



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND)
ELECTRIC COMPANY COMMUNITY SOLAR ENERGY)
PILOT PROGRAM COST RECOVERY)
)
) ORDER APPROVING
STIPULATION
)
) DOCKET NO. ER21060870

Parties of Record:

John L. Carley, Esq., Associate General Counsel and Margaret Comes, Esq., Associate Counsel, Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On June 1, 2021, pursuant to N.J.A.C. 14:1-5.11, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of the Company’s proposed cost recovery mechanism for the Community Solar Energy Pilot (“CSEP”) Program (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by RECO, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve the requests related to the above matter.

BACKGROUND AND PROCEDURAL HISTORY

On May 23, 2018, the Clean Energy Act, L. 2018, c. 17, was signed into law, directing the Board to adopt rules and regulations establishing the Pilot Program.²

On August 29, 2018, the Board approved the Pilot Program Proposed Rules (“Pilot Program Rules”). The Pilot Program Rules were published in the New Jersey Register on October 1, 2018, and were subject to a 60-day public comment period, which closed on November 30, 2018. Additionally, the Board held two (2) public hearings on the Proposed Rules on November 8, 2018.

¹ Commissioner Zenon Christodoulou abstained from voting on this matter.

² N.J.S.A. 48:3-87.11

The Board adopted the Pilot Program Rules on January 17, 2019, with no substantive changes. The adopted Pilot Program Rules were filed with the Office of Administrative Law and published in the New Jersey Register on February 19, 2019.³ The final Pilot Program Rules provide the framework necessary for the development and implementation of community solar in New Jersey.⁴

Community solar provides access to local clean energy for utility customers otherwise unable to place solar generation directly on their own properties. The Pilot Program enables New Jersey electric utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills. The Board remains committed to ensuring that low-and moderate-income (“LMI”) customers are able to access community solar, and that community solar development is pursued without materially compromising the preservation of open space or protected lands in New Jersey. The Pilot Program will provide the necessary experience and lay the groundwork for the development and implementation of a permanent full-scale Community Solar Energy Program within 36 months, in conformance with the Clean Energy Act.

Since the implementation of the Pilot Program, Staff received a number of inquiries from stakeholders requesting the Board to clarify the method for determination of the value of the community solar bill credit. N.J.A.C. 14:8-9.7(a) states, “The value of the bill credit shall be set at retail rate, inclusive of supply and delivery charges.” Further, N.J.A.C. 14:8-9.7(b) states: “The calculation of the value of the bill credit shall remain in conformance with retail rate, as determined in (a) above and shall remain in effect for the life of the project, defined as no more than 20 years from the date of commercial operation of the project or the period until the project is decommissioned, whichever comes first.” Finally, N.J.A.C. 14:8-9.7(c) states: “The credit may not be applied to non-bypassable charges.”⁵

On May 15, 2019, the State’s electric distribution companies (“EDCs”) submitted to Staff written proposals regarding the identification of non-bypassable charges, the method of retail rate calculation of the bill credit, and the process for the allocation of bill credits to community solar subscribers.

On August 7, 2019, the Board issued a Corrected Order, whereby it directed the EDCs to calculate the bill credit for reach rate class, set at the Pre-Sales and Use Tax (“SUT”) retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges.⁶ The Board defined non-bypassable charges, for purposes of the Pilot Program only, as the Societal Benefits Charge, the Market Transition Charge, the Transition Bond Charge, and the Zero Emissions Certificates. Additionally, the Board determined that any future additional charges, or any future modifications to existing charges, will be examined on a case-by-case basis to determine whether they should be considered non-bypassable for purposes of the Pilot Program. The August 2019 Order further stated that the bill

³ 51 N.J.R. 232(a).

⁴ See N.J.A.C. 14:8-9.1 to 9.11.

⁵ The language at N.J.A.C. 14:8-9.7(a) and N.J.A.C. 14:8-9.7(c) as published in the February 19, 2019 New Jersey Register contained two errors, which were corrected in a Notice of Administrative Correction published on May 6, 2019. See 51 N.J.R. 639(b).

