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January 20, 2023

**VIA ELECTRONIC MAIL ONLY**

Hon. Carmen Diaz, Acting Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
P.O. Box 350  
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[Board.secretary@bpu.nj.gov](mailto:Board.secretary@bpu.nj.gov)

**Re: In the Matter of the Petition of Jersey Central Power and Light Company for  
Approval of a Zero Emission Certificate Recovery Charge  
BPU Docket No.: EO221000658**

Dear Secretary Diaz:

Please accept for filing these comments on behalf of the Division of Rate Counsel ("Rate Counsel") to the following Jersey Central Power and Light Company ("JCP&L" 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 November 4, 2022, JCP&L filed a letter petition seeking to refund the excess ZECRC collection and corresponding interest over a twelve-month period commencing January 1, 2022 (Energy Year 2022) via the previously established Return of Excess Collections Credit Rate (“RECCR”), which is a component of the ZECRC.

The Company is proposing to refund the excess ZEC Charge 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 (\$0.000089) per kWh (excluding Sales and Use Tax – SUT). The new ZECRC proposed by JCP&L in this proceeding, which is calculated based on 9 months of actual and 3 months of projected data, is also a credit rate of (\$0.000089) per kWh (excluding SUT) and therefore does not result in a change in the currently effective ZECRC rate. JCP&L Petition, p.1

The response to discovery request RCR-1, which JCP&L provided by letter dated December 27, 2022, indicates a revised ZECRC credit rate of (\$0.000086) when calculated based on 12 months of actual data through December 31, 2022. 2022 ZEC RCR-1, Attachment A, p.1.

On January 18, 2023, JCP&L amended ZEC RCR-1, Attachment 1, p.1, to clarify that while the updated calculated rate based on actual data through November 2022 indicates that a \$0.000003 per kWh increase to the ZEC Reconciliation Rate would be appropriate, the Company is proposing no change to the currently effective ZEC Reconciliation Rate of (\$0.000089) per kWh.

The Company is also proposing that if future ZECRC adjustments are required, rate changes be handled via compliance filing, as the credit will fluctuate between Energy Years, and in that situation the Company will make a compliance filing no later than 30 days prior to any change to the ZECRC.

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 JCP&L's request to refund the excess of the 2022 Energy Year ZEC collection to its customers over a 12-month period. In addition, Rate Counsel does not disagree with the calculations in support of the originally filed ZECRC credit rate of (\$0.000089) or the company's proposal to keep the ZECRC credit rate of (\$0.000089) for Energy Year 2022.

However, in regard to JCP&L's request to allow future filings to be handled similarly to BGS reconciliation filings each year through a 30-day notice with provisional rates subject to additional examination by the Board, it is unclear to Rate Counsel how a compliance filing with a thirty day notice would satisfy the Board's statutory public hearing notice requirements if the proposed adjusted rate would lead to an increase in rates. JCP&L Petition, p.2 Further, Rate Counsel notes that JCP&L made this same request in its prior October 2021 RECCR filing, but the Board declined to rule on that request on page 3 of its April 2022 Order where it stated: "The Board declines at this time to predetermine that JCP&L's future RECCR adjustment filings will not require, or will not otherwise justify according to the Board's discretion, the holding of public hearings."<sup>1</sup> Rate Counsel is unaware of any additional information in the record which would justify a change in the Board's prior decision on this issue.

Respectfully submitted,

BRIAN O. LIPMAN, DIRECTOR  
DIVISION OF RATE COUNSEL

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

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<sup>1</sup> In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, BPU Docket No. EO18080899; and In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket No. EO21101183, Order dated April 6, 2022, P. 3.

Honorable Carmen D. Diaz, Secretary

January 20, 2023

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**I/M/O the Petition of Jersey  
Central Power & Light  
Company for Approval of a  
Change to its Zero Emission  
Certificate Recovery Charge  
BPU Docket No. EO22110703**

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