

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

<b>IN THE MATTER OF THE VERIFIED</b>	)	
<b>PETITION OF ROCKLAND ELECTRIC</b>	)	<b>Stipulation of Settlement</b>
<b>COMPANY FOR APPROVAL OF THE</b>	)	
<b>RECOVERY OF ASSOCIATED COSTS</b>	)	
<b>RELATED TO THE TRANSITIONAL</b>	)	<b>BPU Docket No. ER20050363</b>
<b>RENEWABLE ENERGY CERTIFICATE</b>	)	
<b>PROGRAM (“TREC” PROGRAM”)</b>	)	

**APPEARANCES:**

**Margaret Comes, Attorney for the Petitioner, Rockland Electric Company**

**Brian O. Lipman, Litigation Manager, Sarah Steindel, Assistant Deputy Rate Counsel, Maura Caroselli, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director)**

**Meliha Arnautovic, Deputy Attorney General for Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)**

**TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES**

It is hereby AGREED, as of July 22, 2020, by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively “Parties”) to execute this Stipulation of Settlement (“Stipulation”) and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue an Order approving this Stipulation, including the attachments and proposed sheets of the Company’s electric service tariff as set forth herein.

## **BACKGROUND**

1. On May 20, 2020, RECO filed a petition with the Board in BPU Docket Number ER20050363 (“TREC Petition”) seeking Board approval to recover the Company’s Transition Renewable Energy Certificate (“TREC”) Financing Program (“TREC Program”) costs.

2. The TREC Petition was filed pursuant to a BPU Order dated December 6, 2019 (“TREC Order”) in Docket Number ER20050363 as part of the Board’s statewide TREC Program.

3. The TREC Order directed the Company to procure jointly with the other New Jersey electric distribution companies (“EDCs”) a TREC Administrator to administer the TREC Program. At the time of the TREC Petition, the EDCs had not selected a TREC Administrator, but estimated the cost of the TREC Administrator Service Fee to be \$900,000 annually.

4. The Board also directed the EDCs to purchase TRECs from facilities eligible to receive TRECs at prices established by the Board. In the TREC Order, the Board directed that one MWh of solar generation by a facility eligible for the TREC Program would be the basis for the creation of one TREC, and that the fixed base compensation per TREC would be determined by the Board. Subsequently, in an Order dated March 9, 2020, the Board determined that the initial fixed base compensation per TREC would be \$152. The TREC Order assigned a “factor” to each solar facility, which determined whether the facility receives a full or only a portion of the value of a TREC. In the TREC Order, the Board directed that the value of a TREC earned would be calculated by multiplying the “factor” assigned to each TREC facility by the base compensation.

5. Board Staff supplied the EDCs with an estimate of the number and cost of the TRECs the EDCs will be required to purchase at the Board’s initial TREC price of \$152 per

TREC over a 36-year period. The Board Staff estimate was annexed to the TREC Petition as Exhibit A.

6. In the TREC Order, the Board also determined:

[T]he EDCs may recover reasonable and prudent costs for TREC's procurement and TREC Administrator fees. Recovery shall be based on each EDC's proportionate share of retail electric sales. Each EDC shall make an annual filing for its costs and the recovery method, which shall be subject to approval by the Board.<sup>1</sup>

7. RECO's proportionate share of retail electric sales in 2019 was 2.14 percent. As set forth in the TREC Petition, RECO's estimated share of the TREC purchases pursuant to Staff's estimate of TREC costs, plus the Company's share of the EDCs' estimated TREC Administrator Fee through May 2021 was \$456,718.

8. The Company proposed to recover its TREC Program costs through a TREC Program Surcharge ("TREC Surcharge") component of the Company's RGGI Surcharge. In its TREC Petition, the Company proposed a TREC Surcharge of 0.0473 cents per kWh [including Sales and Use Tax ("SUT")].

9. The Company proposed to annually true-up its TREC Surcharge costs as part of its annual RGGI Surcharge true-up with proposed rates effective for the 12 months commencing June 1 of the calendar year of the RGGI Surcharge filing. The Company's current RGGI Surcharge is for rates in effect for the 12 months ending May 2021. The Company proposed to update the TREC Surcharge component of its RGGI Surcharge in its February 1, 2021 RGGI Surcharge true up filing.

10. The Company conducted two public hearings on July 8, 2020 at 4:30 p.m. and 5:30 p.m. No members of the public appeared or filed written comments with the Board.

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<sup>1</sup> December 2019 Order at p. 34.

11. Since RECO's submission of the TREC Petition, Rate Counsel and Staff have propounded detailed discovery requests, all of which the Company has responded to.

**STIPULATED MATTERS**

The Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

12. RECO will recover the revenue requirement associated with the TREC Program through a new TREC Surcharge component of the Company's RGGI Surcharge. As set forth in Exhibit A, RECO's initial TREC Surcharge will be 0.0473 cents per kWh, including SUT. This is based on an estimated initial revenue requirement of \$456,718.