⁶ In re the Matter of Community Solar Energy Pilot Program, BPU Docket No. QO18060646, Board Order dated August 7, 2019 (“August 2019 Order”).

credit should be based upon the applicable pre-SUT Basic Generation Service charges at the time the energy output being credited to the subscriber was produced by the community solar facility. Finally, the Board directed the EDC's to apply the bill credit to subscribers' electric utility bills based on their respective rate class, and based upon the percentage of a project's kilowatt-hour ("kWh") output assigned to each subscriber by the project's subscriber organization and reported to the EDCs via the method determined by Staff and the EDCs pursuant to N.J.A.C. 14:8-9.7(l).

Petition

In the Petition, the Company sought approval to implement a new component of the Company's existing electric Regional Greenhouse Gas Initiative ("RGGI") Surcharge, the CSEP component through a surcharge with an initial rate of \$0.00 per kWh as no costs have been incurred to date. The Company proposed that, for an initial two-year period, the RGGI Surcharge will recover costs from the previous year, and thereafter future RGGI filings may include forecasted amounts.

According to the Petition, the proposed future revenue requirement associated with the CSEP includes recovery of all incremental costs incurred by the Company for implementation, compliance, and administration of its CSEP Program, including incremental Information Technology ("IT") costs. Additionally, the Company proposed to defer, with interest, any over/under recovery of the monthly actual revenue requirements compared to actual revenues and to reconcile the same annually.

Following publication of notice in newspapers of general circulation within RECO's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on October 14, 2021.⁷ No members of the public attended or filed written comments with the Board.

STIPULATION

Following a review of the Petition, and discovery, the Parties executed the Stipulation, which provides for the following:⁸

11. CSEP Program Rate. The Company initial CSEP Program rate will be \$0.00 per kWh. When the Company makes its annual RGGI Surcharge filing on February 1, 2023, the Company will file for recovery of the Company's incremental CSEP Program costs for the prior calendar year.
12. RGGI Surcharge. The CSEP Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected over the prior calendar year. Any difference will be included in the CSEP Program component of the following year's RGGI Surcharge filing. The difference between the actual monthly costs and actual recoveries will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection. Interest will be included

⁷ Due to the COVID-19 pandemic, hearings were held telephonically.

⁸ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455. Attached as Attachment A to the Stipulation is a simple calculation of monthly over/under recoveries for the CSEP Program Surcharge.

13. Interest. Interest shall continue to be calculated at a rate based upon the U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the July 2009 Order in Docket No. ER08060455, but will not exceed RECO's BPU-authorized overall rate of return effective at the time the interest is calculated.

DISCUSSION AND FINDING

The Board reviewed the record in this proceeding, including the Petition, discovery, and the Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as through fully set forth herein, subject to any terms and conditions set forth in this Order.

Based upon the Stipulation, there is no bill impact to ratepayers at this time since no costs have been incurred by the Company at this time.

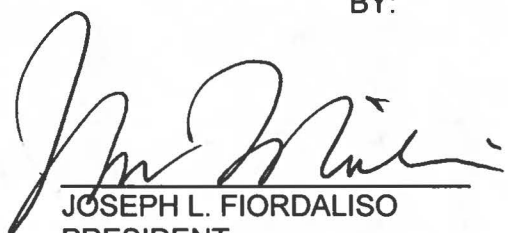
Accordingly, the Board **HEREBY AUTHORIZES** RECO to establish a new component of its RGGI Surcharge to recover costs associated with the CSEP Program. The Board **HEREBY ORDERS** RECO to file revised tariff sheets conforming to the terms of the Stipulation prior to August 31, 2022, with an initial rate of \$0.00 per kWh, effective for service rendered on and after September 1, 2022.

The Company's costs, including those related to the CSEP Program, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

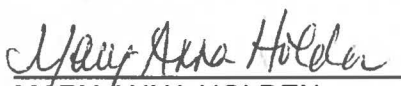
This Board Order shall be effective on August 24, 2022.

