



Agenda Date: 4/23/25
Agenda Item: 2K

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 VERIFIED PETITION OF)
ROCKLAND ELECTRIC COMPANY CONCERNING THE)
SETTING OF THE ADMINISTRATIVE FEE AND THE)
REGIONAL GREENHOUSE GAS INITIATIVE)
RECOVERY (“RGGI”) SURCHARGE FOR 2024)
ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY)
CERTIFICATE (SREC II) PROGRAM)

DECISION AND ORDER
APPROVING STIPULATION

DOCKET NO. ER23080632

Parties of Record:

Margaret Comes, Esq., for Rockland Electric Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On August 31, 2023, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval to: 1) recover all Administrative Costs associated with the Company’s Solar Renewable Energy Certificate (“SREC”) II Program incurred through December 31, 2024; 2) maintain its current Administrative Fee of \$30 per SREC in calendar year 2024; and 3) maintain its current SREC II Surcharge at \$0.0000 per kWh in calendar year 2024 and defer the actual balance for consideration in the next annual SREC II reconciliation filing (“August 2023 Petition”).

Background and Procedural History

SREC I Program

By Order dated August 7, 2008, the Board directed RECO to file, by January 31, 2009, a solar financing program based upon SRECs, utilizing and incorporating certain mandatory design and filing requirements.¹ By Order dated July 31, 2009, the Board authorized the Company to implement its SREC Financing Program (“SREC I Program”).² Pursuant to the July 2009 Order,

¹ In re the Renewable Energy Portfolio Standard - Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, BPU Docket No. EO06100744, Order dated August 7, 2008.

² In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009

the costs for the SREC Financing Program (“Program Costs”) were to be charged through a component of the Company’s existing RGGI Surcharge. The SREC Financing Program component of the RGGI Surcharge would recover: 1) costs for the Company’s purchase of SRECs offset by revenues received by the Company SREC auctions; 2) program administrative costs; 3) an SREC transaction fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order, because net Program Costs for the first year were uncertain and variable, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs to be reconciled on an annual basis. The Board therefore directed RECO to revisit the RGGI Surcharge rate within twelve (12) months of the awards from the first solicitation.

SREC II Program

By Order dated April 27, 2011, the Board directed the Office of Clean Energy, currently the Division of Clean Energy, to review the utility-supported solar programs to help the Board determine whether the programs should continue, expire, or be modified or expanded.³ By Order dated May 23, 2012, the Board authorized the extension of certain Board-approved utility-run solar financing programs with a total capacity of 180 megawatts (“MW”) over three (3) years to be divided among the participating electric distribution companies (“EDCs”) based upon retail sales.⁴ RECO’s share of the 180 MW was 4.5 MW. By Order dated December 18, 2013, the Board authorized RECO to participate in an SREC-based financing plan.⁴ Pursuant to the SREC II Order, RECO agreed to implement an SREC II Program whereby it would enter into SREC Purchase and Sale Agreements with solar project owners or developers selected through a competitive process. Specifically, RECO agreed to enter into agreements up to 4.5 MW of installed solar capacity, allocated among three (3) program segments within the Company’s service territory.

By the SREC II Order, the Board directed RECO to assess Application Fees, Assignment Fees, and Solar Developer fees to program participants, and set the Administrative Fee at \$30 per SREC. Pursuant to the SREC II Order, RECO charges a non-refundable Application Fee of \$150 per applicant to participate in SREC II Program solicitation. RECO also charges SREC II participants an Assignment Fee of \$1,000 for each SREC-PSA assignment, a Solar-Development Fee of \$30 for each SREC purchased and a transaction fee of \$39.11 for each SREC purchased. The SREC II Order provided that, after five (5) years, the Company must true-up the Administrative Costs and Program Participant Fees, and the Program Participant fees would be adjusted accordingly on a prospective basis.

