



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/

ENERGY

IN THE MATTER OF THE PETITION OF JERSEY)	ORDER APPROVING A
CENTRAL POWER AND LIGHT COMPANY FOR)	MODIFIED ZERO EMISSION
APPROVAL OF A ZERO EMISSION CERTIFICATE)	CERTIFICATE RECOVERY
RECOVERY CHARGE)	CHARGE TARIFF
)	
)	DOCKET NO. EO22110703

Parties of Record:

Joshua R. Eckert, Esq., Jersey Central Power & Light Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

On May 23, 2018, Governor Phil Murphy signed into law L. 2018, c. 16 (N.J.S.A. 48:3-87.3 to -87.7) (“Act”). The Act required the New Jersey Board of Public Utilities (“Board”) to implement a Zero Emission Certificate (“ZEC”) program within specified timelines. N.J.S.A. 48:3-87.3 to 87.5. Under the Act, the Board may approve certain eligible nuclear energy generators to receive ZECs, which New Jersey’s electric distribution companies (“EDCs”) would be required to purchase.¹ N.J.S.A. 48:3-87.5(b)(2); N.J.S.A. 48:3-87.5(i). The Act also provided that the Board shall order the full recovery of EDCs’ costs associated with purchased ZECs via a non-bypassable charge imposed on each EDC’s retail distribution customers. N.J.S.A. 48:3-87.5(j).

The Act further directed each EDC to file with the Board, within 150 days of the Act’s enactment and no later than October 22, 2018, a tariff to recover from its retail distribution customers a charge of \$0.004 per kilowatt-hour (“kWh”). N.J.S.A. 48:3-87.5(j). The Act identified this charge as the emissions avoidance benefits associated with the continued operation of a selected nuclear power plant. Ibid. Within 60 days of the filing of each EDC tariff, and upon public notice, opportunity for comment, and a public hearing, the Act required the Board to approve the appropriate tariffs. Id. The Act also directed the EDCs to return excess monies in each EDC’s

¹ The EDCs are Atlantic City Electric Company, Jersey Central Power & Light Company (“JCP&L” or “Company”), Public Service Electric and Gas Company, Rockland Electric Company and Butler Electric (“Butler”). Butler is regulated to the extent it serves customers outside of its municipal borders.

separate, interest-bearing account to its retail distribution customers at the end of each energy year. Id.

By Order dated November 19, 2018, the Board accepted JCP&L's tariff filings and directed that the tariff not be implemented unless and until the Board issued a final order authorizing the implementation of the ZEC program.² Subsequently, by Order dated April 18, 2019, the Board directed the EDCs to submit final tariffs to become effective on April 18, 2019.³ The Board further directed the EDCs to calculate interest on their collections at their respective short-term debt rates in their respective collection accounts allowed under the Act.

By Board Orders dated July 10, 2019 and May 20, 2020, the Board directed the EDCs to submit relevant data to the Board for review on a yearly basis.⁴

By Order dated December 16, 2020, the Board approved JCP&L's request to revise its ZEC Recovery Charge ("ZECRC") rate to (\$0.004097) per kWh, including Sales and Use Tax ("SUT").⁵ By Order dated April 6, 2022, the Board approved JCP&L's request to revise its ZECRC rate to \$0.004170 per kWh, including SUT, for service rendered after May 1, 2022.⁶

² In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Jersey Central Power and Light Company for Approval to Implement a Zero Emission Certificate ("ZEC") Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program, Dated August 29, 2018, BPU Docket No. EO18080899 and EO18091002, Order dated November 19, 2018.

³ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18121338, EO18121339, and EO18121337, Order dated April 18, 2019.

⁴ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order Determining the Forward Steps in the ZEC Program and Currently Approved Applications, Order dated July 10, 2019 (mandating yearly compliance filings in July); see also In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants; Application for Zero Emission Certificates of Salem 1 Nuclear Power Plant; Application for Zero Emission Certificates of Salem 2 Nuclear Power Plant; Application for Zero Emission Certificates of Hope Creek Nuclear Power Plant, BPU Docket Nos. EO18080899, EO18121338, EO18121339, and EO18121337, Order Finalizing the Forward Steps in the ZEC Program and Modifications to the Application, Order dated May 20, 2020 (confirming, in part, yearly filing requirements).

⁵ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Jersey Central Power and Light Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO18091002, Order dated December 16, 2020.

⁶ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, AND In re the Petition of Jersey Central Power and Light Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO21101182, Order dated April 6, 2022.

November 2022 Petition

On November 4, 2022, JCP&L filed a petition with the Board seeking to refund the excess ZEC collections and corresponding interest related to Energy Year 2021 (“Petition”).

In the Petition, the Company proposed to refund the excess ZECRC Collection and corresponding interest over a 12-month period, commencing January 1, 2023 through the previously established Return of Excess Collections Credit Rate (“RECCR”), a component of the ZECRC tariff currently set at (\$0.000089) per kWh, excluding SUT. JCP&L proposed to maintain the current rate of (\$0.000089) per kWh, excluding SUT.

In the Petition, the Company requested “that if future ZECRC adjustments are required, rate changes be handled via compliance filing, as the credit will fluctuate between Energy Years.” The Company proposed to make a compliance filing “no later than 30 days prior to any change to the [RECCR].”

In Attachment A to the Petition, JCP&L indicated that the total over-recovery to be returned to customers for Energy Year 2021 is \$1,761,791, including interest calculated at the Company’s short-term debt rate.