DATED: August 17, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



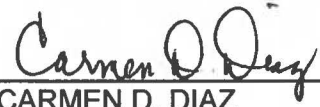
MARY ANNA HOLDEN
COMMISSIONER




DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY


I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMMUNITY SOLAR
ENERGY PILOT PROGRAM COST RECOVERY

DOCKET NO. ER21060870

SERVICE LIST

<p>Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen D. Diaz, Acting Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Water & Energy</u></p> <p>Mike Kammer, Director mike.kammer@bpu.nj.gov</p> <p><u>Energy</u></p> <p>Paul Lupo, Bureau Chief paul.lupo@bpu.nj.gov</p> <p>William Barkasy bart.kilar@bpu.nj.gov</p> <p>RECO 4 Irving Place -26th Fl. New York, NY 10003</p> <p>John Carley, Esq. carleyj@coned.com</p> <p>Margaret Comes, Esq. comesm@coned.com</p> <p>Mike DiGravina digravinam@coned.com</p> <p>Cheryl Ruggiero ruggieroc@coned.com</p> <p>Kelly Rolo 1 Blue Hill Plaza Pearl River, New York 10965 rolok@oru.com</p>	<p>New Jersey Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq., Managing Gas Attorney mcaroselli@rpa.nj.gov</p> <p>Sarah Steindel, Esq. ssteindel@rpa.nj.gov</p> <p>Rate Counsel Consultant</p> <p>Andrea C. Crane, President The Columbia Group, Inc. 2805 East Oakland Park Blvd #401 Ft. Lauderdale, FL 33306 ctcolumbia@aol.com</p> <p>New Jersey Division of Law NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, DAG pamela.owen@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Steven Chaplar, DAG steven.chaplar@law.njoag.gov</p> <p>Brandon Simmons, DAG brandon.simmons@law.njoag.gov</p>
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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

July 26, 2022

Carmen Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: In the Matter of Rockland Electric Company Community Solar Energy Pilot
Program Cost Recovery
BPU Docket No. ER21060870
Filing of Stipulation of Settlement

Dear Acting Secretary Diaz:

Enclosed for filing on behalf of Rockland Electric Company (“RECO”) (“Rockland” or “the Company”) is Stipulation of Settlement in the above matter.

Respectfully submitted,


Margaret Comes

c: email service list

CEA mandated that the Board adopt rules and regulations to convert the Pilot Program to a permanent program.²

2. The CEA also provided that “Subject to review by the Board, an electric public utility shall be entitled to full and timely cost recovery for all costs incurred in the implementation and compliance” with the Community Solar requirements in the CEA.³

3. On July 10, 2019, the Board issued an Order in BPU Docket QO18060646 clarifying the method for determination of the value of the community solar bill credit. Specifically, the bill credits in the Pilot Program would not apply to the following non-bypassable charges: 1) the Societal Benefits Charge ("SBC"), established at N.J.S.A. 48:3-60; 2) the Market Transition Charge ("MTC"), established at N.J.S.A. 48:3-61; 3) the Transition Bond Charge ("TBC"), established at N.J.S.A. 48:3-62; and 4) the Zero Emissions Certificates ("ZEC"), established at N.J.S.A. 48:3-87.5.⁴

4. On June 1, 2020, the Company filed a Verified Petition (“Petition”) requesting recovery of all incremental costs incurred by the Company for implementation, compliance, and administration of its Community Solar Energy Pilot (“CSEP”) Program as provided for in the CEA, including incremental Information Technology (“IT”) costs, Rate Credits associate with the CSEP Program⁵, and the CSEP Program’s Operation & Maintenance expenses. When the Company filed the Petition, the Company had no CSEP Program projects, and thus, incurred no costs for its CSEP

² N.J.S.A 48:3-87.11 (f).

³ N.J.S.A. 48:3-87.11 (e).