Through a series of Orders, the Board approved a RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kilowatt-hour (“kWh”), including Sales and Use Tax, an SREC II Administrative Fee of \$30 per SREC, and authorized RECO to carry forward its

(“July 2009 Order”).

³ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Generation Investment Program and an Associated Cost Recovery Mechanism, BPU Docket No. EO09020125, Order dated April 27, 2011.

⁴ In re the Review of Utility Supported Solar Programs, BPU Docket No. EO11050311V, Order dated May 23, 2012 (“May 2012 Order”).

⁴ In re the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC II Program), BPU Docket No. EO13020118, Order dated December 18, 2013 (“SREC II Order”).

unrecovered administrative fee balance in future annual periods with interest.⁵

August 2023 Petition

The August 2023 Petition was based upon actual data through July 2023, and estimated data for August through December 2023. As set forth in the August 2023 Petition, RECO collected \$143,096 in administrative fees and \$120,383 in administrative costs through July 2023, leading to an over-recovery of \$22,713. The interest on the over-recovered balance is \$748 based upon the estimated period through December 2023. As a result, the over-recovered balance of administrative costs from initiation of the SREC II Program through December 2023, with interest, was estimated at \$21,965.

Based upon the over-recovery and estimates, the Company asserted that, based upon the cost recovery provisions of the SREC II Order, the Administrative Fee would be \$0.85 per SREC. RECO further stated that a prospective reduction to the Administrative Fee could result in an under-recovery in 2024 and subsequent calendar years. The Company also proposed to defer the actual balance for consideration in the next annual SREC II reconciliation filing. The Company indicated that, pursuant to the SREC II Order, a final true-up of the net Administrative Costs and net SREC Sale Revenue will occur at the end of the SREC II cost amortization.

⁵ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for 2019 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19020156, Order dated December 20, 2019; In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI”) for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100691, Orders dated December 16, 2020 and July 14, 2021; In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2022 Associated with its Solar Renewable Energy Certificate (“SREC II”) Program, BPU Docket No. ER21091108, Orders dated December 15, 2021 and June 29, 2022; In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Surcharge for 2023 Associated with its Solar Renewable Energy Certificate (“SREC II”) Program, BPU Docket No. ER22090548, Order dated December 21, 2022.

According to RECO, the direct costs associated with the SREC II Program total \$1,008,432 and \$966,676 in auction revenues based upon actual data through July 2023, and estimates through December 2023. The Company estimated an under-recovered balance of \$41,756, and monthly interest of \$6,083, through December 2023. As a result, the Company calculated a total under-recovery of \$47,839. Based upon the under-recovery, RECO proposed to set the current SREC II Surcharge at \$0.000000 per kWh and defer the actual balance for consideration in the next annual SREC II reconciliation filing.

By Order dated December 20, 2023, the Board set the SREC II Program Administrative Fee at \$30 per SREC for calendar year 2024 while the parties continued to review the August 2023 Petition.⁶

February 2024 Petition

On February 1, 2024, the Company filed its 2024 Regional Greenhouse Gas Initiative (“RGGI”) petition, which included SREC II Administrative Costs and Fees Over/Under Recovered Balances through December 2023, a calculation of a 2024 Administrative Fee, and actual Monthly Over/Under Recovered Auction Revenues and SREC Purchases through December 2023 (“February 2024 Petition”). The February 2024 Petition also included a calculation of a 2024 Administrative Fee, but did not include a request to set an Administrative Fee for calendar year 2025.

On November 5, 2024, the Company filed an amendment to the February 2024 Petition that set out the balances with actual data through June 2024 and calculated a 2025 Administrative Fee (“Amended 2024 Petition”). According to the Amended 2024 Petition, the Company collected Administrative Costs of \$69,166 and incurred Administrative Costs of \$151,516. As a result, the Company had over-recovered a balance of \$17,650. The Company requested to maintain the current Administrative Fee of \$30 per SREC, reasoning that the Administrative Fees calculated were estimates, and a prospective reduction of the Administrative Fee could result in an under-recovery in 2025 and subsequent calendar years. By Order dated December 18, 2024, the Board authorized the Company to maintain its Administrative Fee at \$30 per SREC for calendar year 2025.⁷

⁶ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery (“RGGI”) Surcharge for 2024 Associated with its Solar Renewable Energy Certificate (SREC II) Program, Docket No. ER23080632, Order dated December 20, 2023.

