



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)
ROCKLAND ELECTRIC COMPANY'S ANNUAL)
RGGI SURCHARGE FILING RECONCILING)
COSTS FOR CALENDAR YEAR 2020 AND)
ESTIMATING COSTS FOR CALENDAR YEAR)
2021) DOCKET NO. ER21010087

Parties of Record:

Margaret Comes, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or "Company"), the New Jersey Division of Rate Counsel, and Board Staff ("Staff") (collectively "Parties") intended to resolve the Company's requests to revise its Regional Greenhouse Gas Initiative ("RGGI") Surcharge.

BACKGROUND/PROCEDURAL HISTORY

Energy Efficiency Programs

By Order dated November 23, 2009, the Board approved a stipulation authorizing RECO to implement an Energy Efficiency Stimulus Program ("2009 EES Program") with three (3) energy efficiency ("EE") programs to be implemented for a one (1) year period ending December 31, 2010.¹ The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program; 2) an On-Line Energy Audit Sub-Program; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program"). The November 2009 Order also authorized the Company to recover costs associated with the 2009 EES Program through an EES Program

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061, Order dated November 23, 2009 ("November 2009 Order").

Surcharge component of its RGGI Surcharge. Pursuant to the November 2009 Order, the Company is required to submit annual cost recovery filings to establish future RGGI Surcharge rates.

By Order dated March 30, 2011, the Board authorized RECO to continue its 2009 EES Program through December 31, 2011.² Subsequently, through a series of Board Orders, the Board authorized RECO to extend only the Low Income Audit I Program through December 2013.³

By petition dated June 21, 2013, RECO filed for authorization to implement a Low Income Audit and Direct Install Energy Efficiency II Program ("Low Income Audit II Program"), which was similar to the Low Income Audit I Program. By Order dated April 23, 2014, the Board approved the Low Income Audit II Program and authorized the Company to implement a Low Income Audit II Program Surcharge component of its RGGI Surcharge of 0.0083 cents per kWh.⁴

By Order dated June 29, 2016, the Board approved a stipulation that authorized RECO to implement a RGGI Surcharge of 0.0192 cents per kWh ("June 2016 Stipulation").⁵ The approved RGGI Surcharge contained two (2) components: 1) an EES Program Surcharge of 0.0179 cents per kWh; and 2) a Low Income Audit II Program Surcharge of 0.0013 cents per kWh.⁶ In the June 2016 Stipulation, the Parties agreed that, going forward, the Company would make one (1) annual filing to review both the EES Program and the Low Income Audit II Program true-ups ("Combined Filing"), which would be filed by February 1st of each year, commencing February 1, 2017.

By Order dated December 12, 2016, the Board authorized RECO to implement a RGGI Surcharge of 0.0162 cents per kWh.⁷ The RGGI Surcharge contained two (2) components: 1) an EES Program surcharge of 0.0179 cents per kWh, which remained unchanged, and 2) a revised Low Income Audit II Program credit of 0.0017 cents per kWh.

² In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO10120987, Order dated March 30, 2011.

³ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO12020115, Order dated March 12, 2012; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery Mechanisms- Extension Request, BPU Docket No. EO12121073, Order dated March 20, 2013.

⁴ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 23, 2014. All rates quoted herein include Sales and Use Tax ("SUT").

⁵ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2014 Annual True-Up, BPU Docket No. EO14090972; In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2015 Annual True-Up, BPU Docket No. ER15090996; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2015 Annual True-Up, BPU Docket No. ER15040424, Order dated June 29, 2016.

⁶ The EES Program Surcharge component of the RGGI Surcharge recovers costs associated with the 2009 EES Program and associated extensions through December 31, 2013.

⁷ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER16020097, Order dated December 12, 2016.

By Order dated December 19, 2017, the Board authorized RECO to implement a RGGI credit of 0.0106 cents per kWh.⁸ The approved RGGI Surcharge contained two (2) components: 1) an EES Program credit of 0.0034 cents per kWh; and 2) a revised Low Income Audit II Program credit of 0.0072 cents per kWh.

By Order dated March 26, 2018, the Board authorized RECO to establish its Low Income Audit and Direct Install Program Energy Efficiency III Program (“Low Income Audit III Program”).⁹ By Order dated January 27, 2021, the Board authorized RECO to extend its Low Income Audit III Program through June 30, 2021, or until the budgeted funds have been expended.¹⁰

By Order dated June 9, 2021, the Board authorized RECO to establish an additional component of the RGGI Surcharge - the Clean Energy Act Program (“CEA”) component.¹¹ In the June 2021 Order, the Board authorized RECO to implement seven (7) EE sub-programs with a total portfolio cost of \$18.1 million, resulting in an initial CEA component rate of 0.0780 cents per kWh, commencing on July 1, 2021 for three (3) years to conclude on June 30, 2024. Additionally, the June 2021 Order also authorized RECO to implement an electric conservation incentive mechanism to account for lost revenues resulting from the potential decrease in customer energy usage.

Solar Programs

By Order dated August 7, 2008, the Board directed RECO to file, by January 31, 2009, a solar financing program based upon Solar Renewable Energy Certificates (“SRECs”), utilizing and incorporating certain mandatory design and filing requirements.¹² By Order dated July 31, 2009, the Board authorized the Company to implement its SREC Financing Program (“SREC I Program”).¹³ Pursuant to the July 2009 Order, 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 the following: 1) costs for the Company’s purchase of SRECs offset by revenues received by the Company from the auction of SRECs; 2) program administrative costs; 3) an SREC transaction

⁸ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER17020083, Order dated December 19, 2017 (“December 2017 Order”). Subsequent to the December 2017 Order, the SUT rate decreased from 6.875% to 6.625% effective January 1, 2018 and RECO’s rates, including the RGGI Surcharge were modified accordingly.

⁹ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018.

¹⁰ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Request for Extension of the Low Income Audit and Direct Install Energy Efficiency III Program, BPU Docket No. EO20120751, Order dated January 27, 2021.

¹¹ In re the Implementation of L. 2018, C.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040 and EO20090623, Order dated June 9, 2021 (“June 2021 Order”).

¹² 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.

¹³ 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 (“July 2009 Order”).

fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order, as net Program Costs for the first year were uncertain and could vary, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs to be reconciled on an annual basis. RECO was to revisit the RGGI Surcharge rate within 12 months of the awards from the first solicitation.

By Order dated December 18, 2013, the Board authorized RECO to offer an SREC II Program with a total program size of up to 4.5 megawatts.¹⁴ The December 2013 Order set the Administrative Fee for SREC II Program participants at \$30 per SREC, and further ordered that after five (5) years there would be a true-up of administrative costs and program participants fees, and the program participant fee would be adjusted on a prospective basis beginning January 1, 2019. The December 2013 Order also directed RECO to assess Application Fees, Assignment Fees, and Administrative Fees to Program Participants.

On April 26, 2017, the Company filed a petition to recover Program Costs related to its SREC I Program ("April 2017 Petition"). By Order dated January 31, 2018, the Board approved a stipulation executed by the Parties resolving the April 2017 Petition.¹⁵ The January 2018 Order authorized RECO to implement an SREC program component of its RGGI Surcharge of 0.0964 cents per kWh.