⁴ Order, *In the Matter of the Community Solar Energy Pilot Program*, BPU Docket No. QO18060646 (July 10, 2019) (“2019 Order”).

⁵ This is the aggregate dollar credit provided to the Community Solar participants, calculated in accordance with the approved methodology set forth in the Board’s order dated August 7, 2019 in Docket No. QO18060646 (“the bill credit for each rate class, set at the Pre-SUT retail rate, including supply and delivery charges, excluding demand charges and the monthly fixed customer charge, and minus non-bypassable charges”).

Program. However, the Company was instructed by Staff to submit a petition for recovery of costs incurred in the implementation and compliance with the Pilot Program requirements in the CEA.

5. Although the Company had no CSEP Program projects at the time of the Petition, the Board has since approved three CSEP Program projects in the Company's service territory.

6. In its Petition, the Company proposed to include recovery of all incremental CSEP costs in its annual N.J.S.A. 48:3-98.1 filings. The Company's N.J.S.A. 48:3-98.1 filing is its Regional Greenhouse Gas Initiative ("RGGI") Surcharge, which is trued-up annually on February 1 for recovery the following June 1 of the same year. The CSEP Program component of the RGGI Surcharge was designed to recover costs for the prior calendar year. The initial CSEP Program component will not incorporate any forecasted amounts for the initial two (2) years from this initial filing.

7. In its Petition, the Company proposed that the CSEP Program component of the RGGI Surcharge be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected over the prior calendar year. Any difference would be included in the CSEP Program component of the following year's RGGI Surcharge filing. The difference between the actual monthly revenue requirement and actual recoveries would be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection. Interest would be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge, and would be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

8. On March 8, 2022, the Company held two public hearings conducted virtually.⁶ No members of the public appeared to provide comments or filed written comments with the Board.

9. Subsequent to RECO's submission of the Petition, Rate Counsel and Staff propounded, and the Company has responded to, detailed discovery requests.

10. As such, the Parties hereby STIPULATE AND AGREE as follows:

STIPULATION

11. CSEP Program Rate. The Company's initial CSEP Program rate will be \$0.00 per kilowatt-hour. When the Company makes its annual RGGI Surcharge filing on February 1, 2023, the Company will file for recovery of the Company's incremental CSEP Program costs for the prior calendar year.

12. RGGI Surcharge. The CSEP Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected over the prior calendar year. Any difference will be included in the CSEP Program component of the following year's RGGI Surcharge filing. The difference between the actual monthly costs and actual recoveries will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection. Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455. Attached as Attachment A is a sample calculation of monthly over/under recoveries for the CSEP Program surcharge.

⁶ The public hearings were conducted virtually due to the COVID-19 pandemic.

13. Interest. Interest shall continue to be calculated at a rate based upon the U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the July 2009 Order in Docket No. ER08060455, but will not exceed RECO's BPU authorized overall rate of return effective at the time the interest is calculated.

14. Effective Date. Should the Board approve this Stipulation and memorialize its terms in an Order, the revised tariff leaf regarding the CSEP Program Rate shall become effective on the first day of the month following the service of said Order, or as the Board may specify in the Order in accordance with N.J.S.A. 48:2-40.

15. Tariff. Should the Board approve this Stipulation, RECO shall file the revised tariff leaf set forth in Attachment B hereto, and approved by Signatory Parties in this Stipulation, as soon as possible.

16. Voluntariness. The Signatory Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein

17. Best Efforts. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its review and subsequent decision pertaining thereto without modification or condition.

18. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the Company's CSEP filing. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Signatory Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular

aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Signatory Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Signatory Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Signatory Parties shall be placed in the same position that they were in immediately prior to its execution.

19. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. Although binding on the Signatory Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Signatory Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Signatory Parties agree that the unique resolution of the issues relating to the CSEP Program Filing shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Signatory Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

20. Captions. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

21. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

22. Execution. This Stipulation may be executed in one or more counterparts. Each Signatory Party has caused its duly authorized representative to execute below and deliver this Stipulation.