⁷ In re the Petition of Rockland Electric Company’s Annual RGGI Surcharge Filing Reconciling Cost for Calendar Year 2023 and Estimated Costs for Calendar Year 2024, Docket No. ER24020072, Order dated December 18, 2024.

STIPULATION

Following comprehensive discovery, the Parties executed the Stipulation, the key elements which are as follows:⁸

15. In light of the Board's Order approving the stipulation in Docket No. ER21091108 and the incorporation of the 2023 SREC II Petition data into the Company's Amended 2024 RGGI Petition, the Parties agree to close Docket No. ER23080632.⁹

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, including the August 2023 Petition, the December 2023 Order, and the Stipulation. The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the Law. The Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate resulting from any such audit.

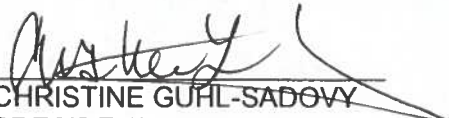
⁸ Although summarized herein, should there be any contradiction between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide within the Stipulation.

⁹ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2022 Associated with Its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER21091108, Order dated June 29, 2022.

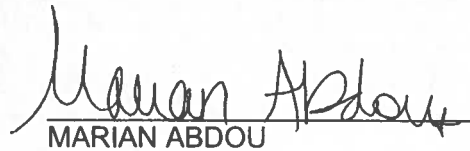
The effective date of this Order is April 30, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL L. LEWIS
BOARD 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 VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY CONCERNING THE SETTING OF THE ADMINISTRATIVE FEE AND THE REGIONAL GREENHOUSE GAS INITIATIVE RECOVERY ("RGGI") SURCHARGE FOR 2024 ASSOCIATED WITH ITS SOLAR RENEWABLE ENERGY CERTIFICATE (SREC II) PROGRAM

DOCKET NO. ER23080632

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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

April 4, 2025

Sherri L. Lewis, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: In the Matter of the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2024 Associated With Its Solar Renewable Energy Certificate (“SREC II”) Program
Docket No. ER23080632

Dear Secretary Lewis:

Enclosed for filing is Stipulation of Settlement closing Docket No. ER23080632.

Respectfully submitted,

Margaret Comes

Margaret Comes

c: email service list

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

**IN THE MATTER OF THE VERIFIED
PETITION OF ROCKLAND ELECTRIC
COMPANY CONCERNING THE SETTING
OF THE ADMINISTRATIVE FEE AND THE
REGIONAL GREENHOUSE GAS
INITIATIVE (“RGGI”) RECOVERY
CHARGE FOR 2024 ASSOCIATED WITH
ITS SOLAR RENEWABLE ENERGY
CERTIFICATE (SREC II) PROGRAM**

BPU Docket No. ER23080632

Stipulation of Settlement

Margaret Comes, Esq., Associate Counsel, for Petitioner Rockland Electric Company

**Maura Caroselli, Esq., Deputy Rate Counsel, Megan C. Lupo, Assistant Deputy Rate
Counsel, for the New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director)**

**Steven Chaplar, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of
Public Utilities (Matthew J. Platkin, Attorney General of New Jersey)**

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT (“Stipulation”) is made by and among Rockland Electric Company (“Rockland” or “Company”), Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively referred to herein as the “Parties”) for the purpose of closing Docket No. ER23080632.

