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January 22, 2024

**Via Electronic Mail**

Sherri Golden, Board Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 1st Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350  
[board.secretary@bpu.gov](mailto:board.secretary@bpu.gov)

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

**Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the  
Zero Emission Certificate Program - Salem Unit 1  
Docket No. ER20080557**

**Application of PSEG Nuclear, LLC and Exelon Generation Company, LLC for the  
Zero Emission Certificate Program - Salem Unit 2  
Docket No. ER20080558**

**Application of PSEG Nuclear, LLC for the Zero Emission Certificate Program -  
Hope Creek  
Docket No. ER20080559**

Dear Secretary Golden:

PSEG Nuclear LLC (“PSEG”) and Constellation Energy Generation, LLC (“Constellation”) jointly submit these comments in connection with the request for comments issued by the Staff of the Board of Public Utilities (“Staff”) on December 21, 2023 in the above-captioned matters (the “December 21, 2023 Request for Comments”). PSEG and Constellation own the Salem 1 Nuclear Power Plant and Salem 2 Nuclear Power Plant, and PSEG owns the Hope Creek Nuclear Power Plant (the “Hope Creek and Salem Plants” or “Plants”).<sup>1</sup> All of the Plants are operated by PSEG. The Plants are located in Lower Alloways Creek Township, New Jersey.

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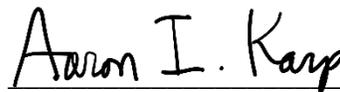
<sup>1</sup> Salem 1 and 2 are operated by PSEG and are jointly owned by PSEG (57.41%) and Constellation (42.59%). On February 1, 2022, Constellation assumed the 42.59% ownership of the Salem 1 and Salem 2 plants formerly held by Exelon Generation Company, LLC.

In 2018, the State Legislature took the critical step of passing the Zero Emissions Certificate Act (“ZEC Act”), in which the Legislature recognized that in order to meet the State’s clean energy goals and mitigate the harm from climate change, it needed to prevent the premature retirement of nuclear power plants, which are existing zero-emission sources of energy that provide 40% of New Jersey’s electric power needs and more than 90% of the carbon-free power generated in New Jersey.<sup>2</sup> The New Jersey Legislature recognized that the ZEC program is a cost-effective means for the State to achieve its clean energy goals. In addition, the Legislature recognized that it priced the value of a ZEC below the “social cost of carbon,” which is the value to society of avoiding carbon emissions.<sup>3</sup>

The Legislature entrusted the Board of Public Utilities (“Board” or “BPU”) with a process to evaluate an applicant nuclear plant’s eligibility for ZECs, and it is under this process that the Board has twice determined that the Hope Creek and Salem Plants were eligible to receive ZECs: in 2019, the Board determined that the Plants were eligible to receive ZECs from April 18, 2019 through May 31, 2022; and in 2021, the Board determined that the Plants were eligible to receive ZECs from June 1, 2022 through May 31, 2025. The 2021 ZEC award compensates the Plants for their fuel diversity, resilience, air quality, or other environmental benefits associated with their operation through May 31, 2025.

In compliance with the ZEC Act and the Board’s May 20, 2020 order in Docket No. EO18080899, PSEG and Constellation each submitted an annual filing covering Energy Year 2023 for Staff’s review. PSEG and Constellation appreciate Staff’s careful review of those filings, and agree with the preliminary findings in Staff’s December 21, 2023 Request for Comments.

Very truly yours,



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Aaron I. Karp

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<sup>2</sup> The ZEC Act is at N.J.S.A. 48:3-87.3 et seq.

<sup>3</sup> N.J.S.A. 48:3-87.3(b)(8).