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March 18, 2024

Via Electronic Mail

Honorable Sherri Golden,
Secretary of the Board
State of New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
PO Box 350
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board.secretary@bpu.nj.gov

**Re: In the Matter of the Petition of Rockland Electric Company for Approval of a
Zero Emission Certificate Recovery Charge
BPU Docket No. EO23120926**

Dear Secretary Golden:

Please accept for filing these comments on behalf of the Division of Rate Counsel ("Rate Counsel") to the following Rockland Electric Company ("RECO" or "Company") petition referenced above.

As directed by the Board's Order in Docket No. EO20030254, dated March 19, 2020, Rate Counsel hereby submits this filing via email only to the Board Secretary and service list.

Please acknowledge receipt of these comments. Thank you for your consideration and attention to this matter.

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In May 2018 the State of New Jersey established the Zero Emissions Certificate (“ZEC”) Program and ordered the Board of Public Utilities (“Board” or “BPU”) to create a mechanism for the issuance of ZECs, which represent “the fuel diversity, air quality and other environmental attributes” of one megawatt-hour of nuclear generation, N.J.S.A. 48:3-87.4, and to create a Zero Emissions Certificate Recovery Charge (“ZEC Charge”). In the enabling legislation New Jersey also directed the State-regulated electric distribution companies (“EDCs”) to return excess monies collected in each EDC’s separate ZECRC interest-bearing account to its retail distribution customers at the end of each energy year. N.J.S.A. 48:3-87.5 3(j)(2).

On December 29, 2024, RECO filed its initial petition seeking to reconcile the excess collections from Energy Year 2023 and the balance of reconciliation for Energy Year 2022.

The Company proposed to reconcile its excess ZECRC collection and corresponding interest over a twelve month period commencing March 1, 2024, via the Return of Excess Collections Credit Rate (“RECCR”), which is a component of the ZECRC. The RECO ZECRC is currently set at a credit of 0.0062 ¢ per kWh, excluding Sales and Use Tax (“SUT”). The proposed RECCR charge of 0.0048 ¢ per kWh, excluding SUT, is based on a total under-collection of \$76,246. The proposed decrease to the credit of 0.0062 ¢ per kWh to 0.0048 ¢ per kWh would have resulted in an increase to customers of 0.0014 per kWh, excluding SUT. After adding the RECCR to the ZEC Charge of 0.4000 ¢ per kWh, excluding SUT, to the Company’s proposed 0.0048 ¢ per kWh would result in a combined ZECRC of 0.4048 ¢ per kWh, excluding SUT, or 0.4316 ¢ per kWh, including SUT.

The Company stated that it would monitor the ZECRC excess collection balance and, as it approaches zero, the Company stated that it will set the ZECRC rate to zero and then with the Board no later than 30 days prior to making the change effective. The Company also stated that any excess balance remaining at that point will be included in the Company's next RECCR filing. The Board did not rule on this same request in the Board Order issued January 25, 2023.¹

On February 8, 2024, the Company filed an amended petition requesting a modification of the rate proposed in the December 29, 2023 filing requesting to maintain the RECCR at its current level. The current RECCR rate is a credit of 0.0067 ¢ per kWh, including SUT. The total ZECRC rate becomes 0.4198 ¢, including SUT, when the current rate is added to the existing ZEC Charge of \$0.4265 ¢.

The amended petition does not address the Company's assertion in its initial filing of its planned procedure for future ZEC filings of monitoring the ZECRC collection balance and adjusting the RECCR to zero while filing a notice with the Board no later than 30 days of making the change. Rate Counsel understands the Company still plans to utilize this practice for future filing ZECRC reconciliations.

Rate Counsel does not object to the Company maintaining its RECCR at its current level. Rate Counsel objects with the Company's plan to adjust the RECCR to zero without filing a petition to reconcile its excess collections.

¹ I/M/O the Petition of Rockland Electric Company for Approval of a Zero Emission Certificate Recovery Charge, Docket No. EO22100632, p. 3.

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RECO previously requested the ZECRC reconciliation be treated in this fashion. The Board declined to rule on that request in the Board Order issued on January 25, 2023.² Rate Counsel is unaware of any additional information in the record that would justify a change in the Board's prior decision on this issue. Additionally, the Board directed RECO to collaborate with the other EDCs, Board Staff, and Rate Counsel to consider alternative proposals for filing future ZECRC reconciliations in the next ZECRC filing. RECO did not indicate in its filings it had attempted to meet with Staff, Rate Counsel and any or all the other EDC's to consider alternate proposals. That said, Rate Counsel can be available to meet with the RECO, the other EDCs and staff to work collaboratively to discuss this request and alternate proposals for filing future ZECRC reconciliations.

Respectfully Submitted,

BRIAN O. LIPMAN, DIRECTOR
DIVISION OF RATE COUNSEL

By: Bethany Rocque-Romaine
Bethany Rocque-Romaine, Esq.
Assistant Deputy Rate Counsel

BRR

Service List (via *electronic mail*)

² Ibid.

**ROCKLAND ELECTRIC
COMPANY ZERO EMISSION
CERTIFICATE
RECONCILIATION FILING**

BPU DOCKET NO. EO23120926

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