PROCEDURAL HISTORY

1. On December 18, 2013, the New Jersey Board of Public Utilities (“Board”) issued an Order approving a stipulation of settlement (“2013 SREC II Stipulation”), which set forth how RECO would participate in an solar renewable energy credit (“SREC”) based financing plan with Jersey Central Power & Light Company (“JCP&L”) and Atlantic Electric Company (“ACE”).¹ Pursuant

¹ In re the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to NJ.SA. 48:3-98. I (“SREC II Program”), Docket No. EO13020118, Order dated December 18, 2013 (“SREC II Order”).

to the 2013 SREC II Stipulation and SREC II Order, RECO agreed to implement an SREC II Program whereby it would enter into SREC Purchase and Sale Agreements (“SREC-PSAs”) with solar project owners or developers (“Program Participants”) selected through a competitive process. Further, RECO agreed to enter into SREC-PSAs with selected Program Participants for up to 4.5 megawatts (“MW”) of installed solar capacity in RECO’s service territory. Specifically, RECO agreed to enter into SREC-PSAs with selected Program Participants for up to 4.5 MW of installed solar capacity in RECO’s service territory, allocated among three (3) program segments and solicited over a three (3)-year period.

2. The SREC II Order provides that “RECO will assess Application Fees, Assignment Fees and Administrative Fees (collectively, “Program Participant Fees”) to Program Participants.” The SREC II Order initially set the Administrative Fee at a charge to Program Participants of \$30 per SREC. Pursuant to the SREC II Order, RECO charges a non-refundable "Application Fee" of \$150 for applicant to participate in a SREC II Program solicitation. RECO also charges SREC II participants an “Assignment Fee” of \$1,000 for each SREC-PSA assignment, a “Solar Development Fee” of \$30 for each SREC purchased, and a transaction fee \$39.11 each SREC purchased.

3. The SREC II Order further provides that, “after five years, there will be a true-up of Administrative Costs and Program Participant Fees, and the Program Participant Fees will be adjusted accordingly on a prospective basis. Beginning January 1, 2019, the Company will implement annual Program Participant Fee adjustments that will reflect any prior-year under-recovery/over-recovery as well as a projection of Administrative Costs over the next annual period.”

4. Pursuant to the SREC II Order, RECO's SREC II Program solicitations were held jointly and in conjunction with the solicitation scheduled for JCP&L and ACE. RECO, along with other electric distribution companies, participated in nine solicitation auctions conducted by Navigant Consulting on behalf of the Board's Staff. The ninth and final solicitation auction was approved by the Board at its August 29, 2018 agenda meeting.

RECO SREC II FILINGS

5. On February 4, 2019, the Company filed its initial petition ("2019 SREC II Petition") to true-up administrative costs and fees and adjust the Administrative Fee. The 2019 SREC II Petition proposed the continuation of the Administrative Fee of \$30 per SREC because there was a large under-recovery balance of administrative costs that would require a doubling of the Administrative Fee to recover, and the Company was concerned that the increase in the Administrative Fee would negatively impact the Company's SREC II Program. The 2019 SREC II Petition also proposed to establish its RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kWh. Following several rounds of discovery, the Parties entered into a stipulation of settlement ("2019 SREC II Stipulation"). In the 2019 SREC II Stipulation, the Parties agreed to continue the Company's Administrative Fee for calendar year 2019 at the \$30 per SREC, that the Regional Green House Gas Initiative ("RGGI") surcharge associated with the SREC II Program be set by tariff at \$0.000000 per kWh, inclusive of New Jersey Sales and Use Tax ("SUT"), and that RECO carry forward its unrecovered administrative fee balance in future annual periods with interest. The Parties further agreed that the Company would file its next SREC II filing establishing its proposed Administrative Fees and SREC II component of its RGGI

surcharge for calendar year 2021 by no later than October 31, 2020. The Board approved the 2019 SREC II Stipulation on December 20, 2019 in Docket No. ER19020156.²