On February 1, 2019 in BPU Docket No. ER19020156, RECO filed a petition seeking a modification to the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program, by increasing the Administrative Fee from \$30 to \$57.28 per SREC. By Order dated December 20, 2019, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar years 2019 and 2020 as well as implement a 0.0000 cents per kWh for the SREC II Program component of the RGGI Surcharge.¹⁶

By Order dated June 12, 2019, the Board authorized RECO to implement a RGGI Surcharge of 0.2068 cents per kWh.¹⁷ The approved RGGI Surcharge contained three (3) components: 1) an EES Program credit component of 0.0252 cents per kWh; 2) a Low Income Audit II Program credit of 0.0027 cents per kWh; and 3) a SREC I Program rate of 0.2285 cents per kWh.

¹⁴ 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 ("December 2013 Order").

¹⁵ In re the Recovery of Rockland Electric Company's SREC Program Costs, BPU Docket No. ER17040429, Order dated January 31, 2018 ("January 2018 Order").

¹⁶ 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.

¹⁷ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2017 Annual True-Up and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-Up, BPU Docket No. ER18020109; and In re the Recovery of Rockland Electric Company's SREC Program Costs 2018, BPU Docket No. ER18020131, Order dated June 12, 2019 ("June 2019 Order").

By Order dated May 5, 2020, the Board authorized RECO to maintain its RGGI Surcharge of 0.2068 cents per kWh.¹⁸ The approved RGGI Surcharge contained four (4) components: 1) an EES Program component credit of 0.0252 cents per kWh; 2) a Low Income Audit II Program component credit of 0.0027 cents per kWh; 3) a Low Income Audit III Program component of 0.0062 cents per kWh; and 4) a SREC I Program rate of 0.2285 cents per kWh.

By Order dated December 6, 2019, the Board established the Transitional Renewable Energy Certificate ("TREC") Program to bridge the gap between legacy SREC programs and a to-be-determined successor program.¹⁹ Pursuant to the TREC Order, on May 20, 2020 in BPU Docket No. ER20050363, RECO filed a petition seeking approval to recover initial costs associated with the TREC Program and establish the TREC as a new component within the Company's RGGI Surcharge. By Order dated August 12, 2020, the Board authorized RECO to recover costs associated with the TREC Program and establish a TREC component as part of the Company's RGGI Surcharge. As a result of the initial estimated costs associated with the TREC Program component, RECO was authorized to establish a TREC Program component rate of 0.0473 cents per kWh and resulted in the combined RGGI Surcharge rate of 0.2541 cents per kWh.²⁰

On October 30, 2020, in BPU Docket No. ER20100691, RECO filed a petition seeking a modification to the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program, by increasing the Administrative Fee from \$30 to \$45.28 per SREC ("October 2020 Petition"). By Order dated December 16, 2020, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar year 2021 while granting the parties additional time to review all other matters pertaining to the October 2020 Petition.²¹

By Order dated February 17, 2021, the Board authorized RECO to decrease its RGGI Surcharge to 0.1285 cents per kWh.²² The approved RGGI Surcharge contained six (6) components: 1) an EES Program component credit of 0.0123 cents per kWh; 2) a Low Income Audit II Program component rate of 0.0158 cents per kWh; 3) a Low Income Audit III Program component credit of 0.0085 cents per kWh; 4) a SREC I Program rate of 0.0862 cents per kWh 5) a SREC II Program component rate of 0.0000 cents per kWh; and 6) a TREC Program component rate of 0.0473 cents per kWh. The SREC II Program and TREC Program components remained unchanged since it was not included for review in the 2019 RGGI Surcharge Filing, and were addressed in their own respective proceedings.

¹⁸ In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2018, BPU Docket No. ER19020145, Order dated May 5, 2020.

¹⁹ In re a New Jersey Solar Transmission Pursuant to P.L. 2018, C.17, BPU Docket No. QO19010068, Order dated December 6, 2019 ("TREC Order").

²⁰ In re the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program ("TREC Program"), BPU Docket No. ER20050363, Order dated August 12, 2020 ("August 2020 Order").

²¹ 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, Order dated December 16, 2020.

²² In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2019, BPU Docket No. ER20010090, Order dated February 17, 2021 ("2019 RGGI Surcharge Filing").

By Order dated July 14, 2021, the Board authorized RECO to continue maintaining the SREC II Administrative Fee of \$30 for the remainder of calendar year 2021, which may be adjusted annually beginning January 1, 2022, and maintain the RGGI Surcharge applicable to the SREC II Program Direct Costs at its current rate of 0.0000 cents per kWh.²³

January 2021 Petition

On January 29, 2021, RECO filed a petition with the Board seeking review and approval to recover program costs and revenue requirements through the RGGI Surcharge calendar year 2020 (“January 2021 Petition”). In its January 2021 Petition, the Company proposed to increase the RGGI Surcharge rate from 0.1285 cents per kWh to 0.1836 cents per kWh. The proposed RGGI Surcharge included the following components: 1) An EES Program rate of 0.0132 cents per kWh; 2) a Low Income Audit II Program rate of 0.0198 cents per kWh; 3) a Low Income Audit III Program credit of 0.0102 cents per kWh; 4) a SREC I Program rate of 0.0959 cents per kWh; 5) a SREC II Program rate of 0.0000 cents per kWh and 6) a TREC Program rate of 0.0649 cents per kWh.²⁴

Throughout the course of the proceeding, RECO updated the information in the January 2021 Petition to include actual expenses and revenues through April 30, 2021 (“May 2021 Update”). As a result of the May 2021 Update, the proposed total RGGI Surcharge rate decreased to 0.1088 cents per kWh. Since the filing of the January 2021 Petition, the Board approved an additional component of the RGGI Surcharge - the Clean Energy Act Program (“CEA”) component.²⁵ The total RGGI Surcharge, including the CEA component, results in a rate of 0.1868 cents per kWh.

Based upon the May 2021 Update, each component of the proposed revision to the RGGI Surcharge is illustrated in bold in the table below:

May 2021 Update	
RGGI Surcharge Rate Component(s)	Cents per kWh
EES Program	0.0132
Low Income Audit II Program	0.0198
Low Income Audit III Program	(0.0117)
SREC I Program	0.0421
SREC II Program	0.0000
TREC Program	0.0454
Clean Energy Act Program	0.0780
Total RGGI Surcharge	0.1868

²³ 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, Order dated July 14, 2021.

²⁴ The January 2021 Petition did not include the review of the SREC II Program rate component.

²⁵ In the Matter of the Implementation of L. 2018, C.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In the Matter of the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Numbers QO19010040 and EO20090623, Order dated June 9, 2021. The CEA component of the RGGI Surcharge became effective July 1, 2021, and is not included as part of the review for this proceeding.

Following notice in newspapers of general circulation within the Company's service territory, telephonic public hearings were held on June 30, 2021 at 4:30 pm and 5:30 pm.²⁶ No members of the public provided comments at any of the hearings or filed written comments with the Board.

