



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3rd Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF )  
JERSEY CENTRAL POWER & LIGHT COMPANY )  
SEEKING REVIEW AND APPROVAL OF ITS )  
DEFERRED BALANCES RELATING TO, AND AN )  
ADJUSTMENT OF, THE RIDER RRC – RGGI )  
RECOVERY CHARGE OF ITS FILED TARIFF (“2017 )  
RIDER RRC FILING”), AND SEEKING REVIEW AND )  
APPROVAL OF ITS ADMINISTRATIVE FEE FOR THE )  
SREC II PROGRAM EFFECTIVE AS OF JANUARY 1, )  
2019 )  
DECISION AND ORDER  
SETTING ADMINISTRATIVE  
FEE  
DOCKET NO. ER18101094

**Parties of Record:**

**Gregory Eisenstark, Esq.**, Windels Marx Lane & Mittendorf, LLP, on behalf of Jersey Central Power & Light Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

**Solar Financing Programs**

By Order dated August 7, 2008, the New Jersey Board of Public Utilities (“Board” or “BPU”) directed Jersey Central Power & Light Company (“JCP&L” or “Company”) and Atlantic City Electric Company (“ACE”) to file, by September 30, 2008, a solar financing program based on Solar Renewable Energy Certificates (“SRECs”), utilizing and incorporating certain mandatory design and filing requirements. On September 30, 2008, JCP&L filed a petition with a proposed SREC financing program, which was assigned BPU Docket No. EO08090840.

ACE, JCP&L, Board Staff (“Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and the Solar Alliance (“SA”) considered the ACE and JCP&L filings in the course of 11 settlement meetings held between February and March 2009. Over the course of those settlement discussions, the ACE and JCP&L proposals were incorporated into a single program, which included a cost recovery mechanism and incentives. ACE, JCP&L, Staff, and SA executed a stipulation on March 13, 2009 (the “March 2009 Stipulation”). Rate Counsel was also a signatory to the March 2009 Stipulation, but reserved its right to contest three specific

issues. By Order dated March 27, 2009 (the "March 2009 Order"), the Board approved the March 2009 Stipulation and decided the contested issues.<sup>1</sup> The March 2009 Order authorized JCP&L to enter into long-term contracts to purchase SRECs with a total estimated program size of 42 MW. ("SREC I Program") Among other things, the March 2009 Order approved the recovery of costs through an SREC Financing Program rate component of the Rider RRC equal to a per kWh charge applicable to all customers. As net program costs for the first year of the program were uncertain, the March 2009 Order required that the JCP&L Rider RRC rate component for this program be set at zero (\$0.0000) and revisited within twelve months of the awards from the first solicitation.

On May 8, 2009, Rate Counsel filed a Notice of Appeal with the Superior Court of New Jersey, Appellate Division regarding the additional recoveries portion of the contested issues. On July 29, 2009, ACE, JCP&L, the Board Staff, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues (the "Stipulation on Appeal"). By Order dated September 16, 2009, the Board modified its March 2009 Order to reflect the terms of the Stipulation on Appeal. Rate Counsel withdrew its appeal on September 23, 2009.<sup>2</sup>

On November 8, 2011, the Board directed the Office of Clean Energy to initiate an assessment of New Jersey's renewable energy programs as well as addressing issues that were raised by the Solar Energy Advancement and Fair Competition Act (P.L. 2009, c. 289) and the 2011 Energy Master Plan. On May 23, 2012, the Board issued an Order directing JCP&L "to file within, [sic] 5 business days of service of this Order, a notice of their intention to participate or not to participate in the Extended EDC SREC Programs consistent with Staff's recommendations adopted by the Board herein." On August 15, 2012, JCP&L submitted a Petition for Board approval of the Company's SREC II Program. By Order<sup>3</sup> dated December 18, 2013, the Board authorized JCP&L to offer an SREC II Program with a total program size of up to 52 MW. The December 2013 Order set the Administrative Fee for SREC II Program participants at \$17.00 per SREC and further ordered that after five (5) years there would be a true up of administrative costs and program participant fees, and the program participant fees would be adjusted on a prospective basis, beginning January 1, 2019

### **September 2018 Petition**

On or about September 28, 2018, JCP&L filed a petition ("September 2018 Petition") requesting review and approval of the deferred balances accumulated with respect to amounts the Company incurred under Board-approved demand response ("DR") and renewable energy programs, to the extent accumulated from January 1, 2017 to December 31, 2017.

According to JCP&L, using the cost recovery provisions from the December 2013 Order, the Company would have to increase the Administrative Fee from \$17.00 to \$36.55 per SREC, which may cause participants to withdraw from the SREC II Program. Accordingly, in the

<sup>1</sup> In re the Verified Petition of Jersey Central Power and Light Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO08090840 (March 27, 2009).

<sup>2</sup> In re the Verified Petition Jersey Central Power and Light Company Concerning a Proposal for a Solar Renewable Energy Certificate-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO08090840 (September 16, 2009).

<sup>3</sup> In re The Matter of the Verified Petition of Jersey Central Power & Light Company ("JCP&L" or the "Company") Concerning a Proposal for an Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1 ("SREC II"), BPU Docket No. EO12080750 (December 18, 2013).

September 2018 Petition, JCP&L proposed a modification to the cost recovery mechanism for the SREC II Program. JCP&L is requesting authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods and maintain the fee at \$17.00.

**DISCUSSION AND FINDINGS**

The Board has reviewed the record to date in this matter, including the September 2018 Petition. The parties are in the process of reviewing the September 2018 Petition, which will not be completed prior to the impending increase in the administrative fee. As such, the Board believes it is appropriate to maintain the Administrative Fee for the SREC II Program for the 2019 calendar year at its current level.

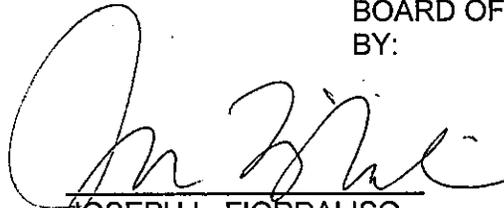
Accordingly, the Board **HEREBY APPROVES** the continuation of the Administrative Fee at the Board's previously approved rate of \$17.00 per SREC for the 2019 calendar year. The Board notes that the parties will continue to review all other issues concerning the September 2018 Petition.

The Company's costs, including those related to the programs described above remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

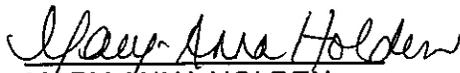
The effective date of this Order is December 28, 2018.

DATED: 12/18/18

BOARD OF PUBLIC UTILITIES  
BY:



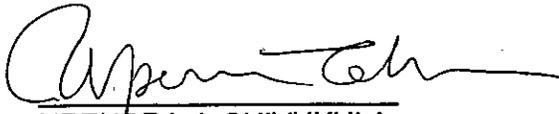
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF JERSEY CENTRAL POWER & LIGHT COMPANY SEEKING REVIEW AND APPROVAL OF ITS DEFERRED BALANCES RELATING TO, AND AN ADJUSTMENT OF, THE RIDER RRC – RGGI RECOVERY CHARGE OF ITS FILED TARIFF (“2017 RIDER RRC FILING”), AND SEEKING REVIEW AND APPROVAL OF ITS ADMINISTRATIVE FEE FOR THE SREC II PROGRAM EFFECTIVE AS OF JANUARY 1, 2019 - DOCKET NO. ER18101094

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