Public hearings were not required in this matter because the company did not request an increase to the current ZECRC rate. Additionally, the Board received no written comments from the public.

On January 20, 2023, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a letter with the Board noting that it did 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. Rate Counsel further noted that it did not object to the Company’s proposed adjustment to the ZECRC for Energy Year 2022, but that it was unclear how a compliance filing with a 30-day notice would satisfy the Board’s statutory public hearing notice requirements if the proposed rate adjustment would lead to an increase in rates.

DISCUSSION AND FINDINGS

The Board reviewed the full record in this matter and, as such, the Board **HEREBY APPROVES** JCP&L’s proposed ZECRC rate and tariff. The Board **HEREBY APPROVES** the continuation of the current overall JCP&L ZECRC rate of \$0.004170 including SUT, for service rendered on and after March 1, 2023. As a result, a residential customer using approximately 650 kWh per month will see no change in their monthly bill.

Pursuant to N.J.S.A. 48:2-32.4 and 48:2-32.6, public hearings must be held to review applications by gas and electric light, heat, and power companies other than municipally-owned companies “for significant increases, changes, or alterations in their rate schedules” The Board **HEREBY NOTES** that any reduction to a credit rate is considered an increase in that rate and in customers’ respective bills. The Board declines at this time to predetermine that JCP&L’s future ZEC Reconciliation Charge adjustment filings will not require, or otherwise justify according to the Board’s discretion, public hearings. Accordingly, the Board **HEREBY DENIES** JCP&L’s request that, if future ZEC Reconciliation Charge filings are required, rate changes be addressed through a 30-day compliance filing.

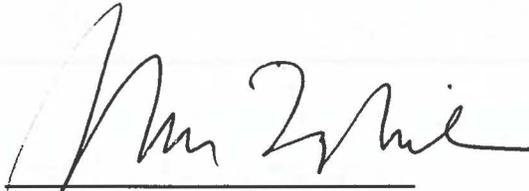
The Board **HEREBY DIRECTS** JCP&L to file revised tariffs by February 28, 2023.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

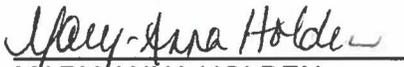
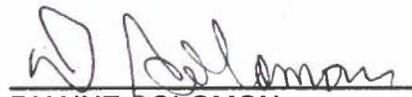
The effective date of this Order is February 24, 2023.

DATED: February 17, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER
DIANNE SOLOMON
COMMISSIONER
ROBERT M. GORDON
COMMISSIONER
DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST: 
CARMEN D. DIAZ
ACTING SECRETARY

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

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. EO22110703

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen D. Diaz, Acting Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of General Counsel</u></p> <p>Michael Beck, General Counsel michael.beck@bpu.nj.gov</p> <p>Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Senior Counsel heather.weisband@bpu.nj.gov</p> <p>Michael Hunter, Regulatory Officer michael.hunter@bpu.nj.gov</p> <p><u>Division of Water and Energy</u></p> <p>Mike Kammer mike.kammer@bpu.nj.gov</p> <p>Malike Cummings, Deputy Director malike.cummings@bpu.nj.gov</p> <p>William Barkasy william.barkasy@bpu.nj.gov</p> <p><u>New Jersey Division of Law</u> NJ Department of Law and Public Safety Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p>	<p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>T. David Wand, Esq., Managing Attorney dwand@rpa.nj.gov</p> <p><u>Public Service Electric and Gas Company</u> PSEG Services Corporation 80 Park Plaza, T5 Post Office Box 570 Newark, NJ 07102</p> <p>Matthew M. Weissman, Esq. matthew.weissman@pseg.com</p> <p>Donna Powell donna.powell@pseg.com</p> <p>Michele Falcao michele.falcao@pseg.com</p> <p>Stephen Swetz stephen.swetz@pseg.com</p> <p>Caitlyn White caitlyn.white@pseg.com</p> <p><u>Butler Electric Utility</u> Robert H. Oostdyk, Jr., Esq. Murphy McKeon, P.C. 51 Route 23 South P.O. Box 70 Riverdale, NJ 07457 roostdyk@murphymckeonlaw.com</p> <p>James Lampmann Borough Administrator One Ace Road Butler, NJ 07405 jlampmann@butlerborough.com</p>
--	---

<p><u>Atlantic City Electric Company</u> 500 N. Wakefield Drive PO Box 6066 Newark, DE 19714-6066</p> <p>Philip J. Passanante, Esq. philip.passanante@pepcoholdings.com</p> <p>Susan DeVito susan.devito@pepcoholdings.com</p> <p>Heather Hall heather.hall@pepcoholdings.com</p> <p><u>Thomas Hahn</u> thomas.hahn@pepcoholdings.com</p> <p><u>Rockland Electric Company</u> 4 Irving Place New York, NY 10003</p> <p>Margaret Comes, Esq. Associate Counsel comesm@coned.com</p> <p>William Atzl, Jr. atzlw@coned.com</p> <p>Cheryl Ruggiero ruggieroc@coned.com</p>	<p><u>Jersey Central Power & Light Company</u> 300 Madison Avenue PO Box 1911 Morristown, NJ 07962-1911</p> <p>Mark A. Mader Director, Rates & Regulatory Affairs – NJ mamader@firstenergycorp.com</p> <p>Thomas Donadio tdonadio@firstenergycorp.com</p> <p>Joshua R. Eckert, Esq. jeckert@firstenergycorp.com</p>
--	--