



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)
ATLANTIC CITY 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)

DECISION AND ORDER
SETTING ADMINISTRATIVE
FEE

DOCKET NO. ER20100688

Parties of Record:

Philip J. Passanante, Esq., for Atlantic City Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 29, 2020, Atlantic City Electric Company ("ACE" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking authority to maintain the Administrative Fee and Rider Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") associated with the Company's Solar Renewable Energy Certificate ("SREC") Program ("SREC II Program") for calendar year 2021 ("October 2020 Petition"). By this Decision and Order, the Board considers the Company's request to maintain the Administrative Fee for calendar year 2021.

Background and Procedural History

By Order dated August 7, 2008, the Board directed Jersey Central Power and Light Company ("JCP&L") and ACE to file, by September 30, 2008, a solar financing program based upon SRECs, utilizing and incorporating certain mandatory design and filing requirements. On October 1, 2008, ACE filed a proposed SREC financing program under BPU Docket No. EO08100875.

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 ("March 2009 Stipulation"). Rate Counsel was also a signatory to the March 2009 Stipulation, but reserved its right to contest three (3) specific issues. By Order dated March 27, 2009, the Board approved the March 2009 Stipulation and decided the contested issues.¹ The March 2009 Order authorized ACE to enter into long-term contracts to purchase SRECs with a total estimated program size of 19 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 RGGI 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 ACE's Rider RGGI rate component for this program be set at zero (\$0.000000 per kWh).

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, Staff, and Rate Counsel entered into a further stipulation of settlement with respect to the contested issues ("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, 2009.²

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 raised by the Solar Energy Advancement and Fair Competition Act (L. 2009, c. 289) and the 2011 Energy Master Plan. On May 23, 2012, the Board issued an Order directing ACE "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 Electric Distribution Company SREC Programs consistent with Staff's recommendations adopted by the Board herein." (See Board Order in Docket No. EO11050311V). On September 5, 2012, ACE submitted a petition for Board approval of the Company's SREC II Program. By Order dated December 18, 2013, the Board authorized ACE to offer an SREC II Program with a total program size of up to 23 MW.³ The December 2013 Order set the Administrative Fee for SREC II Program participants at \$17.07 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. Additionally, the December 2013 Order directed ACE to "assess Application Fees, Assignment and Administrative Fees (collectively, "Program Participant Fees") to Program Participants."

¹ In re the Verified Petition of Atlantic City Electric 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. EO08100875 Order dated March 27, 2009 ("March 2009 Order").

² In re the Verified Petition of Atlantic City Electric 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. EO0810087, Order dated September 16, 2009.

³ In re the Matter of the Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO12090799, Order dated December 18, 2013 ("December 2013 Order").

Through a series of Board Orders dated, December 18, 2018, October 25, 2019 and December 20, 2019, the Board approved to maintain the Company's SREC II Administrative Fee at the Board's previously approved rate of \$17.07.⁴

October 2020 Petition

In the October 2020 Petition, ACE proposed a modification to the cost recovery mechanism, citing lower than expected participation in the program. According to ACE, using the cost recovery provisions from the December 2013 Order, the Company would need to increase the Administrative Fee from \$17.07 to \$69.67 per SREC, which could cause participants to withdraw, leading to premature termination of the program. Accordingly, ACE requested authorization to carry forward unrecovered administrative fee balances for recovery in future annual periods, and maintain the fee at \$17.07 for calendar year 2021. Additionally, ACE proposed that the Rider RGGI Surcharge for the recovery of the SREC II Program's Direct Costs be maintained at its current rate of \$0.000000 per kWh.

Since the Company's October 2020 Petition did not propose an increase in rates, public hearings were not required or held in this matter.

DISCUSSION AND FINDING

The Board reviewed the record in this matter to date, including the October 2020 Petition. The parties are in the process of reviewing the October 2020 Petition and its proposed cost recovery mechanism modification which will not be completed prior to the impending increase in the administrative fee otherwise required by the December 2013 Order. Accordingly, the Board believes it is appropriate to maintain the Administrative Fee for the SREC II Program for the 2021 calendar year at its current level.

Accordingly, the Board **HEREBY APPROVES** the continuation of the SREC II Administrative Fee at the Board's previously approved rate of \$17.07 for calendar year 2021. The Board notes that the parties will continue to review all other matters concerning the October 2020 Petition.

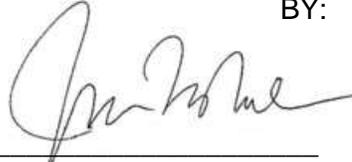
The Company's costs, including those related to the program described above, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

⁴ In re the Verified Petition of Atlantic City 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. ER18101192, Order dated December 18, 2018; In re the Verified Petition of Atlantic City 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. ER18101192, Order dated October 25, 2019; and In re the Verified Petition of Atlantic City Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2020 Associated With Its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19101429, Order dated December 20, 2019.

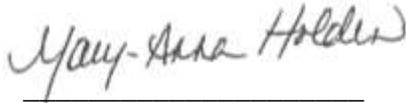
The effective date of this Order is December 26, 2020.

DATED: December 16, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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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 - DOCKET NO. ER20100688

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