STIPULATION

Based upon a review of the January 2021 Petition, the May 2021 Update, and an exchange of discovery, the Parties executed the Stipulation, which provides the following:²⁷

A. RGGI Surcharge

18. The Parties agree that the Company will implement a RGGI Surcharge of 0.1868 cents per kWh (0.1751 cents per kWh, excluding SUT).²⁸ As set forth in Exhibits A through F attached to the Stipulation, the RGGI Surcharge includes the following components: 1) EES Program component of the RGGI of 0.0132 cents per kWh (0.0124 cents per kWh, excluding SUT); 2) a Low Income Audit II Program rate of 0.0198 cents per kWh (0.0186 cents per kWh, excluding SUT); 3) a Low Income Audit III Program credit of 0.0117 cents per kWh (a credit of 0.0110 cents per kWh, excluding SUT); 4) an SREC I program rate of 0.0421 cents per kWh (0.0394 cents per kWh, excluding SUT); 5) a SREC II program rate of 0.0000 cents per kWh; 6) a TREC Program rate of 0.0454 cents per kWh (0.0426 cents per kWh, excluding SUT) and 7) a CEA rate of 0.0780 cents per kWh (0.0730 cents per kWh, excluding SUT). Additionally, as set forth in Exhibits A through F attached to the Stipulation, the Parties agree that the (over)/under-collected balances through December 31, 2020 are as follows for the following RGGI Surcharge components: 1) an under-collected balance of \$186,496 for the EES Program credit component; 2) an under-collected balance of \$256,892 for the Low Income Audit II Program; 3) an over-collected balance of \$208,061 for the Low Income Audit III Program; 4) an under-collected balance of \$671,442 for the SREC I program component; and 5) an over-collected balance of \$177,343 for the TREC Program. The Parties agree that the proposed rates, as set forth in Exhibits A through F of the Stipulation, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving this Stipulation is served on the parties of record. The Parties agree that the costs through December 31, 2020 for the January 2021 Petition are deemed reasonable and prudent. All costs and recoveries after December 31, 2020 will be reviewed in subsequent true up filings.

B. Rate Impact

19. The Parties agree that the RGGI Surcharge will be set at 0.1868 cents per kWh (0.1751 cents per kWh, excluding SUT), which represents the cumulative total RGGI Surcharge rate, including the CEA and SREC II components. For a typical

²⁶ Due to the COVID-19 pandemic, hearings were held telephonically.

²⁷ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Each paragraph is numbered to coincide with the paragraphs of the Stipulation.

²⁸ This RGGI Surcharge incorporates the Company's SREC II Surcharge and its initial Clean Energy Act Surcharge rates as of July 1, 2021.

residential customer using 808 kWh per summer month, and 7,800 kWh on an annualized basis, the current monthly average bill will decrease \$0.13 from \$130.27 to \$130.14, or 0.10% based upon rates effective July 1, 2021. RECO shall file the revised tariff leaf with the new rates in the form set forth in Exhibit B attached to the Stipulation, approved by Parties in the Stipulation.

C. Combined Filings

20. The Parties agree that RECO will make one combined filing for all RGGI Surcharge components on or before February 1st of each year.

DISCUSSION AND FINDING

The Board reviewed the record in this matter, including the January 2021 Petition, the May 2021 Update, and the Stipulation. The Board is satisfied that the Stipulation represents a fair and reasonable resolution of the issues, and demonstrates that the costs through December 31, 2020, as provided in the January 2021 Petition, are reasonable, prudent, and in the public interest. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY AUTHORIZES** RECO to implement a composite RGGI Surcharge component rate of 0.1868 cents per kWh.

As a result of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will experience a decrease of \$0.13 or 0.10% in their monthly bills.

The Board **HEREBY ORDERS** RECO to file the appropriate revised tariff sheets in compliance with the terms and conditions of the Stipulation by October 1, 2021.

The Company's costs, including those related to the RGGI Surcharge components described above, 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 as a result of any such audit.

The effective date of this Order is September 7, 2021.

DATED: September 1, 2021

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

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY'S ANNUAL RGGI
SURCHARGE FILING RECONCILING COSTS FOR CALENDAR YEAR 2020 AND ESTIMATING
COSTS FOR CALENDAR YEAR 2021

BPU DOCKET NO. ER21010087

SERVICE LIST

Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Brian O. Lipman, Esq., Litigation Manager
blipman@rpa.nj.gov

Kurt Lewandowski, Esq.
klewandowski@rpa.nj.gov

Rate Counsel Consultant

Robert Henkes
7 Sunset Road
Old Greenwich CT 06870
rhenkes@optonline.net

Rockland Electric Company

4 Irving Place – Room 1815-S
New York, NY 10003-0987

John Carley, Esq.
carleyj@coned.com

Margaret Comes, Esq.
comesm@coned.com

Mike DiGravina
digravinam@coned.com

Cheryl Ruggiero
ruggieroc@coned.com

Kelly Rolo
1 Blue Hill Plaza
Pearl River, NY 10965
rolok@oru.com

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary of the Board
board.secretary@bpu.nj.gov

Robert Brabston, Esq., Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Division of Energy

Paul Lupo, Bureau Chief
paul.lupo@bpu.nj.gov

Bart Kilar
bart.kilar@bpu.nj.gov

Jason Forsythe
jason.forsythe@bpu.nj.gov

Counsel's Office

Heather Weisband, Esq.
heather.weisband@bpu.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625-0112

Pamela Owen, DAG
pamela.owen@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov



Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

August 19, 2021

VIA EMAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of Rockland Electric Company's Annual RGGI
Surcharge Filing Reconciling Costs for Calendar Year 2020 and Estimating Costs
for Calendar Year 2021

BPU Docket No. ER21010087

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of Rockland Electric Company ("RECO")
("Rockland" or "the Company") is Stipulation of Settlement in the above matter.

Respectfully submitted,


Margaret Comes

Enc.

cc: Email list

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

**IN THE MATTER OF THE PETITION OF
ROCKLAND ELECTRIC COMPANY'S
ANNUAL RGGI SURCHARGE FILING
RECONCILING COSTS FOR CALENDAR
YEAR 2020 AND ESTIMATING COSTS
FOR CALENDAR YEAR 2021**

STIPULATION OF SETTLEMENT

BPU Docket No. ER21010087

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Brian O. Lipman, Litigation Manager, Felicia Thomas-Friel, Deputy Rate Counsel and Kurt S. Lewandowski, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director)

Terel Klein, Deputy Attorney General, for Staff of the New Jersey Board of Public Utilities (Andrew J. Bruck, Acting Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED by and among Rockland Electric Company ("RECO" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Board Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") to execute this Stipulation of Settlement ("Stipulation") and join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue a Final Decision and Order approving this Stipulation, including the attachments and proposed sheets of the Company's electric service tariff as set forth herein.

BACKGROUND

By this Stipulation, the Parties agree to the final (over)/under-collected balances associated with the Company's annual Regional Greenhouse Gas Initiative ("RGGI") Surcharge True-Up Filing for calendar year 2020 ("2021 Combined Filing"). The 2021 Combined Filing includes the reconciliation of the following five (5) components of the RGGI Surcharge: 1) the Energy Efficiency Stimulus Program ("EES Program") component; 2) the Low Income Audit and Direct Install Energy Efficiency Program II ("Low Income Audit II Program") component; 3) the Low Income Audit and Direct Install Energy Efficiency Program III ("Low Income Audit III Program") component; 4) the Solar Renewable Energy Certificate ("SREC") I Program component, and 5) the Transitional Renewable Energy Certificate ("TREC") Program Components of the RGGI Surcharge.¹

EES, Low Income II, and Low Income III Filings

1. The EES Program was established by the Board in its Decision and Order dated November 23, 2009 in BPU Docket Nos. EO09010056 and EO09010061 ("November 2009 Order").² The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; 2) an On-Line Energy Audit Sub-Program, where the Company selected a

¹ This Stipulation does not address the Company's SREC II Surcharge, which is the subject of another proceeding. The SREC II Surcharge rate is \$0.00, pursuant to the Board Order *I/M/O 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. ER20100692 (July 14, 2021.) Additionally, this Stipulation does not address the Company's initial Clean Energy Act Surcharge which was approved pursuant to the Board *I/M/O the Implementation of L. 2018, C.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In the Matter of the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket Numbers QO19010040 and EO20090623 (June 9, 2021).

