

Agenda Date: 8/14/24 Agenda Item: 2A

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/

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ENERGY

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE FOR THE PERIOD BEGINNING JUNE 1, 2024, THE COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN PJM OPEN ACCESS TRANSMISSION TARIFF – JUNE 2024 FILING DECISION AND ORDER APPROVING THE PASS-THROUGH OF FERC AUTHORIZED CHANGES IN FIRM TRANSMISSION SERVICE RELATED CHARGES

BPU DOCKET NO. ER24060465

Parties of Record:

Philip J. Passanante, Esq., on behalf of Atlantic City Electric Company Aaron I. Karp, Esq., on behalf of Public Service Electric and Gas Company James A. Meehan, Esq., on behalf of Jersey Central Power & Light Company Margaret Comes, Esq., on behalf of Rockland Electric Company Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 24, 2024, Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("Rockland") (collectively, "EDCs") filed a joint petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting recovery of Federal Energy Regulatory Commission ("FERC") approved changes in firm transmission service related charges ("June 2024 Petition").

BACKGROUND

The EDCs' proposed tariff changes reflect changes to the BGS-RSCP and BGS-CIEP rates to customers resulting from changes in the PJM Interconnection, LLC ("PJM") Open Access Transmission Tariff ("OATT") made in response to: (i) the annual formula rate update filings made by: a) Trans-Allegheny Interstate Line Company in FERC Docket No. ER07-562; b) Baltimore Gas and Electric Company in FERC Docket No. ER09-1100; c) PECO Energy Company in FERC Docket No. ER17-1519; d) Commonwealth Edison Company in FERC Docket No. ER07-583; e) Duquesne Light Company in FERC Docket No. ER06-1549; f) MISO- AES Indiana (Indianapolis Power & Light) in FERC Docket No. ER13-2379; and g) Transource Pennsylvania LLC in FERC Docket No. ER17-419; and (ii) the formula rate update filings made by the public utility affiliates of: a) Pepco Holdings LLC in FERC Docket No. ER08-1423; and b) the respective utility affiliate

compliance filings for formula rate updates made by ACE in FERC Docket No. ER09-1156, Delmarva Power and Light in FERC Docket No. ER09-1158, and Potomac Electric Power Company in FERC Docket No. ER09-1159.

Transmission Enhancement Charges

The Transmission Enhancement Charges ("TECs") detailed in Schedule 12 of the PJM OATT and the Network Integration Transmission Service Rate ("NITS") were implemented to compensate transmission owners for the annual transmission revenue requirements for "Required Transmission Enhancements" that are requested by PJM for reliability or economic purposes. PJM recovers TECs through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects.

June 2024 Petition

In the June 2024 Petition, the EDCs requested authorization to implement revised BGS-RSCP and BGS-CIEP transmission tariff rates effective September 1, 2024. The proposed rates included in the amended tariff sheets reflect costs effective on June 1, 2024 for TECs and NITS costs resulting from the above-listed FERC-approved TEC Filings.

As the EDCs began to pay the modified transmission charges in June 2024, the EDCs requested a waiver of the thirty (30)-day filing requirement.¹ The EDCs filed the June 2024 Petition with the Board for approval to recover TECs and NITS charges from BGS customers, and to pay PJM for costs assigned to them by PJM for the load served in the respective EDC service territories. Any differences between payments to PJM and charges to customers would flow through the BGS Reconciliation Charges.

According to the EDCs, the proposed BGS tariff rates were modified in accordance with the Board-approved methodology contained in each EDC's Company-Specific Addendum and in conformance with each EDC's Board-approved BGS tariff sheets.

Based upon the allocation of the TECs and NITS costs among the service classes, the monthly bill for a residential customer using 650 kWh per month will change by approximately the following amounts (including Sales and Use Tax): an increase of \$3.68 or 2.18% for ACE, a decrease of \$0.02 or 0.02% for JCP&L, a decrease of \$0.04 or 0.03% for PSE&G, and a decrease of \$0.02 or 0.02% for Rockland.

DISCUSSION AND FINDING

After review of the June 2024 Petition and supporting documentation, the Board <u>HEREBY</u> <u>APPROVES</u> the changes to the BGS-RSCP and BGS-CIEP transmission rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs and the NITS, effective as of September 1, 2024.

The Board <u>HEREBY</u> <u>AUTHORIZES</u> the EDCs to collect from, or refund to, BGS customers, the costs associated with the June 2024 Petition.

¹ In the June 2024 Petition, the EDCs indicated that the Transource Pennsylvania LLC charges are being paid as of January 2024 and would become part of the January NITS/TEC EDC joint filings going forward.

