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Director

March 21, 2022

VIA ELECTRONIC MAIL ONLY

Hon. Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Aida.Camacho@bpu.nj.gov

**Re: In the Matter of the Petition of Public Service Electric and Gas Company for
Approval of Zero Emission Certificate Recovery Charge (10/2021)
BPU Docket No.: EO21101183**

Dear Secretary Camacho-Welch:

Please accept for filing these comments on behalf of the Division of Rate Counsel ("Rate Counsel") regarding the Public Service Electric and Gas Company ("PSE&G" 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.

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 New Jersey 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).

October 15, 2021, PSE&G filed a letter petition seeking to refund the excess 2020 Energy Year ZEC Charge collections over a 12-month period commencing January 1, 2022. PSE&G is also seeking an adjustment to the Zero Emissions Certificate Reconciliation Charge (“ZECRC”) for Energy Year 2021 using the Return of Excess Collections Credit Rate (“RECCR”), a component of the ZECRC. PSE&G Petition, p. 1.

The company states that as a result of this adjustment, the proposed RECCR would change from (\$0.000155) per kilowatt-hour (“kWh”) (without New Jersey Sales and Use Tax [“SUT”]) to (\$0.000087) per kWh (without SUT). Ibid.

Because the refund rate is being reduced, if the Board approves the Company’s request, the net effect will be an increase in customer bills. The bill of a typical residential customer using, 740 kWh per summer month and 6,920 kWh on an annual basis will increase from is \$1,324.24 to \$1,324.80, or \$.56, or approximately 0.04%.

Two telephonic public hearings¹ were held on January 12, 2022 at 4:30 and 5:30 PM. No members of the public appeared to comment.

PSE&G states that For Energy Year 2022 and going forward, the Company will monitor the ZECRC excess collection balance and, as it approaches zero, proposes to make a filing at the Board at least 30 days in advance of PSE&G’s intention to implement the rate change in the ZEC Reconciliation Charge Rate to zero. Any excess balance remaining at that point will be included in the Company’s next ZEC Reconciliation Charge Rate filing. PSE&G is also proposing that

¹ All public hearings are being held telephonically or virtually due to the COVID-19 Pandemic.

future adjustments to the ZEC Reconciliation Charge Rate be handled through compliance filings as the credit will fluctuate between Energy Years. In any event, the Company states it will make a compliance filing no later than 30 days prior to any change to the ZEC Reconciliation Charge Rate. Id., p.2.

COMMENTS

Rate Counsel has reviewed the petition and discovery responses for this matter and based on the facts presented in this proceeding does not object to PSE&G's request to refund the excess of the 2020 Energy Year ZEC collection to its customers over a 12-month period. In addition, Rate Counsel does not object to the proposed adjustment sought to the ZECRC for Energy Year 2021, however Rate Counsel is unsure how a compliance filing with a thirty day notice would fulfill the public hearing notice requirements if the proposed adjusted rate would lead to an increase in rates.

Respectfully submitted,

BRIAN O. LIPMAN, DIRECTOR
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By: /s/ Bethany Rocque-Romaine
Bethany Rocque-Romaine, Esq.
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c: Service list (via email only)

**In the Matter of the Petition of
Public Service Electric and Gas
Company for Approval of its
Zero Emission Certificate
Recovery Charge**

**BPU Docket No.: EO21101183
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