Dated: July 18, 2022

ROCKLAND ELECTRIC COMPANY

By Margaret Comes
Margaret Comes, Esq.
Associate Counsel

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

By: 
Terel Klein
Deputy Attorney General

STATE OF NEW JERSEY, DIVISION OF RATE COUNSEL
BRIAN O. LIPMAN
DIRECTOR, DIVISION OF RATE COUNSEL

By /s/ Sarah H. Steindel
Sarah H. Steindel
Asst. Deputy Rate Counsel

Rockland Electric Company

**Community Solar Pilot Program ("CSP Program")
Sample Calculation of Monthly Over/Under-Recovery**

Year 2 Assumptions:	Projected Annual	Actual Annual
Total Costs - Year 2	\$0	\$7,869
Year 1 True-Up (Over)/Under	\$7,620	\$7,620
Year 1 Interest (To Customer)/To Company	\$105	\$105
Total Amount to be Collected	\$7,725	\$15,594
Total Sales (KWh)	1,500,237,756	1,545,244,889
Recovery Rate (excl SUT)	\$0.000005	\$0.000005
Total Amount Actually Collected		\$7,957

Revenue Breakdown:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Year 2 (for illustration only)	9.00%	8.00%	7.00%	7.00%	8.00%	9.00%	10.00%	11.00%	9.00%	8.00%	7.00%	7.00%	100.00%

Year 2 - As Projected Initially Based on Uniform Monthly Costs

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Total Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Period (Over)/Under Recovery	7,725												7,725
Monthly Recoveries	(695)	(618)	(541)	(541)	(618)	(695)	(773)	(850)	(695)	(618)	(541)	(541)	(7,725)
(Over)/Under Recovery	<u>\$7,030</u>	<u>(\$618)</u>	<u>(\$541)</u>	<u>(\$541)</u>	<u>(\$618)</u>	<u>(\$695)</u>	<u>(\$773)</u>	<u>(\$850)</u>	<u>(\$695)</u>	<u>(\$618)</u>	<u>(\$541)</u>	<u>(\$541)</u>	<u>(\$0)</u>
Beginning Balance - (Over)/Under Recovery	\$7,725	\$7,030	\$6,412	\$5,871	\$5,330	\$4,712	\$4,017	\$3,245	\$2,395	\$1,700	\$1,082	\$541	
Ending Balance (Over)/Under Recovery	<u>\$7,030</u>	<u>\$6,412</u>	<u>\$5,871</u>	<u>\$5,330</u>	<u>\$4,712</u>	<u>\$4,017</u>	<u>\$3,245</u>	<u>\$2,395</u>	<u>\$1,700</u>	<u>\$1,082</u>	<u>\$541</u>	<u>\$0</u>	
Average Balance (Over)/Under	\$7,378	\$6,721	\$6,142	\$5,601	\$5,021	\$4,365	\$3,631	\$2,820	\$2,047	\$1,391	\$811	\$270	
Average Balance (Over)/Under - Net of Tax	\$5,304	\$4,832	\$4,415	\$4,026	\$3,610	\$3,138	\$2,610	\$2,027	\$1,472	\$1,000	\$583	\$194	

