Carmen Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Acting Secretary Diaz:

Attached is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

Consistent with the Order issued by the New Jersey Board of Public Utilities (“BPU or 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, Order dated March 19, 2020, this filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in black ink that reads "Aaron I. Karp".

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Aaron I. Karp

cc: Service List (Via Email)  
Attachment

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE ELECTRIC AND GAS )  
COMPANY FOR APPROVAL OF THE ) BPU DOCKET NO. ER21121242  
RECOVERY OF ASSOCIATED COSTS )  
RELATED TO THE SOLAR SUCCESSOR )  
INCENTIVE PROGRAM (“SuSI Program”) )

**STIPULATION AND AGREEMENT**

**APPEARANCES:**

**Matthew M. Weissman**, Esq., Managing Counsel - State Regulatory, and **Aaron I. Karp**, Esq., Associate Counsel - Regulatory, PSEG Services Corp., for the Petitioner Public Service Electric and Gas Company

**Maura Caroselli**, Esq. Managing Attorney – Gas, and **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Director).

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Acting Attorney General of New Jersey).

On December 6, 2021, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition (“December 2021 Petition”) and supporting documentation with the New Jersey Board of Public Utilities (“BPU” or “Board”) to recover its share of the costs of implementing the Board’s statewide Solar Successor Incentive (“SuSI”) Program pursuant to the Board’s Order in Docket No. QO20020184 (the “SuSI Order”).<sup>1</sup>

In the SuSI Order, the Board directed the New Jersey electric distribution companies (“EDCs”) to jointly procure a Solar Renewable Energy Certificate-II (“SREC-II”) Administrator, or expand the scope of the existing Transition Renewable Energy Certificate

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<sup>1</sup> In the Matter of a Solar Successor Incentive Program Pursuant to P.L. 2018, C.17, in Docket No. QO20020184, Order dated July 28, 2021 (“SuSI Order”).

(“TREC”) Administrator. The SREC-II Administrator will acquire all of the SREC-IIs produced annually by eligible solar generation projects, at the fixed prices set forth in the SuSI Order. The SREC-II Administrator will thereafter allocate the SREC-IIs to load serving entities based upon market share of retail sales for retirement within the Generation Attribute Tracking System (“GATS”) as part of the annual Renewable Portfolio Standard (“RPS”) compliance process.

The SuSI Order further provided that “the EDCs may recover reasonable and prudent costs for SREC-II procurement and SREC-II Administrator fees. Recovery shall be based upon each EDC’s proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.”

In the December 2021 Petition, the Company proposed to establish a new SuSI Program component of its Green Programs Recovery Charge (“GPRC”) to recover its share of the costs of the SuSI Program, and to establish an initial rate to recover revenue requirements of approximately \$38.2 million. Notice of the Company’s December 2021 Petition, including the date and time of public hearings, was placed in newspapers having a circulation within the Company’s electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company’s electric service territory. In accordance with that notice, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on March 22, 2022.<sup>2</sup> No members of the public provided comments at any of the hearings or filed written comments with the Board.

The New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) propounded discovery questions, to which the Company responded.

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<sup>2</sup> Public hearings were conducted virtually due to the COVID-19 pandemic.

Following review of the December 2021 Petition and discovery, Staff, Rate Counsel, and PSE&G (collectively, the “Parties”) discussed the issues and hereby **STIPULATE and AGREE** to the following:

1. Pursuant to the terms of the SuSI Order, PSE&G may implement the rates in Table 1 effective June 1, 2022, or as soon as the Board so authorizes. PSE&G will recover the revenue requirements associated with the SuSI Program component as a new component of the Company’s existing Electric Green Program Recovery Charges (“GPRC”).