² *I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery*. BPU Docket Nos. EO09010056 and EO09010061, (November 23, 2009).

vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency ("EE") measures at no cost to the customer.

2. On June 21, 2013, the Company filed a Verified Petition in BPU Docket No. ER13060535 seeking Board approval to administer a new EE program called the Low Income Audit II Program, which was similar in most respects to the Low Income Audit I Program. The Low Income Audit II Program was approved by the Board by Order dated April 23, 2014.³

3. On May 18, 2016 in BPU Docket Nos. EO14090972, ER15090996, and ER15040424, the Parties entered into a stipulation agreeing that going forward, the Company would make one annual filing to review both the EES Program and the Low Income Audit II Program true-ups ("Combined Filing"), and the Combined Filing would be filed on or before February 1st of each year, commencing February 1, 2017 ("May 2016 Stipulation"). The May 2016 Stipulation was approved by the Board by Order dated June 29, 2016.⁴

4. On February 1, 2017, the Company filed a petition in BPU Docket No. ER17020083 seeking Board approval of its 2016 Combined Filing annual true-up. The Parties entered into a stipulation on November 20, 2017 which was approved by the Board by Order dated December 19, 2017.⁵ The December 2017 Order approved a RGGI Surcharge credit of 0.0106 cents per

³ See Decision and Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER13060535 (April 23, 2014).

⁴ See Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery-2014 Annual True-Up, et al*, BPU Docket Nos. EO14090972, ER15090996, and ER15040424 (June 29, 2016).

⁵ See Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up*, BPU Docket No. ER17020083 (December 19, 2017) ("December 2017 Order").

kWh, including Sales and Use Tax (“SUT”) (0.0098 cents per kWh, excluding SUT), consisting of: 1) an EES Program credit of 0.0034 cents per kWh, including SUT (a credit of 0.0031 cents per kWh, excluding SUT); and 2) a Low Income Audit II Program credit of 0.0072 cents per kWh, including SUT (a credit of 0.0067 cents per kWh, excluding SUT).

5. On August 9, 2017, the Company filed a petition in BPU Docket No. ER17080869 seeking Board approval of a Low Income Audit III Program, which was similar in most respects to the Low Income Audit I and II Programs. The Low Income Audit III Program was approved by the Board on March 26, 2018.⁶

6. On February 1, 2018, the Company filed a petition in BPU Docket No. ER18020109 seeking Board approval of its Combined Filing annual true-up of costs and revenues for calendar year 2017 (“2018 RGGI True Up”). The 2018 RGGI True Up proposed a RGGI Surcharge credit of 0.0281 cents per kWh, including SUT (a credit of 0.0263 cents per kWh, excluding SUT), which included an EES Program credit of 0.0255 cents per kWh, including SUT (a credit of 0.0239 cents per kWh excluding SUT), and a Low Income Audit II Program credit of 0.0026 cents per kWh, including SUT (a credit of 0.0024 cents per kWh excluding SUT).⁷ The Company updated its actual expenses and revenues through September 30, 2018 and its projected expenses and revenues through December 2018. As a result of the updates, the proposed EES Program credit component of the RGGI Surcharge rate increased from the current credit of 0.0033 cents per kWh, including SUT (a credit of 0.0031 cents per kWh, excluding SUT), to a credit of 0.0252 cents per kWh, including SUT (a credit of 0.0236 cents per kWh, excluding SUT).⁸ The proposed Low Income

⁶ Decision and Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of An Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER17080869 (March 26, 2018).

⁷ The 2018 RGGI True-Up filing did not include costs or revenues from the Low Income III Program.

⁸ The Sales and Use Tax rate decreased from 6.875% to 6.625% effective January 1, 2018.

Audit II Program credit component of the RGGI Surcharge decreased from the current credit of 0.0072 cents per kWh, including SUT (a credit of 0.0067 cents per kWh, excluding SUT), to a credit of 0.0027 cents per kWh, including SUT (a credit of 0.0025 cents per kWh, excluding SUT). Therefore, as a result of the updates to the EES Program and the Low Income Audit II Program, the Company's proposed RGGI Surcharge in the 2018 RGGI True-Up filing decreased from a credit of 0.0106 cents per kWh, including SUT (a credit of 0.0098 cents per kWh, excluding SUT), to a credit of 0.0279 cents per kWh, including SUT (a credit of 0.0261 cents per kWh, excluding SUT). The Parties executed a stipulation with these updated rates, which were approved by the Board on June 12, 2019 in BPU Docket No. ER18020109.⁹

SREC Program

7. By Order dated August 7, 2008, the Board directed RECO to file a solar financing program based upon Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements, by January 31, 2009. By Order dated July 31, 2009 in BPU Docket No. EO09020097, the Board authorized the Company to implement an SREC Financing Program ("SREC Program").¹⁰ Pursuant to the July 2009 Order, the costs for the SREC Program ("SREC Program Costs") were to be charged through a component of the Company's existing RGGI Surcharge. Such component of the RGGI Surcharge would recover the following: 1) costs for the Company's purchase of SRECs offset by revenues received by the Company from the auction of SRECs; 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, as net

⁹ Order Approving Stipulation, *IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate - 2017 Annual True-Up and IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery - Low Income Audit II Program 2017 Annual True-Up* BPU Docket No. ER18020109 (June 12, 2019).

¹⁰ Order Approving Stipulation, *IMO 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, (July 31, 2009) ("July 2009 Order").

Program Costs for the first year were uncertain and may vary, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs and would be reconciled on an annual basis. RECO was to revisit the RGGI Surcharge rate within 12 months of the awards from the first solicitation.

8. On April 26, 2017, the Company filed its first petition to recover its SREC Program Costs (“Initial SREC True Up Filing”).¹¹ In the Initial SREC True Up Filing, the Company proposed a charge of 0.0984 cents per kWh, including SUT (0.0921 cents per kWh, excluding SUT) to recover SREC Program Costs. The SREC Program component of the RGGI Surcharge would be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference would be included in the SREC Program component of the following year’s RGGI Surcharge. The difference between the actual monthly costs associated with the SREC Program and actual recoveries through the SREC Program component of the RGGI Surcharge would be deferred, with interest, for future recovery.

9. In 2009, RECO began purchasing and selling SRECs. However, the Initial SREC True Up Filing was the first petition filed by RECO for recovery of SREC Program Costs. Accordingly, the Company proposed to recover the costs accumulated from 2009 through December 31, 2016 over a three-year period. The Initial SREC True Up Filing further proposed that on February 1st of each year, the Company would file with the Board the SREC Program component of the RGGI Surcharge to be effective for the 12-month period commencing the following June 1st. The SREC Program component of the RGGI Surcharge would recover any prior period over- or under-recovered balance, including interest, and provide current recovery of the forecasted SREC Program costs over the 12-month period commencing the following June 1st. Pursuant to the

¹¹ These SREC Program Costs do not include costs associated with RECO’s SREC II Program, which was approved in BPU Docket No. EO13020118. The SREC II Program costs are addressed in a separate filing.

