

July 25, 2024

VIA ELECTRONIC MAIL

Honorable Sherri L. Golden
Secretary
State of New Jersey
Board of Public Utilities
Post Office Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Petition of Rockland Electric Company for Approval of
an Electric Vehicle Program, Establishment of an Electric Vehicle
Surcharge, and for Other Relief (RECO EV)
BPU Docket No. EO20110730

Dear Secretary Golden:

By its Decision and Order Approving Stipulation dated October 12, 2022, in the above-referenced Docket (“Order”), the Board of Public Utilities (“Board”) approved a Stipulation of Settlement thereby authorizing Rockland Electric Company (“RECO” or the “Company”) to offer an electric vehicle (“EV”) program consisting of four subprograms: Charger Ready program, Voluntary Time-of-Day (“TOD”) Rate program, Direct Current Fast Charging (“DCFC”) Incentive program, and Outreach and Education. The Order approved a total EV Program budget, as well as per program budgets and other Operating and Maintenance (“O&M”) budgets. In addition, the Order set forth data collection and reporting requirements and authorized RECO’s cost recovery mechanisms for program expenditures, which terminate once program budgets are exhausted or four (4) years from the commencement of an individual subprogram. The Order approved an O&M budget of \$910,000 for the life of the EV Program. RECO began offering the Voluntary TOD Rate program to its customers on October 12, 2022, and the Charger Ready and DCFC Incentive programs on December 12, 2022, as required by the Order.

Through the Voluntary TOD Rate program, RECO offers a TOD rate to all residential customers who take electric service under RECO’s Service Classification No. 1 for their entire house usage. Customers who register their EV with the Company and take service under the TOD rate are eligible for a one-year price guarantee. Specifically, after one year of service on the TOD rate, eligible customers, who paid more on the TOD rate than they would have paid on the non-TOD Service Classification No. 1 Residential rate, will receive a credit on their RECO bill for the difference. Because the total amount of price guarantees to be paid by RECO to eligible customers could not be estimated

prior to collecting actual data on price guarantees, neither the Stipulation of Settlement nor the Order established a specific budget amount for these price guarantees.

Customers' one-year anniversary date triggering a price guarantee calculation began in the fourth quarter of 2023. During the first quarter of 2024, RECO completed an initial set of price guarantee calculations for customers. RECO has commenced applying these credits to customer bills. The Company will recover these price guarantees as O&M Administrative Costs, subject to a cumulative Voluntary TOD Rate program cap of \$3,000.

Section 6 of the Stipulation of Settlement specifically states that: "The Parties agree that there is uncertainty as to the precise timing and budgets for the EV Program and subprograms, including as a result of the ongoing COVID-19 pandemic." As such, Section 6 specifically provides that the Company may re-allocate its budgets for the subprograms between the subprogram offerings within the same category of spending (*i.e.*, investments or O&M). A re-allocation of up to 5 percent of each subprogram's total budget is permitted with notification to Staff and Rate Counsel. The reallocation of the budget, so as to allow the Company's recovery of the price guarantees as O&M Administrative Costs, subject to a cumulative Voluntary TOD Rate program cap of \$3,000, falls well below this 5 percent threshold. The budget reallocation requested will not change the total EV Program budget approved by the Board.

RECO has discussed this matter with both Board Staff and Rate Counsel, neither of whom has objected to the reallocation. This letter constitutes formal notice to Board Staff and Rate Counsel that RECO will recover the costs of the Voluntary TOD Rate program price guarantees, earned by eligible customers each year, as part of the Company's O&M Administrative Costs budget, subject to a cumulative \$3,000 cap.

Please note that RECO is making this filing solely in electronic form pursuant to the Board's directive in its Emergency Order dated March 19, 2020, in BPU Docket No. EO20030254.

Please contact me if you have any questions regarding this filing.

Very truly yours,

/s/ John L. Carley

John L. Carley
Associate General Counsel

c: Service List (via electronic mail)