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The Board <u>HEREBY WAIVES</u> the thirty (30)-day filing requirement as requested by the EDCs in the June 2024 Petition.

Further, the Board <u>HEREBY</u> <u>DIRECTS</u> the EDCs to file tariffs and rates consistent with the Board's findings by September 1, 2024.

The EDCs' rates remain subject to audit by the Board. This Decision and Order does not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

The effective date of this Order is August 21, 2024.

DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES BY:

PRESIDENT

ZENON CHRISTODOULOU

DR. ZENON CHRISTODOULOU COMMISSIONER

MARIAN

COMMISSIONER

MICHAEL BANGE COMMISSIONER

DA **EXECUTIVE ASSISTANT**

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

ATTEST:

IN THE MATTER OF THE PROVISION OF BASIC GENERATION SERVICE FOR THE PERIOD BEGINNING JUNE 1, 2024, THE COMPLIANCE TARIFF FILING REFLECTING CHANGES TO SCHEDULE 12 CHARGES IN PJM OPEN ACCESS TRANSMISSION TARIFF – JUNE 2024 FILING

BPU DOCKET NO. ER24060465

SERVICE LIST

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Sherri L. Golden, Secretary board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov

Office of the General Counsel

Carol Artale, General Counsel carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov

Economist's Office

Benjamin Witherell, Chief Economist benjamin.witherell@bpu.nj.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625

Brian Lipman, Esq., Director blipman@rpa.nj.gov

T. David Wand, Esq., Managing Attorney <u>dwand@rpa.nj.gov</u>

Robert Glover, Esq. rglover@rpa.nj.gov

Bethany Rocque-Romaine, Esq. bromaine@rpa.nj.gov Lisa Littman, Esq. <u>llittman@rpa.nj.gov</u>

Debora Layugan dlayugan@rpa.nj.gov New Jersey Division of Law 25 Market Street Post Office Box 112 Trenton, NJ 08625

Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov

Daren Eppley, DAG daren.eppley@law.njoag.gov

Matko Ilic, DAG matko.ilic@law.njoag.gov

EDCs

Atlantic City Electric Company

Phil Passanante, Esq. philip.passanante@pepcoholdings.com

Diane Novak dnnovak@pepco.com

Sherryl Chen sherryl.chen@pepcoholdings.com

Jersey Central Power & Light Company

Yongmei Peng ypeng@firstenergycorp.com

James Meehan, Esq. jameehan@firstenergycorp.com

Peter Samuel psamuel@firstenergycorp.com

Public Service Electric & Gas Company

Aaron Karp, Esq. aaron.karp@pseg.com

Katherine Smith, Esq., katherine.smith@pseg.com

Myron Filewicz Myron.filewicz@pseg.com

Terry Moran terrance.moran@pseg.com

Rockland Electric Company

Margaret Comes, Sr. Staff Attorney comesm@coned.com

John L. Carley, Esq. carleyj@coned.com

<u>NERA</u>

Rachel Northcutt rachel.northcut@nera.com

<u>Other</u>

BP Energy Company

Rick Sahni Contract Services – Power rick.sahni@bp.com

Matthew Clements Contract Services – Power matthew.clements@bp.com

Citigroup Energy Inc.

Commodity Operations Group Legal Department <u>ceiconfirms@citi.com</u>

ConocoPhillips

Jackie Roy jackie.roy@conocophillips.com

John Foreman john.r.foreman@conocophillips.com

Steven Gabel Gabel Associates steven@gabelassociates.com

DTE Energy Trading

Marcia Hissong hissongm@dteenergy.com

Cynthia Klots cynthia.klots@dteenergy.com

Justin Brenner NextEra Energy Power Mktg. DL-PJM-RFP@fpl.com

Other, cont'd.

Danielle Fazio Engelhart CTP (US) danielle.fazio@ectp.com

Cara Lorenzoni Noble Americas Gas & Power <u>clorenzoni@mercuria.com</u>

Exelon Generation Company

Paul Rahm paul.m.rahm@constellation.com

Jessica Miller jessica.miller@constellation.com

Macquarie Energy LLC

Connie Cheng connie.cheng@macquarie.com

Sherri Brudner sherri.brudner@macquarie.com

Patricia Haule patricia.haule@macquarie.com

TransCanada Power Marketing Ltd.

Matthew Davies matthew_davies@transcanada.com

Brian McPherson brian_mcpherson@transcanada.com

Laura DiBenedetto PSEG ER&T laura.dibenedetto@pseg.com