Year 2 Actual - For Illustrative Purposes

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Total Costs	\$5,980	\$147	\$1,205	\$62	\$55	\$41	\$72	\$49	\$58	\$65	\$63	\$74	\$7,869
Prior Period (Over)/Under Recovery	7,725												7,725
Monthly Recoveries	(716)	(637)	(557)	(557)	(637)	(716)	(796)	(875)	(716)	(637)	(557)	(557)	(7,957)
(Over)/Under Recovery	<u>\$12,989</u>	<u>(\$490)</u>	<u>\$648</u>	<u>(\$495)</u>	<u>(\$582)</u>	<u>(\$675)</u>	<u>(\$724)</u>	<u>(\$826)</u>	<u>(\$659)</u>	<u>(\$572)</u>	<u>(\$494)</u>	<u>(\$483)</u>	<u>\$7,637</u>
Beginning Balance - (Over)/Under Recovery	\$7,725	\$12,989	\$12,499	\$13,147	\$12,652	\$12,070	\$11,395	\$10,671	\$9,845	\$9,187	\$8,615	\$8,121	
Ending Balance (Over)/Under Recovery	<u>\$12,989</u>	<u>\$12,499</u>	<u>\$13,147</u>	<u>\$12,652</u>	<u>\$12,070</u>	<u>\$11,395</u>	<u>\$10,671</u>	<u>\$9,845</u>	<u>\$9,187</u>	<u>\$8,615</u>	<u>\$8,121</u>	<u>\$7,637</u>	
Average Balance (Over)/Under	\$10,357	\$12,744	\$12,823	\$12,900	\$12,361	\$11,733	\$11,033	\$10,258	\$9,516	\$8,901	\$8,368	\$7,879	
Average Balance (Over)/Under - Net of Tax	\$7,446	\$9,162	\$9,219	\$9,273	\$8,886	\$8,435	\$7,932	\$7,375	\$6,841	\$6,399	\$6,016	\$5,664	
Interest Rate (Monthly)	0.06%	0.07%	0.80%	0.75%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	\$4	\$6	\$74	\$70	\$5	\$5	\$5	\$4	\$4	\$4	\$4	\$3	\$189

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (e) Transitional Renewable Energy Certificate Program (“TREC Program”); and
- (f) Community Solar Energy Pilot Program (“CSEP Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.1285 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0115)	(0.0123)
Low Income Audit II Program	0.0148	0.0158
Low Income Audit III Program	(0.0080)	(0.0085)
SREC I Program	0.0808	0.0862
SREC II Program	0.0000	0.0000
TREC Program	0.0444	0.0473
CSEP Program	0.0000	0.0000
Total RGGI Surcharge	0.1205	0.1285

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(b) Low Income Audit II Program

The Low Income Audit II Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit II Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(c) Low Income Audit III Program

The Low Income Audit III Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit III Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit III Program and actual recoveries through the Low Income Audit III Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit III Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit III Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit III Program revenue requirement over the twelve-month period commencing the following June 1.

(d) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(e) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

(f) CSEP Program

The CSEP Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the CSEP Program component of the following year’s RGGI Surcharge. The difference between the actual monthly costs (such costs consisting of any incremental costs incurred in the implementation, compliance, and administration of the CSEP Program, including the recovery of customer subscriber credits paid out to participants in the CSEP Program) and actual recoveries through the CSEP Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the CSEP Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The CSEP Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and, beginning with the third year after the initial filing, to provide current recovery of the forecasted CSEP Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs; ~~and~~
- (e) Transitional Renewable Energy Certificate Program (“TREC Program”); and
- (f) Community Solar Energy Pilot Program (“CSEP Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.1285 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0115)	(0.0123)
Low Income Audit II Program	0.0148	0.0158
Low Income Audit III Program	(0.0080)	(0.0085)
SREC I Program	0.0808	0.0862
SREC II Program	0.0000	0.0000
TREC Program	0.0444	0.0473
<u>CSEP Program</u>	<u>0.0000</u>	<u>0.0000</u>
Total RGGI Surcharge	0.1205	0.1285

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(b) Low Income Audit II Program

The Low Income Audit II Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit II Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(c) Low Income Audit III Program

The Low Income Audit III Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit III Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit III Program and actual recoveries through the Low Income Audit III Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit III Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit III Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit III Program revenue requirement over the twelve-month period commencing the following June 1.

(d) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(e) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

(f) CSEP Program

The CSEP Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the CSEP Program component of the following year’s RGGI Surcharge. The difference between the actual monthly costs (such costs consisting of any incremental costs incurred in the implementation, compliance, and administration of the CSEP Program, including the recovery of customer subscriber credits paid out to participants in the CSEP Program) and actual recoveries through the CSEP Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the CSEP Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The CSEP Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and, beginning with the third year after the initial filing, to provide current recovery of the forecasted CSEP Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430