6. On October 30, 2020, the Company filed a petition seeking Board approval of a proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2021 (“2020 SREC II Petition”). In the 2020 SREC II Petition, the Company stated that from the inception of its SREC II Program through 2020, RECO’s under-recovered balance of Administrative Costs was \$68,952 excluding interest. RECO estimated its administrative costs through calendar year 2021, with interest, to be \$159,037. The 2020 SREC II Petition provided that the Administrative Fees and Administrative Costs in the 2020 SREC II Petition for October 2020 through December 2020 were estimated. The Company also explained that using the recovery mechanism set out in the SREC II Order, its Administrative Fee would be \$45.28 per SREC. The 2020 SREC II Petition proposed the continuation of the Administrative Fee of \$30 per SREC because the Company was concerned that an increase in the Administrative Fee to \$45.28 would negatively impact the Company’s SREC II program. The Company stated that based upon SREC II Program Direct Costs and SREC II Auction Revenues through 2020, and its estimated SREC II Program Direct Costs and SREC II Auction Revenues through calendar year 2021, there was estimated to be an over-recovered balance of Direct Costs, excluding interest, of \$189,848. By Order dated December 16, 2020, the Board approved the Company’s request to continue the Administrative Fee for the SREC II Program for the 2021 calendar year at the current level for \$30 per SREC.³ The 2020 SREC II Petition also proposed to establish its RGGI Surcharge for the recovery of the SREC II

² In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge (“Rider RGGI” for 2019 Associated with Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19020156, Order dated December 20, 2019.

³ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2021 Associated With its Solar Renewable Energy Certificate (“SREC II”) Program, BPU Docket No. ER20100691, Order dated December 16, 2020

Program Direct Costs at \$0.000000 per kWh. Following several rounds of discovery, the Parties entered into a stipulation of settlement (“2020 SREC II Stipulation”), which agreed to continue the Company’s Administrative Fee for calendar year 2021 of \$30 per SREC and continue the RGGI Surcharge for the recovery of the SREC II Program Direct Costs at its current charge of \$0.000000 per kWh. By Order dated July 14, 2021, the Board approved the Company’s request to continue the SREC II Program’s Administrative Fee for calendar year 2021 at the then applicable charge of \$30 per SREC and to maintain the RGGI surcharge applicable to the SREC II Program Direct Costs at the current rate of \$0.000000 per kWh.⁴

7. On September 1, 2021, the Company filed a petition seeking Board approval of a proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2022 (“2021 SREC II Petition”). In the 2021 SREC II Petition, the Company stated that from the inception of its SREC II program, RECO will have collected in administrative fees \$73,880 based upon actual data through July 2021, and \$3,750 in estimated administrative fees from August 2021 through December 2021. Correspondingly, from the inception of the SREC II program through July 2021, RECO incurred administrative costs of \$65,843 based upon actual data through July 2021, and \$9,000 in estimated administrative fees from August 2021 through December 2021. The Company’s estimated over-recovered balance of administrative costs from initiation of the SREC II Program through December 2021 was \$2,787, which included an actual balance through July 2021 and an estimated balance from August 2021 through December 2021, excluding interest in the amount of \$1,797. The Company also explained that using the recovery mechanism set out in the 2013 SREC II Order, its Administrative Fee would be \$26.16 per SREC. The 2021 SREC II

⁴ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2021 Associated with Its Solar Renewable Energy Certificate (“SREC II”) Program, BPU Docket No. ER20100691, Order dated July 14, 2021.