Initial SREC True Up Filing, the Company proposed that filings be made on February 1st of the accumulated SREC Program Costs through December 31, 2016 in addition to the recovery of the prior year's over- or under-recovered balances, and the forecasted SREC Program Costs for the following 12-month period and interest on the over- or under- recovered balances related to the reconciliation of program costs beginning January 1, 2017. Interest would be included in the deferred balance for both an over-collection and for an under-collection of the program costs beginning January 1, 2017, and would be calculated as determined by the Board in the July 2009 Order. In the Initial SREC True Up Filing, the total increase in revenue requested by the Company was \$4.3 million, including interest.

10. On January 16, 2018, the Parties executed a stipulation resolving the Initial SREC True Up Filing, which was approved by the Board on January 31, 2018.¹²

11. Pursuant to the Initial SREC True Up Stipulation, the Company agreed that there would be no interest applicable to the accumulated SREC Program Costs through December 31, 2016, nor would there be any interest on the unamortized accumulated SREC Program Costs through December 31, 2016 of \$4,205,585 and during the subsequent three (3) year amortization period. Pursuant to the Initial SREC True Up Stipulation, the SREC Program Rate was set at 0.0964 cents per kWh, including SUT (0.0904 cents per kWh, excluding SUT), and was based upon program costs through December 31, 2016 totaling \$4,205,585. The SREC Program Costs are recovered through the Company's RGGI Surcharge.

12. On February 1, 2018, the Company filed its 2018 SREC Program True-Up filing to recover calendar year 2017 program costs in BPU Docket No. ER18020131 ("2018 SREC True Up Filing"). In the 2018 SREC True Up Filing, the Company proposed an increase in the SREC

¹² Order Approving Stipulation, *IMO the Recovery of Rockland Electric Company's SREC Program Costs*, BPU Docket No. ER17040429 (January 31, 2018) ("Initial SREC True Up Stipulation").

component rate to 0.3223 cents per kWh, including SUT (0.3023 cents per kWh, excluding SUT), to recover 2017 SREC Program Costs. The Company updated its program costs with actual data through December 2018. As a result of the updates, the SREC Program component of the RGGI Surcharge rate increased from 0.0964 cents per kWh, including SUT (0.0904 cents per kWh, excluding SUT), to 0.2285 cents per kWh, including SUT (0.2143 cents per kWh, excluding SUT). The Parties executed a stipulation, which was approved by the Board on June 12, 2019 in BPU Docket No. ER18020131.¹³

2019 Combined Filing

13. On February 1, 2019, the Company made its 2019 combined filing for the following components of the RGGI Surcharge: 1) the EES Program; 2) the Low Income Audit II Program; 3) the Low Income Audit III Program; and 4) the SREC I Program (“2019 Combined Filing”). In the 2019 Combined Filing the Company proposed a RGGI Surcharge of 0.3670 cents per kWh, including SUT effective June 1, 2019. The 2019 Combined Filing proposed the following rates for the components of the RGGI Surcharge: 1) a credit of 0.0236 cents per kWh, including SUT (a credit of 0.0221 cents per kWh, excluding SUT), for the EES Program; 2) a surcharge of 0.0075 cents per kWh, including SUT (0.0070 cents per kWh, excluding SUT), for the Low Income Audit II Program; 3) a surcharge of 0.0003 cents per kWh, including SUT (0.0003 cents per kWh, excluding SUT), for the Low Income Audit III Program; and 4) a surcharge of 0.3828 cents per kWh, including SUT (0.3590 cents per kWh, excluding SUT), for the SREC I Program. The Company updated its actual expenses through December 31, 2019. As a result of the updates, the

¹³ Order Approving Stipulation, *IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2017 Annual True-up and IMO the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-up*, BPU Docket No. ER18020109; and *IMO the Recovery of Rockland Electric Company’s SREC Program Costs*, BPU Docket No. ER18020131 (June 12, 2019).

proposed RGGI Surcharge decreased from the then current rate of 0.2068 cents per kWh, including SUT (0.1940 cents per kWh, excluding SUT), to 0.1923 cents per kWh, including SUT (0.1805 cents per kWh, excluding SUT). The EES Program component of the RGGI Surcharge increased from a credit of 0.0252 cents per kWh, including SUT (a credit of 0.0236 cents per kWh, excluding SUT), to a credit of 0.0237 cents per kWh, including SUT (a credit of 0.0222 cents per kWh, excluding SUT). The Low Income Audit II Program component of the RGGI Surcharge increased from the current credit of 0.0027 cents per kWh, including SUT (a credit of 0.0025 cents per kWh, excluding SUT), to a surcharge of 0.0075 cents per kWh, including SUT (0.0070 cents per kWh, excluding SUT). The Low Income Audit III Program component of the RGGI Surcharge decreased from 0.0062 cents per kWh, including SUT (0.0058 cents per kWh, excluding SUT), to a credit of 0.0037 cents per kWh, including SUT (a credit of 0.0034 cents per kWh, excluding SUT). The SREC I Program component of the RGGI Surcharge decreased from the current rate of 0.2285 cents per kWh, including SUT (0.2143 cents per kWh, excluding SUT), to 0.2122 cents per kWh, including SUT (0.1991 cents per kWh, excluding SUT). The 2019 Combined Filing was approved by the Board by Order dated May 5, 2020.¹⁴

2020 Combined Filing

14. On January 31, 2020, the Company made its calendar year 2020 combined filing in BPU Docket No. ER20010090 for calendar year 2019 (“2020 Combined Filing”). In its 2020 Combined Filing, the Company proposed to increase the current RGGI surcharge rate from 0.2068 cents per kWh, to 0.2643 cents per kWh, including SUT, effective June 1, 2020. Since the 2020 Combined Filing was made, the Board approved an additional component of the RGGI Surcharge – the TREC

¹⁴ Order Approving Stipulation, *In the Matter of the Petition of Rockland Electric Company’s Annual RGGI Surcharge True-Up Filings for 2018*, BPU Docket No. ER19020145 (May 5, 2020).

Component.¹⁵ The TREC component of the RGGI Surcharge became effective September 1, 2020, and resulted in the combined RGGI Surcharge rate of 0.2541 cents per kWh, include SUT. Additionally, the Company updated its actual expenses and revenues through October 31, 2020, and projected expenses and revenues through May 31, 2021. As a result of these updates, the Company proposed a decrease in the RGGI Surcharge rate from 0.2541 cents per kWh to 0.1285 cents per kWh, including SUT. The 2020 Combined Filing was approved by the Board via Order dated February 17, 2021.¹⁶

2021 Combined Filing

15. On January 29, 2021, the Company made its 2021 Combined Filing in BPU Docket No. ER21010087 for calendar year 2020. In its 2021 Combined Filing, the Company proposed to increase the RGGI Surcharge rate from 0.1285 cents per kWh (0.1205 cents per kWh, excluding SUT) to 0.1836 cents per kWh (0.1722 cents per kWh, excluding SUT) Since the 2021 Combined Filing was made, the Board approved an additional component of the RGGI Surcharge - the Clean Energy Act Program component. The Clean Energy Act Program component of the RGGI Surcharge became effective July 1, 2021, and resulted in the currently effective combined RGGI Surcharge rate of 0.2065 cents per kWh, including SUT.¹⁷ Additionally, the Company updated its actual expenses and revenues through April 2021, and projected expenses and revenues through December, 2021. As a result of these updates, the Company proposes a decrease in the RGGI Surcharge rate from 0.1285 cents per kWh to 0.1088 cents per kWh, including SUT before the

¹⁵ Decision and Order Approving Stipulation, *In the Matter of the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program ("TREC" Program)*, BPU Docket No. ER20050363 (August 12, 2020).

