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Director

January 13, 2023

VIA ELECTRONIC MAIL ONLY

Hon. Carmen D. Diaz Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Bosrd.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.: EO221000632

Dear Secretary Diaz:

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.

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 October 20, 2022, RECO filed a letter petition seeking to refund the excess Zero Emissions Certificate Recovery Charge (“ZECRC”) collections from Energy Year 2022 and the remaining balance associated with the reconciliation of Energy Year 2021.

The Company is proposing to refund the excess ZECRC collection and corresponding interest over a twelve-month period commencing January 1, 2023 (Energy Year 2023) via the previously established “Zero Emissions Certificate Reconciliation Charge (“ZECRC”) which is currently set at a credit rate of 0.0239 cents per kWh (excluding SUT). The new ZECRC proposed by RECO in this proceeding, which is calculated based on nine months of actual and three months of projected data, is a credit rate of 0.0058 cents per kWh (excluding SUT) which is based on a total over-collection of \$87,008. Adding the ZECRC to the current ZEC Charge of 0.4000 cents per kWh (excluding SUT), results in a combined net ZEC charge of 0.3942 cents per kWh (excluding SUT). RECO Petition, p.1.

The response to discovery request RCR-1, which RECO provided by email dated January 6, 2023, indicates a revised ZECRC credit rate of 0.0063 cents per kWh (excluding SUT) when calculated based on actual data through November, 2022. Adding the revised ZECRC to the current ZEC Charge of 0.4000 cent per kWh (excluding SUT), results in a combined net ZEC charge of 0.3937 cents per kWh (excluding SUT). RCR-1, Attachment A, p.1.

The Company is also proposing that it will monitor the ZECRC excess collection balance and, as it approaches zero, proposes to file with the Board no later than 30 days prior to making the charge effective to set the RECCR to zero. Any excess balance remaining at that point will be included in RECO's next RECCR filing.

Virtual Public Hearings were held on January 12, 2023 at 4:30 PM and 5:30 PM. No members of the public appeared to comment.

Rate Counsel has reviewed the petition and discovery responses for this matter and based on the facts and discovery responses specific to this petition does not object to RECO's request to refund the excess of the 2022 Energy Year ZEC collection and the remaining balance associated with Energy Year 2021 to its customers over a 12-month period. In addition, Rate

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Counsel does not disagree with the calculations in support of the originally filed ZECRC credit rate of 0.0058 cent per kWh (excluding SUT) or the updated revised ZECRC credit rate of 0.0063 cent per kWh (excluding SUT).

Respectfully submitted,

BRIAN O. LIPMAN, DIRECTOR
DIVISION OF RATE COUNSEL

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

**I/M/O the Petition of Rockland
Electric for Approval of a
Change to its Zero Emission
Certificate Recovery Charge
BPU Docket No. ER22100632**

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