Petition proposed the continuation of the Administrative Fee of \$30 per SREC because the estimated Administrative Fee of \$26.16 was based on both estimated administrative fees and costs through December 2021 and estimated fees and costs through December 2022. The actual administrative costs and fees were expected to fluctuate from year to year, and a prospective reduction of the Administrative Fee could have resulted in an under-recovery in 2022 and subsequent calendar years. By Order dated December 15, 2021, the Board approved the Company's request to continue the Administrative Fee for the SREC II Program for the 2022 calendar year at the current level for \$30 per SREC.⁵ The 2021 SREC II Petition also proposed to establish its RGGI Surcharge for the recovery of the SREC II Program Direct Costs at \$0.000000 per kWh. The Parties entered into a stipulation of settlement ("2021 SREC II Stipulation"), which agreed to continue the Company's Administrative Fee for calendar year 2022 of \$30 per SREC and continue a RGGI Surcharge for the recovery of the SREC II Program Direct Costs at its current charge of \$0.000000 per kWh. The 2021 SREC II Stipulation provided that "the Company shall make its next SREC II filing establishing its proposed Administrative Fees of its RGGI surcharge for calendar year 2023 by no later than September 1, 2022." On June 21, 2022, the Board issued an Order approving the 2021 SREC II Stipulation.⁶

8. On September 1, 2022, the Company filed a petition seeking Board approval of a proposed SREC II Administrative Fee and applicable RGGI Surcharge for calendar year 2023 ("2022 SREC II Petition"). In the 2022 SREC II Petition, the Company stated that from the inception of its

⁵ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2022 Associated With its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER21091108, Order dated December 15, 2021

⁶ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2022 Associated with Its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER21091108 Order dated June 29, 2022.

SREC II Program, Rockland estimated Direct Costs of \$768,767 based upon actual data through June 2022, and estimated data for the period July through December 2022. Correspondingly, since the inception of the SREC II Program, the Company estimated \$807,874 in auction revenues based upon actual data through June 2022, and estimated data for the period July through December 2022. The Company's estimated over-recovery balance from the inception of the SREC II Program through December 2022 was \$39,107. The Company's estimated monthly interest from the inception of the SREC II Program through December 2022 was \$4,111. As a result, the Company's estimated over-recovery of Direct Costs, since the inception of the SREC II Program through December 2022, was \$34,996. The 2022 SREC II Petition proposed the continuation of the Administrative Fee of \$30 per SREC because the Company was concerned that an increase in the Administrative Fee to \$34.92 would negatively impact the Company's SREC II program. The Company proposed to set the SREC II Surcharge at \$0.000000 per kWh and defer the actual balance for consideration in the next annual SREC II reconciliation filing. The Parties entered into a stipulation of settlement ("2022 SREC II Stipulation"), which agreed to continue the Company's Administrative Fee for calendar year 2023 of \$30 per SREC and continue a RGGI Surcharge for the recovery of the SREC II Program Direct Costs at its current charge of \$0.000000 per kWh. The 2022 SREC II Stipulation stated, "Additionally, the Company shall make its next SREC II filing establishing its proposed Administrative Fees of its RGGI surcharge for calendar year 2024 by no later than February 1, 2023 in accordance with Board Orders dated June 9, 2021 and June 29, 2022 (BPU Docket Nos. QO19010040 and EO20090623, and ER21091108)." On December 21, 2022, the Board issued an Order approving the 2022 SREC II Stipulation.⁷

⁷ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2023 Associated with Its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. Docket No. ER22090548, Order dated December 21, 2022 ("2022 SREC II Order").

RECO 2023 SREC II Petition

9. On August 31, 2023, Company filed a petition seeking Board approval of a proposed SREC II Administrative Fee for calendar year 2024 (“2023 SREC II Petition”).⁸

10. In the 2023 SREC II Petition, the Company stated it collected in administrative fees \$143,096, based upon actual data through July 2023, and estimated data for August through December 2023. Correspondingly, from the inception of the SREC II Program, RECO incurred administrative costs of \$120,383 based upon actual data through July 2023, and estimated data from August through December 2023. According to the 2023 SREC II Petition, the Company’s estimated over-recovered balance of administrative costs from initiation of the SREC II Program through December 2023, without 2023 interest, was \$22,713. From the inception of the SREC II Program, the interest on the over-recovered balance, with estimated interest from July through December 2023, was \$748. As a result, the over-recovered balance of administrative costs from initiation of the SREC II Program through December 2023, with interest, was \$21,965.