<b>TABLE 1 – (Figures include Sales and Use Tax)</b>			
<b>SuSI Program Component of the Electric GPRC</b>		<b>Total Electric GPRC</b>	
<b>Present \$/kWhr</b>	<b>Proposed \$/kWhr</b>	<b>Present \$/kWhr</b>	<b>Proposed \$/kWhr incorporating SuSI</b>
<b>\$0.000000</b>	<b>\$0.000641</b>	<b>\$0.002340</b>	<b>\$0.002981</b>

2. The rates established herein are based upon forecasted costs. Monthly revenue requirements will be based upon actual costs with over/under recoveries from revenue collected being tracked with interest and included when rates are reset in the Company’s 2023 GPRC filing, then annually in subsequent GPRC filings. All costs associated with the SuSI Program, including those forecasted for the previous period, are subject to review by the Parties in annual GPRC filings.
3. Consistent with the SuSI Order, PSE&G will recover the revenue requirements (approximately \$38 million) associated with its *pro rata* share, based upon PSE&G’s proportionate share of retail electric sales, which is currently 57.11%. These revenue requirements contain PSE&G’s share of the reasonable and prudent costs for SREC-II

procurement fees, Administrator fees, and any other costs incurred by the Company in the disposition of its SuSI obligations. PSE&G's forecasted revenue requirement is for the period March 1, 2022 through September 2023.

4. The projected revenue requirements will be trued-up to actual revenue requirements, and actual revenue collected in a subsequent annual filing. PSE&G will defer all reasonably and prudently incurred costs associated with disposition of its SREC-II obligations prior to the issuance of a Board order, and recover such costs in the initial rate period beginning June 1, 2022 and ending September 30, 2023, or as soon as the Board so authorizes.
5. Any over/under recovery of actual revenue requirements compared to actual revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate will be based upon the weighted average of the Company's interest rates obtained on its commercial paper and/or bank credit lines utilized in the preceding month net of tax. This is the same interest rate used for all of the GPRC components' with over/under recovered balances.
6. The annual average bill impact of the rates to the typical residential electric customer using 740 kilowatt-hours in a summer month and 6,920 kilowatt-hours annually is an increase from \$1,314.84 to \$1,319.32, or \$4.48 or approximately 0.34% (based upon Delivery Rates and Basic Generation Service - Residential Small Commercial Pricing [BGS-RSCP] charges in effect May 1, 2022, and assuming the customer receives BGS-RSCP service from PSE&G). The tariff sheet reflecting the implementation of the stipulated initial rate for the SuSI Program component of the Company's GPRC is included as Attachment 1.
7. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the

event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

8. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.
10. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order or upon such date after the service thereof as the Board may specify in accordance with N.J.S.A. 48:2-40.

***[Signature Block on Following Page]***

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY

BY: Aaron I. Karp  
Aaron I. Karp  
Associate Counsel – Regulatory

DATED: May 10, 2022

MATTHEW J. PLATKIN  
ACTING ATTORNEY GENERAL OF NEW  
JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

BY: Matko Ilic  
Matko Ilic  
Deputy Attorney General

DATED: May 11, 2022

NEW JERSEY DIVISION OF RATE  
COUNSEL  
Brian O. Lipman, DIRECTOR

BY: /s/ Sarah H. Steindel  
Sarah H. Steindel  
Assistant Deputy Rate Counsel

DATED: May 13, 2022

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatthour)**

**Component:**

Carbon Abatement Program.....	\$0.000016
Energy Efficiency Economic Stimulus Program .....	(0.000003)
Solar Generation Investment Program.....	0.000784
Solar Loan II Program .....	0.000075
Energy Efficiency Economic Extension Program.....	(0.000039)
Solar Generation Investment Extension Program.....	0.000097
Solar Loan III Program .....	(0.000089)
Energy Efficiency Economic Extension Program II .....	0.000259
Solar Generation Investment Extension II Program .....	(0.000002)
Energy Efficiency 2017 Program .....	0.000454
Clean Energy Act Studies .....	0.000009
Transition Renewable Energy Certificate Program .....	0.000532
Clean Energy Future - Energy Efficiency Program .....	0.000102
Successor Solar Incentive Program.....	<u>0.000601</u>
Sub-total per kilowatthour .....	\$ 0.002796

Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.002981

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.



In the Matter of the Petition of Public  
Service Electric and Gas Company for  
Approval of the Recovery of Associated  
Costs Related to the Solar Successor  
Incentive Program (“SuSI Program”)  
BPU Docket No. ER21121242

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