¹⁶ Order Approving Stipulation, *In the Matter of the Petition of Rockland Electric Company's Annual RGGI Surcharge True-Up Filings for 2019*, BPU Docket Number ER20010090 (February 17, 2021).

¹⁷ Order Approving Stipulation, *In the Matter of the Implementation of L. 2018, C.17 Regarding the establishment of Energy Efficiency and Peak Demand Reduction Programs and In the Matter of the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket Numbers QO19010040 and EO20090623 (June 9, 2021).

inclusion of the Clean Energy Act Program component. Encompassing the Clean Energy Act Program, the proposed combined RGGI Surcharge decreased from 0.2065 cents per kWh, including SUT to 0.1868 cents per kWh, including SUT. As a result of the decrease, the current monthly average bill for a typical residential customer using 808 kWh per summer month and 7,800 kWh on an annual basis, will decrease \$0.13 from \$130.27 to \$130.14, or 0.10% based upon rates effective July 1, 2021.

16. On June 30, 2021 the Company conducted a telephonic public hearing as result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor. No members of the public appeared to provide comments or filed written comments with the Board.

17. The Parties hereby STIPULATE AND AGREE as follows:

STIPULATED MATTERS

A. RGGI Surcharge

18. The Parties agree that the Company will implement a RGGI Surcharge of 0.1868 cents per kWh, including SUT (0.1751 cents per kWh, excluding SUT).¹⁸ As set forth in Exhibits A through F attached to this Stipulation, the RGGI Surcharge includes the following components: 1) EES Program component of the RGGI of 0.0132 cents per kWh, including SUT (a rate of 0.0124 cents per kWh, excluding SUT); 2) a Low Income Audit II Program rate of 0.0198 cents per kWh, including SUT (0.0186 cents per kWh, excluding SUT); 3) a Low Income Audit III Program credit of 0.0117 cents per kWh, including SUT (a credit of 0.0110 cents per kWh, excluding SUT); 4) an SREC I program rate of 0.0421 cents per kWh, including SUT (0.0394 cents per kWh, excluding SUT); 5) a SREC II program rate of 0.0000 cents per kWh; 6) a TREC Program rate of 0.0454 cents per kWh, including SUT (0.0426 cents per kWh, excluding SUT) and 7) a CEA rate of 0.0780

¹⁸ This RGGI Surcharge incorporates the Company's SREC II Surcharge and its initial Clean Energy Act Surcharge rates as of July 1, 2021.

cents per kWh, including SUT (0.0730 cents per kWh, excluding SUT). Additionally, as set forth in Exhibits A through F attached to this Stipulation, the Parties agree that the (over)/under-collected balances through December 31, 2020 are as follows for the following RGGI Surcharge components: 1) an under-collected balance of \$186,496 for the EES Program credit component; 2) an under-collected balance of \$256,892 for the Low Income Audit II Program; 3) an over-collected balance of \$208,061 for the Low Income Audit III Program; 4) an under-collected balance of \$671,442 for the SREC I program component; and 5) an over-collected balance of \$177,343 for the TREC Program . The Parties agree that the proposed rates, as set forth in Appendices A through F, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving this Stipulation is served on the parties of record. The Parties agree that the costs through December 31, 2020 for the 2021 Combined Filing are deemed reasonable and prudent. All costs and recoveries after December 31, 2020 will be reviewed in subsequent true up filings.

B. Rate Impact

19. The Parties agree that the RGGI Surcharge will be set at 0.1868 cents per kWh, including SUT (0.1751 cents per kWh, excluding SUT), which represents the cumulative total RGGI Surcharge rate, including the CEA and SREC II components. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annualized basis, the current monthly average bill will decrease \$0.13 from \$130.27 to \$130.14, or 0.10% based upon rates effective July 1, 2021. RECO shall file the revised tariff leaf with the new rates in the form set forth in Exhibit B hereto, approved by Parties in this Stipulation.

C. Combined Filings

20. The Parties agree that RECO will make one combined filing for all RGGI Surcharge components on or before February 1st of each year.

CONCLUSION

21. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation, and shall have the right to litigate all issues addressed herein to a conclusion.

22. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item.

23. The Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

Date: August 17, 2021

**DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR**

By: Kurt S. Lewandowski, Esq.
Kurt S. Lewandowski, Esq.
Asst. Deputy Rate Counsel

Date: AUGUST 19, 2021

**ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of
Public Utilities

By: Terel Klein
Terel Klein
Deputy Attorney General

Date: August 18, 2021

Exhibit A

ROCKLAND ELECTRIC COMPANY

Determination of Regional Gas Initiative ("RGGI") Surcharge

<u>RGGI Rate Components</u>	<u>Excl. SUT (¢/kWh)</u>	<u>Incl. SUT (¢/kWh)</u>
EES Program	0.0124	0.0132
Low Income Audit II Program	0.0186	0.0198
Low Income Audit III Program	(0.0110)	(0.0117)
SREC I	0.0394	0.0421
SREC II	0.0000	0.0000
TREC	<u>0.0426</u>	<u>0.0454</u>
Total	0.1020	0.1088

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - EES Program

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2020 - December 31, 2020)	(\$356,236)
EES Program Revenue Requirement	0
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(169,498)</u>
EES Program (Over)/Under Recovery Balance	186,737
Interest (Over)/Under Recovery Balance	<u>(241)</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	186,496
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000124
Sales and Use Tax ("SUT")	1.06625
EES Program Reconciliation Adjustment	\$0.000132

RGGI Surcharge

Proposed EES Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000124
Proposed EES Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000132

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with EES Program Component of RGI Surcharge

