Jersey Central Power & Light
A FirstEnergy Company

300 Madison Avenue
Morristown, NJ 07962

James Austin Meehan, Esq.
(610) 301-7701
(330) 315-9165 (Fax)

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VIA ELECTRONIC MAIL ONLY

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
board.secretary@bpu.nj.gov

Re: I/M/O the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2024
BPU Docket No. ER23030124

Dear Secretary Golden:

In compliance with the procedural schedule attached to the New Jersey Board of Public Utilities' ("Board" or "BPU") Order, dated April 12, 2023, in the above-referenced docket, enclosed for filing is Jersey Central Power & Light Company's ("JCP&L" or the "Company") Final Comments. These Final Comments supplement the Final Comments filed jointly by the New Jersey electric distribution companies.

By way of background, in JCP&L's Company Specific Addendum ("CSA") for basic generation service ("BGS") for the period beginning June 1, 2024, JCP&L proposed a Direct Current Fast Charging ("DCFC") rate option to provide BGS CIEP eligible customers with DCFC installations an optional BGS CIEP Capacity Charge at a $ per kWh rate for BGS capacity cost for the 2024/2025 BGS Supply period. Such offering was made in compliance with the Board's Order, dated November 9, 2022, ("BGS Proposal 2023" Order) in Docket No. ER22030127.

The Company also proposed a cost recovery mechanism to recover all costs of implementing and administrating this rate option and difference between the BGS capacity cost and revenue recovered from customers taking this rate option through BGS CIEP Reconciliation Charge from all BGS CIEP customers.

JCP&L believes that offering a volumetric rate for DCFC charging for larger customers under BGS-CIEP is a question of parity. Offering a volumetric rate for BGS-CIEP DCFC charging simply puts these larger customers on equal footing with the smaller customers with DCFC charging. Otherwise, to the extent that DCFC charging is a competitive service, the smaller DCFC charging customers potentially would have a pricing advantage over larger customers with DCFC charging.

The BPU's decision to add an alternate, volumetric rate for DCFC charging, should not, in and of itself, constitute the establishment of a separate service class. The service and operating characteristics of these customers are not dissimilar to other customers that subscribe for service under JCP&L's General Service Rate Classifications GS and GST, which, depending on peak load share are eligible for either BGS-RSCP or BGS-CIEP. Further, because the estimated $23,000 to $45,000 for billing system modifications to accommodate a BGS-CIEP volumetric rate are immaterial in the context of the BGS-CIEP class cost of service, recovering these costs through BGS-CIEP rates is not countering to cost causation principles.

Even if the BPU should decide to allocate the costs of this alternate, volumetric BGS-CIEP rate to only the program participants, it is inequitable to do so unless there is sufficient participation in the program. At present, JCP&L has only one DCFC customer that will be eligible to elect BGS-CIEP service during 2024/2025 Supply Period. As such, this customer potentially would be responsible for the entire administration and implementation costs for the BGS-CIEP volumetric rate, should no other customers elect BGS-CIEP service for DCFC charging. Such result would not be just nor reasonable.

Rate Counsel's concerns regarding inter- and intra-class subsidization of the demand charges are presumptive. JCP&L has designed the rate to recover the BGS capacity costs caused by DCFC charging customers. The proposed volumetric rate was designed using the actual load factors of the eighteen DCFC charging stations operating in JCP&L's service territory. The volumetric rate was not designed to include or provide an incentive or discount to the DCFC charging customers, but to recover BGS-CIEP capacity costs based on historical operation (i.e., as best it can be determined, based on meter data collected to this point). Therefore, to the extent that the DCFC charging customers continue to operate in a manner as they have historically, the volumetric rate would recover the BGS capacity costs from the DCFC charging customers. JCP&L is also proposing this rate for a one-year period so that any change in the operation can be considered and so that the volumetric rate may be revised, as necessary, to recover the respective cost from DCFC charging customers.

Finally, Rate Counsel is mistaken that other BGS customers do not receive benefits from the adoption of electric vehicles ("EV"). The BPU could not have considered this DCFC charging rate alternative for BGS-CIEP customers if it was not found to be in the public interest. The benefits of EV adoption, much like rooftop solar, support New Jersey's clean energy initiatives and provide clean energy benefits to all New Jerseyans, including BGS customers.

In accordance with the Board's March 19, 2020 Order in Docket No. EO20030254, JCP&L is providing this filing by electronic mail only. No physical copies will follow. Please kindly confirm your receipt and acceptance of this filing by electronic mail at your earliest convenience.

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

Respectfully submitted,

James Austin Meehan
Counsel for Jersey Central Power & Light Company

Enclosures
cc: Service List (via electronic mail)