13. As a result of the initial TREC Surcharge, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annualized monthly bill from \$106.23 to \$106.54, or \$0.31 or 0.29 percent, based on rates in effect on July 1, 2020.

14. The TREC Surcharge component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Surcharge component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement and actual recoveries will be deferred, with interest, for future recovery.

15. On February 1 of each year, the Company shall include in its annual RGGI Surcharge filing, information related to the TREC Surcharge component of the RGGI Surcharge to be effective for the 12 month period commencing the following June 1. The TREC Surcharge component of the RGGI Surcharge shall be set to recover any prior period over- or under-

recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the 12 month period commencing the following June 1.

16. Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

17. Upon Board approval of this Stipulation, RECO shall file the revised tariff leaf in the form set forth in Exhibit B hereto. The revised tariff leaf shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

### **CONCLUSION**

18. The Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein.

19. Each Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

20. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the Company's TREC Petition. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Parties are not waiving any legal or procedural rights,

arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Parties shall be placed in the same position that they were in immediately prior to its execution.

21. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. Although binding on the Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Parties agree that the unique resolution of the issues relating to the TREC Petition shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

22. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

23. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

24. This Stipulation may be executed in one or more counterparts. Each Party has caused its duly authorized representative to execute below and deliver this Stipulation.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for **PETITIONER**, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

**IN WITNESS THEREOF**, the undersigned Parties do **HEREBY AGREE** to the form and execution of this Agreement.

**ROCKLAND ELECTRIC COMPANY**

By: Margaret Comes  
Margaret Comes  
Attorney for Rockland Electric Company

**DIVISION OF RATE COUNSEL  
STEFANIE A. BRAND, DIRECTOR**

By: Brian O. Lipman  
~~Sarah Steindel~~, Brian O. Lipman  
Assistant Deputy Rate Counsel  
7/22/2020

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES  
GURBIR S. GREWAL, ATTORNEY GENERAL OF NEW JERSEY**

By: /s Meliha Arnautovic DAG  
Meliha Arnautovic  
Deputy Attorney General

DATED: July 20, 2020

**ROCKLAND ELECTRIC COMPANY**

**Determination of Regional Gas Initiative ("RGGI") Surcharge**

<b><u>RGGI Rate Components</u></b>	<b><u>Excl. SUT (¢/kWh)</u></b>	<b><u>Incl. SUT (¢/kWh)</u></b>
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I	0.2143	0.2285
SREC II	0.0000	0.0000
TREC	<u>0.0444</u>	<u>0.0473</u>
Total	0.2384	0.2541



**ROCKLAND ELECTRIC COMPANY**

**2020 TREC Program Component of RGGI Surcharge**

**TREC Program Costs 2020**

Projected 2020 TREC Program Costs	\$439,031
Projected 2020 TREC Administrative Costs	<u>17,687</u>
Total Recovery Balance	\$456,718

**TREC Rate Development**

TREC Program Component of RGGI Surcharge	\$456,718
Projected Sales (kWh) for 9-months ended May 2021	1,029,125,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000444
Sales and Use Tax ("SUT")	1.06625
TREC Program Surcharge	\$0.000473

**ROCKLAND ELECTRIC COMPANY**

**Determination of Transition Renewable Energy Certificate Program ("TREC") Surcharge**

**TREC Projected Program Costs: June 2020 - May 2021 (1)**

<u>Month</u>	<u>Projected Program Costs</u>		
	<u>TREC (2)</u>	<u>TREC Administrator Fee (3)</u>	<u>Total</u>
Jun-20	\$0	\$0	\$0
Jul-20	1,491	1,608	3,099
Aug-20	11,152	1,608	12,760
Sep-20	20,438	1,608	22,046
Oct-20	22,402	1,608	24,009
Nov-20	23,553	1,608	25,161
Dec-20	26,672	1,608	28,280
Jan-21	39,538	1,608	41,146
Feb-21	50,322	1,608	51,929
Mar-21	70,358	1,608	71,966
Apr-21	81,797	1,608	83,405
May-21	<u>91,308</u>	<u>1,608</u>	<u>92,915</u>
Total	\$439,031	\$17,687	\$456,718

Notes: <sup>1</sup> Rate component of RGGI relating to recovery of Transition Renewable Energy Certificate Program ("TREC")

<sup>2</sup> Based on RECO share of Staff's estimate of EDC TREC purchases

<sup>3</sup> Based on RECO share of EDCs Estimate (\$900,000) of TREC Administrator Services Fee

**ROCKLAND ELECTRIC COMPANY**

**Determination of Transition Renewable Energy Certificate Program ("TREC") Surcharge**

**Collection of TREC Program Costs: June 2020 - May 2021**

<u>Month</u>	<u>Forecasted Sales (MWH)</u>	<u>Estimated TREC Collections</u>
Jun-20		
Jul-20		
Aug-20		
Sep-20	142,657	63,310
Oct-20	117,246	52,033
Nov-20	108,406	48,110
Dec-20	119,355	52,969
Jan-21	123,455	54,788
Feb-21	111,920	49,669
Mar-21	103,283	45,836
Apr-21	99,585	44,195
May-21	<u>103,218</u>	<u>45,807</u>
Total	1,029,125	\$456,718