	Jan-20 Actual	Feb-20 Actual	Mar-20 Actual	Apr-20 Actual	May-20 Actual	Jun-20 Actual	Jul-20 Actual	Aug-20 Actual	Sep-20 Actual	Oct-20 Actual	Nov-20 Actual	Dec-20 Actual	Total
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement ¹													\$0
Prior Period Reconciliation Adj.	(169,498)												(\$169,498)
Monthly Recoveries	(31,643)	(27,037)	(25,119)	(23,573)	(23,893)	(29,065)	(37,608)	(40,537)	(35,692)	(28,063)	(25,863)	(28,143)	(\$356,236)
(Over)/Under Recovery	<u>(\$137,855)</u>	<u>\$27,037</u>	<u>\$25,119</u>	<u>\$23,573</u>	<u>\$23,893</u>	<u>\$29,065</u>	<u>\$37,608</u>	<u>\$40,537</u>	<u>\$35,692</u>	<u>\$28,063</u>	<u>\$25,863</u>	<u>\$28,143</u>	<u>\$186,737</u>
Beginning Balance - (Over)/Under Recovery	(\$169,498)	(\$137,855)	(\$110,818)	(\$85,700)	(\$62,126)	(\$38,233)	(\$9,168)	\$28,440	\$68,978	\$104,670	\$132,732	\$158,595	
Ending Balance (Over)/Under Recovery	<u>(\$137,855)</u>	<u>(\$110,818)</u>	<u>(\$85,700)</u>	<u>(\$62,126)</u>	<u>(\$38,233)</u>	<u>(\$9,168)</u>	<u>\$28,440</u>	<u>\$68,978</u>	<u>\$104,670</u>	<u>\$132,732</u>	<u>\$158,595</u>	<u>\$186,737</u>	
Average Balance (Over)/Under	(\$153,677)	(\$124,337)	(\$98,259)	(\$73,913)	(\$50,180)	(\$23,700)	\$9,636	\$48,709	\$86,824	\$118,701	\$145,664	\$172,666	
Average Balance (Over)/Under - Net of Tax	(\$110,478)	(\$89,386)	(\$70,638)	(\$53,136)	(\$36,074)	(\$17,038)	\$6,928	\$35,017	\$62,417	\$85,334	\$104,718	\$124,130	
Interest Rate (Annual) ²	2.18%	1.96%	1.44%	0.83%	0.80%	0.74%	0.77%	0.71%	0.73%	0.74%	0.76%	0.77%	
Interest Rate (Monthly)	0.18%	0.16%	0.12%	0.07%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	(\$201)	(\$146)	(\$85)	(\$37)	(\$24)	(\$11)	\$4	\$21	\$38	\$53	\$66	\$80	(\$241)
													Total (Over)/Under Collection Including Interest
													<u>\$186,496</u>

Notes: ¹ There is no revenue requirement associated with the EES Program since the amortization period has concluded.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points. Interest calculated on a net-of-tax basis.

DRAFT

Revised Leaf No. 58
Superseding Revised Leaf No. 58

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (e) Transitional Renewable Energy Certificate Program (“TREC Program”); and
- (f) Clean Energy Act Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs.

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.2065-1868 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0115) <u>0.0124</u>	(0.0123) <u>0.0132</u>
Low Income Audit II Program	0.0148 <u>0.0186</u>	0.0158 <u>0.0198</u>
Low Income Audit III Program	(0.0080) <u>(0.0110)</u>	(0.0085) <u>(0.0117)</u>
SREC I Program	0.0808 <u>0.0394</u>	0.0820 <u>0.0421</u>
SREC II Program	0.0000	0.0000
TREC Program	0.0444 <u>0.0426</u>	0.0473 <u>0.0454</u>
Clean Energy Act Program	0.0730	0.0780
Total RGGI Surcharge	0.1935 <u>0.1750</u>	0.2065 <u>0.1868</u>

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Energy Efficiency Stimulus Program (“EES Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (d) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (e) Transitional Renewable Energy Certificate Program (“TREC Program”); and
- (f) Clean Energy Act Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs.

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.1868 cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	0.0124	0.0132
Low Income Audit II Program	0.0186	0.0198
Low Income Audit III Program	(0.0110)	(0.0117)
SREC I Program	0.0394	0.0421
SREC II Program	0.0000	0.0000
TREC Program	0.0426	0.0454
Clean Energy Act Program	0.0730	0.0780
Total RGGI Surcharge	0.1750	0.1868

(a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430

Exhibit C

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit II Program

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit II Program Recoveries (January 1, 2020 - December 31, 2020)	(\$37,758)
Low Income Audit II Program Revenue Requirement	38,656
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>178,921</u>
Low Income Audit II Program (Over)/Under Recovery Balance	255,336
Interest (Over)/Under Recovery Balance	<u>1,557</u>
Total Low Income Audit II Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	256,892
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000171
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Reconciliation Adjustment	\$0.000182

Determination of Forecast Low Income Audit II Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2021	\$23,192
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000015
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Charge	\$0.000016

RGGI Surcharge

Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000186
Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000198

Exhibit D

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit III Program

Determination of Low Income Audit III Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit III Program Recoveries (January 1, 2020 - December 31, 2020)	\$87,549
Low Income Audit III Program Revenue Requirement	22,600
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(141,849)</u>
Low Income Audit III Program (Over)/Under Recovery Balance	(206,799)
Interest (Over)/Under Recovery Balance	<u>(1,263)</u>
Total Low Income Audit III Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	(208,061)
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000138)
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Reconciliation Adjustment	(\$0.000147)

Determination of Forecast Low Income Audit III Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2021	\$41,650
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000028
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Charge	\$0.000030

RGGI Surcharge

Proposed Low Income Audit III Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000110)
Proposed Low Income Audit III Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000117)

Exhibit D

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit III Program

Determination of Low Income Audit III Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit III Program Recoveries (January 1, 2020 - December 31, 2020)	\$87,549
Low Income Audit III Program Revenue Requirement	22,600
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(141,849)</u>
Low Income Audit III Program (Over)/Under Recovery Balance	(206,799)
Interest (Over)/Under Recovery Balance	<u>(1,263)</u>
Total Low Income Audit III Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	(208,061)
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000138)
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Reconciliation Adjustment	(\$0.000147)

Determination of Forecast Low Income Audit III Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2021	\$41,650
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000028
Sales and Use Tax ("SUT")	1.06625
Low Income Audit III Program Charge	\$0.000030

RGGI Surcharge

Proposed Low Income Audit III Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000110)
Proposed Low Income Audit III Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000117)

Exhibit E

ROCKLAND ELECTRIC COMPANY

2021 SREC Program Component of RGGI Surcharge

Determination of SREC I Program Reconciliation Adjustment Component of RGGI Surcharge

SREC I Program Recoveries (March 2020 through December 2020)	\$2,585,154
SREC I Program Costs 2020	904,528
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>2,338,560</u>
SREC I Program (Over)/Under Recovery Balance	657,934
Interest (Over)/Under Recovery Balance	13,508
Total SREC I Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	671,442
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000447
Sales and Use Tax ("SUT")	1.06625
SREC I Program Reconciliation Adjustment	\$0.000477

Determination of SREC I Program Component Related to 2009 - 2016 Costs

See Note A	\$4,205,585
Recoveries February 2018 through March 2020	<u>(4,205,585)</u>
(Over)/Under Recovery Balance	(\$0)

Determination of Forecast SREC I Program Component of RGGI Surcharge

SREC I Program Recoveries (Jan 2021 through Apr 2021)	769,690
Projected SREC I Program Costs 2021 (includes actual for Jan through Apr)	\$690,637
SREC I Program (Over)/Under Recovery Balance	(79,054)
Projected Sales (kWh) for 12-months ended May 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000053)
Sales and Use Tax ("SUT")	1.06625
SREC I Program Forecast Component	(\$0.000056)

Proposed SREC I Program Component of RGGI Surcharge

Proposed SREC I Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000394
Proposed SREC I Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000421

Note A

Shown separately per the Order Approving Stipulation (Docket No. ER17040429, 1/31/2018): "On February 1 of each year, the Company shall file with the Board a reconciliation of the SREC Program component of the RGGI Surcharge. As set forth in Exhibits A and B of the Stipulation, the accumulated SREC Program costs without interest through December 31, 2016 of \$4,205,585, will be amortized over three years so that the subsequent filings made on February 1, 2018 and February 1, 2019, will each include the remaining one-third of the accumulated SREC Program costs..."