11. The 2023 SREC II Petition noted that adherence to the cost recovery mechanism as set forth in the SREC II Order, resulted in an estimated 2024 Administrative Fee of \$0.85 per SREC. RECO requested that the Administrative Fee for 2024 remain at \$30 per SREC. RECO requested that the 2024 Administrative Fee remain at \$30 per SREC because the Administrative Fee of \$0.85 was based on estimates. The Company noted that a prospective reduction of the Administrative Fee could result in an under-recovery in 2024 and subsequent calendar years. The Company proposed to defer the actual balance for consideration in the next annual SREC II reconciliation

⁸ Pursuant to the 2022 SREC II Order, a proposal for the 2024 Administrative Fee 2024 should have been filed with the Company’s February 2023 RGGI Surcharge (“2023 RGGI Petition”). However, the error was discovered after the filing of the 2023 RGGI Petition, and, accordingly, the 2023 SREC II Petition data was included in the Company’s 2024 RGGI filing in Docket No. ER24020072.

filing. On December 20, 2023 the Board approved an Administrative Fee for 2024 of \$30 per SREC.⁹

2024 RGGI Petition and Amended 2024 RGGI Petition

12. On February 1, 2024, the Company filed its 2024 RGGI Petition. The 2024 RGGI Petition included SREC II Administrative Costs and Fees Over/Under Recovered Balances through December 2023, a calculation of a 2024 Administrative Fee, and actual Monthly Over/Under Recovered Auction Revenues and SREC Purchases through December 2023. The 2024 RGGI Petition included a calculation of a 2024 Administrative Fee, but did not include a request to set an Administrative Fee for calendar year 2025.

13. Therefore, on November 5, 2024, the Company filed an amendment to the 2024 RGGI Petition (“Amended 2024 RGGI Petition”). The Amended 2024 RGGI Petition set out the balances included in the 2024 RGGI Petition, and noted that on August 8, 2024, the Company updated the 2024 RGGI Petition with actual data from January 2024 through June 2024 and estimated data from July 2024 through December 2024, and calculated a 2025 Administrative Fee. According to the Amended 2024 RGGI Petition, RECO collected Administrative Fees in the amount of \$169,166 and incurred Administrative Costs of \$151,516. As a result, the Company’s over-recovered balance of Administrative Fees and Costs from initiation of the SREC II Program through December 2024, based on actual data from January 2024 through June 2024 and estimated data from July 2024 through December 2024, was \$17,650. In the Amended 2024 RGGI Petition,

⁹ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative (“RGGI”) Recovery Charge for 2024 Associated with Its Solar Renewable Energy Certificate (“SREC II”) Program, BPU Docket No. Docket No. ER23080632, Order dated December 20, 2023.

the Company noted that using the cost recovery mechanism set forth in the SREC II Order results in an estimated 2025 Administrative Fee of \$8.73 per SREC.

14. In the Amended 2024 RGGI Petition, RECO requested that the Administrative Fee for 2025 remain at \$30 per SREC, reasoning that the Administrative Fees calculated per the SREC II Order are only estimates, and a prospective reduction of the Administrative Fee could result in an under-recovery in 2025 and subsequent calendar years. On December 18, 2024, the Board entered an Order maintaining the Company's Administrative Fee at \$30 per SREC.¹⁰

STIPULATION

15. In light of the Board's Order approving the 2022 SREC II Stipulation and the incorporation of the 2023 SREC II Petition data into the Company's Amended 2024 RGGI Petition, the Parties agree to close Docket No. ER23080632.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

¹⁰ In the Matter of the Petition of Rockland Electric Company's Annual RGGI Surcharge Filing Reconciling Cost for Calendar Year 2023 and Estimated Costs for Calendar Year 2024, Docket No. ER24020072, Order dated December 18, 2024.

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