**ROCKLAND ELECTRIC COMPANY**

**Determination of Transition Renewable Energy Certificate Program ("TREC")  
June 2020 through May 2021 Cost Recovery Period**

<b>RECO</b>	Jun-20 Estimate	Jul-20 Estimate	Aug-20 Estimate	Sep-20 Estimate	Oct-20 Estimate	Nov-20 Estimate	Dec-20 Estimate	Jan-21 Estimate	Feb-21 Estimate	Mar-21 Estimate	Apr-21 Estimate	May-21 Estimate	Total
TREC Revenue Requirement <sup>1</sup>	\$0	\$3,099	\$12,760	\$22,046	\$24,009	\$25,161	\$28,280	\$41,146	\$51,929	\$71,966	\$83,405	\$92,915	\$456,718
Prior Period Reconciliation Adj.	\$0												\$0
Monthly Recoveries	\$0	\$0	\$0	\$63,310	\$52,033	\$48,110	\$52,969	\$54,788	\$49,669	\$45,836	\$44,195	\$45,807	\$456,718
(Over)/Under Recovery	\$0	\$3,099	\$12,760	(\$41,264)	(\$28,023)	(\$22,949)	(\$24,689)	(\$13,642)	\$2,260	\$26,130	\$39,210	\$47,108	\$0
Beginning Balance - (Over)/Under Recovery	\$0	\$0	\$3,099	\$15,859	(\$25,405)	(\$53,428)	(\$76,377)	(\$101,066)	(\$114,708)	(\$112,448)	(\$86,318)	(\$47,108)	
Ending Balance (Over)/Under Recovery	\$0	\$3,099	\$15,859	(\$25,405)	(\$53,428)	(\$76,377)	(\$101,066)	(\$114,708)	(\$112,448)	(\$86,318)	(\$47,108)	\$0	
Average Balance (Over)/Under	\$0	\$1,549	\$9,479	(\$4,773)	(\$39,417)	(\$64,903)	(\$88,722)	(\$107,887)	(\$113,578)	(\$99,383)	(\$66,713)	(\$23,554)	
Average Balance (Over)/Under - Net of Tax	\$0.00	\$1,114	\$6,814	(\$3,431)	(\$28,337)	(\$46,659)	(\$63,782)	(\$77,560)	(\$81,651)	(\$71,447)	(\$47,960)	(\$16,933)	
Interest Rate (Annual) <sup>2</sup>	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%	
Interest Rate (Monthly)	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	\$0	\$1	\$4	(\$2)	(\$17)	(\$29)	(\$39)	(\$48)	(\$50)	(\$44)	(\$30)	(\$10)	(\$265)
													Total (Over)/Under Collection Including Interest
													<u>(\$265)</u>

Notes: <sup>1</sup> Revenue based on TREC production estimates and annual administrative costs

<sup>2</sup> Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

**DRAFT**

**GENERAL INFORMATION**

**No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE**

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”); ~~and~~
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs; ~~and~~
- (e) Transition Renewable Energy Certificate Program (“TREC Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at ~~0.25410-2068~~ cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I Program	0.2143	0.2285
SREC II Program	0.0000	0.0000
<u>TREC Program</u>	<u>0.0444</u>	<u>0.0473</u>
Total RGGI Surcharge	<del>0.49402384</del>	<del>0.20682541</del>

**(a) EES Program**

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President  
 Mahwah, New Jersey 07430

DRAFT

Revised Leaf No. 58B  
Superseding Revised Leaf No. 58B

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GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)

(d) SREC Program

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

(e) TREC Program

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for ~~the EES Program component, the Low Income Audit II Program component, and the SREC Program each~~ component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

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ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President  
Mahwah, New Jersey 07430

**GENERAL INFORMATION**

**No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE**

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs; and
- (e) Transition Renewable Energy Certificate Program (“TREC Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.2541 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC I Program	0.2143	0.2285
SREC II Program	0.0000	0.0000
TREC Program	0.0444	0.0473
Total RGGI Surcharge	0.2384	0.2541

**(a) EES Program**

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President  
 Mahwah, New Jersey 07430

**GENERAL INFORMATION**

**No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE (Continued)**

**(d) SREC Program**

The SREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected for both the SREC I and SREC II Programs. Any differences will be included in the SREC Program components of the following year’s RGGI Surcharge. The differences between the actual monthly costs associated with the SREC I and SREC II Programs and actual recoveries through the SREC Program components of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the SREC I and SREC II Program components of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC Program components of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted SREC I and SREC II Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year’s over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

**(e) TREC Program**

The TREC Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the TREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the TREC Program and actual recoveries through the TREC Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the TREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The TREC Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted TREC Program costs over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for each component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

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ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President  
Mahwah, New Jersey 07430