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with SREC I Program Component of RGGI Surcharge

	<u>Jan-20</u> Actual	<u>Feb-20</u> Actual	<u>Mar-20</u> Actual	<u>Apr-20</u> Actual	<u>May-20</u> Actual	<u>Jun-20</u> Actual	<u>Jul-20</u> Actual	<u>Aug-20</u> Actual	<u>Sep-20</u> Actual	<u>Oct-20</u> Actual	<u>Nov-20</u> Actual	<u>Dec-20</u> Actual	<u>Total</u>
Total Net Cost of SRECs ¹	\$0	\$0	\$151,283	\$0	\$0	\$0	\$0	\$0	\$0	\$753,437	\$0	\$0	\$904,720
Admin & Program Development	(4,330)	0	0	1,700	0	0	0	0	0	0	0	2,438	(192)
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	(4,330)	0	0	1,700	0	0	0	0	0	0	0	2,438	(192)
Total Required Costs	(4,330)	0	151,283	1,700	0	0	0	0	0	753,437	0	2,438	904,528
Actual Recoveries (excl SUT) ²	0	0	111,288	214,056	216,964	263,926	341,502	368,098	324,101	254,823	234,847	255,548	2,585,154
(Over)/Under Recovery	(\$4,330)	\$0	\$39,995	(\$212,356)	(\$216,964)	(\$263,926)	(\$341,502)	(\$368,098)	(\$324,101)	\$498,614	(\$234,847)	(\$253,110)	(1,680,626)
Prior Period Reconciliation Adj	2,338,560												<u>2,338,560</u>
(Over)/Under Recovery + Rec Adj	2,334,230	0	39,995	(212,356)	(216,964)	(263,926)	(341,502)	(368,098)	(324,101)	498,614	(234,847)	(253,110)	657,934
Beginning Balance - (Over)/Under Recovery	2,338,560	2,334,230	2,334,230	2,374,225	2,161,869	1,944,905	1,680,978	1,339,477	971,379	647,278	1,145,892	911,044	
Ending Balance (Over)/Under Recovery	2,334,230	2,334,230	2,374,225	2,161,869	1,944,905	1,680,978	1,339,477	971,379	647,278	1,145,892	911,044	657,934	
Average Balance (Over)/Under	2,336,395	2,334,230	2,354,228	2,268,047	2,053,387	1,812,942	1,510,228	1,155,428	809,328	896,585	1,028,468	784,489	
Average Balance (Over)/Under - Net of Tax	1,679,634	1,678,078	1,692,454	1,630,499	1,476,180	1,303,324	1,085,703	830,637	581,826	644,555	739,366	563,969	
Interest Rate (Annual)	2.18%	1.96%	1.44%	0.83%	0.80%	0.74%	0.77%	0.71%	0.73%	0.74%	0.76%	0.77%	
Interest Rate (Monthly)	0.18%	0.16%	0.12%	0.07%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest to (Customer) / Company	3,051	2,741	2,031	1,128	984	804	697	491	354	397	468	362	<u>13,508</u>
													<u>Total (Over)/Under Collection Including Interest</u>
													<u>\$671,442</u>

Net of Tax Calculation

Revenue	100.00
NJ CBT @ 9.0%	<u>9.00</u>
	91.00
FIT @ 21.0%	<u>19.11</u>
Retention Factor	71.89

Notes

1. See Exhibit J, page 6, for calculation of net cost of SRECs.
2. A portion of the year's recoveries have been netted against 2009 - 2016 Program Balances. The 2009-2016 Program Balances were fully collected by March 2020.

ROCKLAND ELECTRIC COMPANY**SREC I Program Component of RGGI Surcharge****Forecasted Calendar Year 2021 SREC I Program Costs**

	<u>Jan-21</u> Actual	<u>Feb-21</u> Actual	<u>Mar-21</u> Actual	<u>Apr-21</u> Actual	<u>May-21</u> Estimate	<u>Jun-21</u> Estimate	<u>Jul-21</u> Estimate	<u>Aug-21</u> Estimate	<u>Sep-21</u> Estimate	<u>Oct-21</u> Estimate	<u>Nov-21</u> Estimate	<u>Dec-21</u> Estimate	<u>Total</u>
Total Net Cost of SRECs	\$0	\$0	\$0	\$230,902	\$0	\$0	\$0	\$0	\$0	\$439,775	\$0	\$0	\$670,677
Admin & Program Development	0	4,828	2,671	2,461	0	2,500	0	0	2,500	0	0	5,000	19,960
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	4,828	2,671	2,461	0	2,500	0	0	2,500	0	0	5,000	19,960
Total Required Costs	\$0	\$4,828	\$2,671	\$233,363	\$0	\$2,500	\$0	\$0	\$2,500	\$439,775	\$0	\$5,000	\$690,637

ROCKLAND ELECTRIC COMPANY**2021 TREC Program Component of RGGI Surcharge****Determination of TREC Program Reconciliation Adjustment Component of RGGI Surcharge**

TREC Program Recoveries (January 1, 2020 - December 31, 2020)	\$180,594
TREC Program Costs 2020	3,398
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>0</u>
TREC Program (Over)/Under Recovery Balance	(177,196)
Interest (Over)/Under Recovery Balance	(146)
Total TREC Program (Over)/Under Recovery Balance for 12 ME 12/31/2020	(177,343)
Projected Sales (kWh) 12 months ending May 31, 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000118)
Sales and Use Tax ("SUT")	1.06625
TREC Program Reconciliation Adjustment	(\$0.000126)

Determination of Forecast TREC I Program Component of RGGI Surcharge

Projected TREC Program Costs 2021 - See Page 4	\$817,742
Projected Sales (kWh) for 12-months ended May 2022	1,503,591,442
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000544
Sales and Use Tax ("SUT")	1.06625
TREC Program Forecast Component	\$0.000580

Proposed TREC Program Component of RGGI Surcharge

Proposed TREC Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000426
Proposed TREC Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000454

Exhibit F

ROCKLAND ELECTRIC COMPANY

**Calculation of Over/Under Recovery Associated with Transition Renewable Energy Certificate ("TREC") Program Component of RGGI Surcharge
January 2020 through December 2020 Cost Recovery Period**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
	Actual	Actual	Actual	Actual									
RECO													
TREC Costs ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,398	\$3,398
Prior Period Reconciliation Adj.	\$0												\$0
Monthly Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,195	\$52,796	\$48,657	\$52,946	\$180,594
(Over)/Under Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,195)	(\$52,796)	(\$48,657)	(\$49,549)	(\$177,196)
Beginning Balance - (Over)/Under Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,195)	(\$78,991)	(\$127,648)	
Ending Balance (Over)/Under Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$26,195)	(\$78,991)	(\$127,648)	(\$177,196)	
Average Balance (Over)/Under	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,097)	(\$52,593)	(\$103,319)	(\$152,422)	
Average Balance (Over)/Under - Net of Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0	(\$9,416)	(\$37,809)	(\$74,276)	(\$109,576)	
Interest Rate (Annual) ²	2.18%	1.96%	1.44%	0.83%	0.80%	0.74%	0.77%	0.71%	0.73%	0.74%	0.76%	0.77%	
Interest Rate (Monthly)	0.18%	0.16%	0.12%	0.07%	0.07%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6)	(\$23)	(\$47)	(\$70)	(\$146)
													Total (Over)/Under Collection Including Interest
													<u>(\$177,343)</u>

Notes: ¹ Costs were not incurred until July 2020.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

